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STANDARD GLASS LINING TECHNOLOGY LIMITED
CORPORATE IDENTITY NUMBER: U29220TG2012PLC082904

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
D.12, Phase-1, IDA Jeedimetla, Hyderabad, Telangana-500055, India	10 th Floor, PNR High Nest, Hydernagar, KPHB Colony, Hyderabad, Telangana - 500085, India	Kallam Hima Priya Company Secretary and Compliance Officer	E-mail: corporate@standardglr.com Tel: + 040 3518 2204	www.standardglr.com

PROMOTERS OF OUR COMPANY: NAGESWARA RAO KANDULA, KANDULA KRISHNA VENI, KANDULA RAMAKRISHNA, VENKATA MOHANA RAO KATRAGADDA, KUDARAVALLI PUNNA RAO AND M/s S2 ENGINEERING SERVICES

DETAILS OF THE OFFER TO THE PUBLIC

TYPE OF OFFER	FRESH ISSUE SIZE [^]	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QIBs, NIBs & RIBs
Fresh Issue and Offer for Sale	Up to [●] Equity Shares of face value ₹ 10 each aggregating up to ₹ 2,500.00 million	Up to 18,444,000 Equity Shares of face value ₹ 10 each aggregating up to ₹ [●] million	Up to [●] Equity Shares of face value ₹ 10 each aggregating up to ₹ [●] million	The Offer is being made pursuant to Regulation 6(1) of the SEBI ICDR Regulations. For further details, please refer to the section titled “Other Regulatory and Statutory Disclosures – Eligibility for the Offer” on page 451. For details in relation to the share reservation among QIBs, RIBs, Non-Institutional Bidders, please refer to the section titled “Offer Structure” on page 470.

DETAILS OF THE OFFER FOR SALE BY THE SELLING SHAREHOLDERS AND WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE

NAME OF THE SELLING SHAREHOLDERS	TYPE	MAXIMUM NUMBER OF EQUITY SHARES OFFERED/ AMOUNT (IN ₹ MILLION)	WACA (IN ₹ PER EQUITY SHARE) ^{##}
M/s S2 Engineering Services	Promoter Selling Shareholder	Up to 5,204,000 Equity Shares of face value ₹ 10 each aggregating up to ₹ [●] million	2.32
Kandula Ramakrishna	Promoter Selling Shareholder	Up to 4,896,000 Equity Shares of face value ₹ 10 each aggregating up to ₹ [●] million	2.34
Kandula Krishna Veni	Promoter Selling Shareholder	Up to 4,131,000 Equity Shares of face value ₹ 10 each aggregating up to ₹ [●] million	2.39
Nageswara Rao Kandula	Promoter Selling Shareholder	Up to 765,000 Equity Shares of face value ₹ 10 each aggregating up to ₹ [●] million	2.19
M/s Standard Holdings	Promoter Group Selling Shareholder	Up to 504,000 Equity Shares of face value ₹ 10 each aggregating up to ₹ [●] million	3.50
Katragadda Venkata Ramani	Promoter Group Selling Shareholder	Up to 500,000 Equity Shares of face value ₹ 10 each aggregating up to ₹ [●] million	1.00
Venkata Siva Prasad Katragadda	Promoter Group Selling Shareholder	Up to 350,000 Equity Shares of face value ₹ 10 each aggregating up to ₹ [●] million	1.00
Venkata Sandeep Gopineedi	Other Selling Shareholder	Up to 450,000 Equity Shares of face value ₹ 10 each aggregating up to ₹ [●] million	1.05
Mahitha Katragadda	Other Selling Shareholder	Up to 350,000 Equity Shares of face value ₹ 10 each aggregating up to ₹ [●] million	1.00
Katragadda Harini	Other Selling Shareholder	Up to 350,000 Equity Shares of face value ₹ 10 each aggregating up to ₹ [●] million	1.00

^{##}WACA: Weighted average cost of acquisition

^{*}As certified by M/s Niranjana & Narayan, Chartered Accountants by way of their certificate dated July 24, 2024.

For a complete list of all Selling Shareholders and their weighted average cost of acquisition per Equity Share, please see “Summary of the Offer Document – Average cost of acquisition of Equity Shares by the Promoters and Selling Shareholders” on page 40.

RISKS IN RELATION TO THE FIRST OFFER

The face value of the Equity Shares is ₹ 10 each. The Offer Price, Floor Price and Cap Price determined by our Company in consultation with the BRLMs, and on the basis of assessment of market demand for the Equity Shares by way of the Book Building Process, in accordance with the SEBI ICDR Regulations, as stated under “Basis for Offer Price” on page 148, should not be considered to be indicative of the

market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 42.



ISSUER’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 or inclusion of which make this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, each Selling Shareholder, severally and not jointly, accepts responsibility for and confirms only the statements specifically made or confirmed by such Selling Shareholder in this Draft Red Herring Prospectus solely in relation to such Selling Shareholders and their respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and are 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 being BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE” together with BSE, the “Stock Exchanges”). For the purposes of the Offer, the Designated Stock Exchange shall be [●].

BOOK RUNNING LEAD MANAGERS

NAME AND LOGO OF THE BOOK RUNNING LEAD MANAGERS	CONTACT PERSON	TELEPHONE AND E-MAIL
 IIFL SECURITIES IIFL Securities Limited	Nishita Mody / Pawan Jain	Tel: +91 22 4646 4728 E-mail: standardglass.ipo@iiflcap.com
 MOTILAL OSWAL INVESTMENT BANKING Motilal Oswal Investment Advisors Limited	Sankita Ajinkya/ Ritu Sharma	Tel: +91 22 7193 4380 E-mail: standardglassipo@motilalosal.com

REGISTRAR TO THE OFFER

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

BID/ OFFER PERIOD

ANCHOR INVESTOR 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 Bid/Offer Period 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.

^ Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under applicable law, to any person(s), aggregating up to ₹ 500.00 million at its discretion, prior to filing of the Red Herring Prospectus with the RoC (“Pre-IPO Placement”). The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20.00% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

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

STANDARD GLASS LINING TECHNOLOGY LIMITED

Our Company was incorporated as "Standard Glass Lining Technology Private Limited" at Hyderabad, as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated September 6, 2012, issued by the Registrar of Companies, Andhra Pradesh. Subsequently, upon the conversion of our Company into a public limited company, pursuant to a special resolution passed by our Shareholders on June 4, 2022, the name of our Company was changed to "Standard Glass Lining Technology Limited" and a fresh certificate of incorporation dated, June 17, 2022, was issued by the RoC. For further details regarding the change of name, please refer to the section titled "History and Certain Corporate Matters" on page 275.

Corporate Identity Number: U29220TG2012PLC082904
Registered Office: D.12, Phase-1, IDA Jeedimetla, Hyderabad, Telangana-500055, India
Corporate Office: 10th Floor, PNR High Nest, Hydernagar, KPHB Colony, Hyderabad, Telangana - 500085, India
Contact Person: Kallam Hima Priya, Company Secretary and Compliance Officer; **Tel:** + 040 3518 2204
E-mail: corporate@standardglr.com; **Website:** www.standardglr.com

OUR PROMOTERS: NAGESWARA RAO KANDULA, KANDULA KRISHNA VENI, KANDULA RAMAKRISHNA, VENKATA MOHANA RAO KATRAGADDA, KUDARAVALLI PUNNA RAO AND M/s S2 ENGINEERING SERVICES

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") OF STANDARD GLASS LINING TECHNOLOGY LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (THE "OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE ₹ 10 EACH AGGREGATING UP TO ₹ 2,500.00 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 18,444,000 EQUITY SHARES OF FACE VALUE ₹ 10 EACH AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER FOR SALE"), COMPRISING AN OFFER FOR SALE OF UP TO 15,086,000 EQUITY SHARES OF FACE VALUE ₹ 10 EACH AGGREGATING UP TO ₹ [●] MILLION BY THE PROMOTER SELLING SHAREHOLDERS (AS DEFINED HEREINAFTER), UP TO 1,844,000 EQUITY SHARES OF FACE VALUE ₹ 10 EACH AGGREGATING TO ₹ [●] MILLION BY THE PROMOTER GROUP SELLING SHAREHOLDERS AND UP TO 1,514,000 EQUITY SHARES OF FACE VALUE ₹ 10 EACH AGGREGATING TO ₹ [●] MILLION BY THE OTHER SELLING SHAREHOLDERS (AS DEFINED HEREINAFTER) (TOGETHER, THE "SELLING SHAREHOLDERS", AND SUCH EQUITY SHARES, THE "OFFERED SHARES").

OUR COMPANY, IN CONSULTATION WITH THE BRLMS, MAY CONSIDER AN ISSUE OF SPECIFIED SECURITIES, AS MAY BE PERMITTED UNDER APPLICABLE LAW, TO ANY PERSON(S), AGGREGATING UP TO ₹ 500.00 MILLION AT ITS DISCRETION, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE RO ("PRE-IPO PLACEMENT"). THE PRE-IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BRLMS. IF THE PRE-IPO PLACEMENT IS COMPLETED, THE AMOUNT RAISED PURSUANT TO THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE FRESH ISSUE, SUBJECT TO COMPLIANCE WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED. THE PRE-IPO PLACEMENT, IF UNDERTAKEN, SHALL NOT EXCEED 20.00% OF THE SIZE OF THE FRESH ISSUE. PRIOR TO THE COMPLETION OF THE OFFER, OUR COMPANY SHALL APPROPRIATELY INTIMATE THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT, PRIOR TO ALLOTMENT PURSUANT TO THE PRE-IPO PLACEMENT, THAT THERE IS NO GUARANTEE THAT OUR COMPANY MAY PROCEED WITH THE OFFER OR THE OFFER MAY BE SUCCESSFUL AND WILL RESULT INTO LISTING OF THE EQUITY SHARES ON THE STOCK EXCHANGES. FURTHER, RELEVANT DISCLOSURES IN RELATION TO SUCH INTIMATION TO THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT (IF UNDERTAKEN) SHALL BE APPROPRIATELY MADE IN THE RELEVANT SECTIONS OF THE RED HERRING PROSPECTUS AND THE PROSPECTUS.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES OF FACE VALUE ₹ 10 EACH. THE PRICE BAND, AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN ALL EDITIONS OF [●], AN ENGLISH NATIONAL NEWSPAPER, ALL EDITIONS OF [●], A HINDI NATIONAL NEWSPAPER AND ALL EDITIONS OF [●], A WIDELY CIRCULATED TELUGU DAILY NEWSPAPER, TELUGU BEING THE REGIONAL LANGUAGE OF HYDERABAD WHERE OUR REGISTERED 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 THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES, IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

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

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs") ("QIB Portion"), provided that our Company and the Selling Shareholders may, 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 ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allotment if made to the Anchor Investor ("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 QIB Portion (other than the Anchor Investor Portion) ("Net QIB Portion"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, 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. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders and not less than 35% of the 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. One-third of the Non-Institutional Portion shall be available for allocation to Non-Institutional Bidders with a Bid size of more than ₹200,000 and up to ₹1,000,000 and two-third of the Non-Institutional Portion shall be available for allocation to Non-Institutional Bidders with a Bid size of more than ₹1,000,000 provided that under-subscription in either of these two sub-categories of the Non-Institutional Portion may be allocated to Non-Institutional 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. All potential Bidders (except Anchor Investors) are mandatorily required to participate in the Offer through the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA accounts and UPI ID in case of UPI Bidders (defined herein), as applicable, pursuant to which their corresponding Bid Amount will be blocked by the Self Certified Syndicate Banks ("SCSBs") or by the Sponsor Bank(s) under the UPI Mechanism, as the case may be, to the extent of the respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "Offer Procedure" on page 474.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of the Equity Shares of our Company, there has been no formal market for Equity Shares. The face value of the Equity Shares is ₹ 10 each. The Offer Price, Floor Price and Cap Price determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares by way of the Book Building Process, in accordance with the SEBI ICDR Regulations, as stated under "Basis for Offer Price" on page 148, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 42.

ISSUER'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 or inclusion of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, each Selling Shareholder, severally and not jointly, accepts responsibility for and confirms the statements specifically made or confirmed by such Selling Shareholder in this Draft Red Herring Prospectus solely in relation to such Selling Shareholders and their respective portion of the Offered Shares, and assumes responsibility that such statements are true and correct in all material respects and are not misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Offer Closing Date, please refer to the section titled "Material Contracts and Documents for Inspection" on page 529.

BOOK RUNNING LEAD MANAGERS TO THE OFFER

REGISTRAR TO THE OFFER

 <p>IIFL SECURITIES</p>		
<p>IIFL Securities Limited 24th Floor, One Lodha Place, Senapati Bapat Marg, Lower Parel (W) Mumbai 400 013, Maharashtra, India Tel: +91 22 4646 4728 E-mail: standardglass.ipo@iiflcap.com Investor grievance e-mail: ig.ib@iiflcap.com Website: www.iiflcap.com Contact person: Nishita Mody/Pawan Jain SEBI registration no.: INM000010940</p>	<p>Motilal Oswal Investment Advisors Limited Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai 400 025, Maharashtra, India Tel: +91 22 7193 4380 E-mail: standardglassipo@motilalosal.com Investor grievance e-mail: moiapredressal@motilalosal.com Website: www.motilalosalgroup.com Contact person: Sankita Ajinkya/ Ritu Sharma SEBI registration no.: INM000011005</p>	<p>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: sgltl.ipo@kfinetech.com Investor Grievance e-mail: einward.ris@kfinetech.com Website: www.kfinetech.com Contact Person: M. Murali Krishna SEBI Registration No.: INR000000221</p>

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 Bid/Offer Period 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 p.m. 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 the context otherwise indicates or implies, or unless otherwise specified, shall have the meanings as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification, direction or clarification shall be to such legislation, act, regulation, rule, guideline, policy, circular, notification, direction or clarification as amended, updated, supplemented, re-enacted or modified from time to time, under such provisions.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the same meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SEBI Listing Regulations, the SCRA, the Depositories Act or the rules and regulations made in each such Acts or Regulations. Further, the Offer related terms used but not defined in this Draft Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document, the definitions given below shall prevail.

Notwithstanding the foregoing, terms in the sections titled “Statement of Special Tax Benefits”, “Industry Overview”, “Our Business”, “Key Regulations and Policies in India”, “Basis for Offer Price”, “History and Certain Corporate Matters”, “Financial Information”, “Outstanding Litigation and Other Material Developments”, “Offer Procedure”, and “Main Provisions of Articles of Association” beginning on pages 157, 163, 244, 267, 275, 326, 440, 474, and 498 will have the meaning ascribed to such terms in these respective sections.

General terms

Term	Description
“our Company”/ “the Company” / “the Issuer” / “SGL”	Standard Glass Lining Technology Limited, a company incorporated under the Companies Act 1956, and having its Registered Office at D.12, Phase-1, IDA Jeedimetla, Hyderabad, Telangana-500055, India
“we”, “us” or “our”	Unless the context otherwise indicates or implies, refers to our Company and our Subsidiaries

Company related terms

Term	Description
AGI Investors	Collectively, Asahi Glassplant Inc., GL Hakko Co., Ltd and Monoform Management Support Co., Ltd
“Articles of Association” / “AoA”	Articles of association of our Company, as amended
Audit Committee	Audit committee of our Company constituted in accordance with the applicable provisions of the Companies Act and the SEBI Listing Regulations, as described in the section titled “ <i>Our Management – Committees of our Board – Audit Committee</i> ” on page 300
“Auditors” / “Statutory Auditors”	The current statutory auditors of our Company, namely, M/s M S K A & Associates, Chartered Accountants
“Board”/“Board of Directors”	Board of directors of our Company, as constituted from time to time, including a duly constituted committee thereof. For further details, see ‘ <i>Our Management</i> ’ on page 293.
Chairman	The non-executive chairman and Independent Director of our Board, namely, Sambasiva Rao Gollapudi
Chartered Engineer	The independent chartered engineer appointed by our Company for the Offer, being Global Engineers & Industrial Consultants
Chief Financial Officer	The chief financial officer of our Company, being Anjaneyulu Pathuri
Committee(s)	Duly constituted committee(s) of our Board
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, being Kallam Hima Priya

Term	Description
Corporate Office	Corporate office of our Company located at 10 th Floor, PNR High Nest, Hydernagar, KPHB Colony, Hyderabad, Telangana - 500085, India
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Company as described in the section titled “ <i>Our Management – Committees of our Board – Corporate Social Responsibility Committee</i> ” on page 305
Director(s)	Director(s) of our Company
Equity Shares	Equity shares of our Company of face value of ₹ 10 each
Executive Directors	Executive directors of our Company. For further details of the Executive Directors, please refer to the section titled “ <i>Our Management</i> ” on page 293
ESOP Scheme	The employee stock option scheme of our Company titled, ‘Employee Stock Option Scheme 2024’ approved by our Shareholders on July 22, 2024.
Group	The Company, together with its Subsidiaries
Group Companies	Our group companies as identified in accordance with Regulation 2(1)(t) of SEBI ICDR Regulations and disclosed in section titled “ <i>Our Group Companies</i> ” on page 322
Independent Chartered Accountant	The independent chartered accounted appointed by our Company, namely M/s Niranjana & Narayan, Chartered Accountants
Independent Director(s)	Non-executive independent director(s) on our Board. For details of the Independent Directors, please refer to the section titled “ <i>Our Management</i> ” on page 293
IPO Committee	The IPO committee of our Company as described in the section titled “ <i>Our Management – Committees of our Board – IPO Committee</i> ” on page 307
Key Managerial Personnel	Key managerial personnel of our Company in terms of the Companies Act and Regulation 2(1)(bb) of SEBI ICDR Regulations and as disclosed in the section titled “ <i>Our Management – Key Managerial Personnel</i> ” on page 311
“Managing Director” or “MD”	The managing director of our Company, namely Nageswara Rao Kandula, as described in “ <i>Our Management</i> ” on page 293
“Material Subsidiary” / “S2”	The material subsidiary of our Company in accordance with the SEBI ICDR Regulations and SEBI Listing Regulations, namely, S2 Engineering Industry Private Limited
Materiality Policy	The materiality policy adopted by our Board on July 19, 2024, for identification of: (a) material outstanding litigation proceedings; (b) Group Companies; and (c) outstanding dues to 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 Prospectus
Memorandum of Association / MoA	Memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company as described in the section titled “ <i>Our Management – Committees of the Board – Nomination and Remuneration Committee</i> ” on page 303
Non-Executive Director	Non-executive director(s) on our Board appointed as per the Companies Act and the SEBI Listing Regulations as described in the section titled “ <i>Our Management</i> ” on page 293
Other Selling Shareholders	Likitha Katragadda, Mahitha Katragadda, Venkata Sandeep Gopineedi, Katragadda Harini and Shirish Nilkantharao Dhamnekar
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations. For details, please refer to the section titled “ <i>Our Promoters and Promoter Group – Promoter Group</i> ” on page 320
Promoter Group Selling Shareholders	M/s Standard Holdings, Venkata Siva Prasad Katragadda, Balabhavani K, Krishna Kanth Kudaravalli, Poojitha Katragadda, Kudaravalli Srikanth and Katragadda Venkata Ramani
Promoter(s)	Promoters of our Company namely, Nageswara Rao Kandula, Kandula Krishna Veni, Kandula Ramakrishna, Venkata Mohana Rao Katragadda, Kudaravalli Punna Rao and M/s S2 Engineering Services For details, please refer to the section titled “ <i>Our Promoters and Promoter Group</i> ” on page 316

Term	Description
Promoter Selling Shareholders	Nageswara Rao Kandula, Kandula Krishna Veni, Kandula Ramakrishna, Venkata Mohana Rao Katragadda, Kudaravalli Punna Rao and M/s S2 Engineering Services
Registered Office	Registered office of our Company located at D.12, Phase-1, IDA Jeedimetla, Hyderabad, Telangana-500055, India
Registrar of Companies / RoC	Registrar of companies, Hyderabad at Telangana
Restated Consolidated Financial Information	The restated consolidated financial information of our Company and our Subsidiaries (collectively, the “ Group ”), comprising 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 statements of cash flows, the restated consolidated statement of changes in equity for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, material accounting policies and the notes and schedules thereon, prepared in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI
Risk Management Committee	The risk management committee of our Company as described in the section titled “ <i>Our Management – Committees of the Board – Risk Management Committee</i> ” on page 306
Selling Shareholders	The Promoter Selling Shareholders, Promoter Group Selling Shareholders and the Other Selling Shareholders are collectively referred to as the selling shareholders
“Senior Management” or “SMP”	Senior management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, and as disclosed in “ <i>Our Management – Key Managerial Personnel and Senior Management – Senior Management</i> ” on page 312
“Share Subscription Agreement” or “SSA”	Share subscription agreement dated November 11, 2023, entered amongst our Company, Kandula Krishna Veni, Kandula Nageswara Rao, Kandula Ramakrishna, M/s S2 Engineering Services, M/s Standard Holdings, Katragadda Venkata Ramani, Kudaravalli Punnarao, Harini Katragadda, Venkat Siva Prasad Katragadda, Balabhavani K, Likitha Katragadda, Mahitha Katragadda, Venkata Mohana Rao Katragadda, Krishna Kanth Kudravalli, Poojitha Katragadda, Kudravalli Srikanth and Asahi Glassplant Inc., GL Hakko Co. Ltd., Monoform Management Support Co. Ltd.
SGL Manufacturing Unit	The manufacturing unit of our Company situated at survey number 42A, Alinagar, Chetlapotharam village, Jinnaram, Gaddipotharam, Sangareddy – 502 319, Hyderabad, Telangana.
Shareholders	Shareholders of our Company from time to time
“Shareholders Agreement” / “SHA”	Shareholders’ agreement dated November 11, 2023 entered amongst our Company and our Shareholders read with the respective deed of adherence signed by our Shareholders.
Specified Securities	Specified securities means ‘equity shares’ and ‘convertible securities’ as defined under Regulation 30(2)(1)(eee) of SEBI ICDR Regulations
Stakeholders’ Relationship Committee	The stakeholders’ relationship committee of our Company as described in the section titled “ <i>Our Management – Committees of the Board – Stakeholders’ Relationship Committee</i> ” on page 305
“Subsidiary”/ “Subsidiaries”	The subsidiaries of our Company, namely: (i) S2 Engineering Industry Private Limited; (ii) Standard Flora Private Limited; (iii) Standard Engineering Solutions Private Limited; and (iv) CPK Engineers Equipment Private Limited. For details, please refer to the section titled “ <i>History and Certain Corporate Matters – Our Subsidiary company</i> ” on page 288
Waiver cum Amendment Agreement	Waiver cum amendment agreement dated July 22, 2024, entered into by our Company and our Shareholders

Offer related terms

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf
Acknowledgement Slip	The slip or document to be issued by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
“Allot” / “Allotment” / “Allotted”	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 100.00 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors at the end of the Anchor Investor Bidding Date, in terms of the Red Herring Prospectus. The Anchor Investor Allocation Price shall be determined by our Company in consultation with the BRLMs during the Anchor Investor Bidding Date
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms specified under the SEBI ICDR Regulations and of the Red Herring Prospectus and the Prospectus
Anchor Investor Bidding Date	The day, one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted prior to and after which the BRLMs will not accept any Bids from Anchor Investor and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price The Anchor Investor Offer Price will be decided by our Company in consultation with the BRLMs
Anchor Investor Pay-In Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/Offer Closing Date
Anchor Investor Portion	Up to 60.00% 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 / ASBA	An application, whether physical or electronic, used by Bidders (other than Anchor Investors) to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by UPI Bidders using the UPI Mechanism
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 acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism, to the extent of the Bid Amount of the ASBA Bidder
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus

Term	Description
Bankers to the Offer	Collectively, Escrow Collection Bank(s), Refund Bank(s), Public Offer Account Bank(s) and the Sponsor Banks, 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 described in the section titled “Offer Procedure” on page 474
Bid	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations as per the terms of the Red Herring Prospectus and the Bid Cum Application Form The term “Bidding” shall be construed accordingly
Bid Amount	The highest value of the optional Bids as indicated in the Bid cum Application Form and payable by the Bidder and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIB 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 context requires
Bid Lot	[●] Equity Shares of face value ₹ 10 each and in multiples of [●] Equity Shares of face value ₹ 10 each thereafter
Bid / Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in all editions of [●], an English national newspaper, all editions of [●], a Hindi national newspaper and all editions of [●], a Telugu daily newspaper (Telugu being the regional language of Hyderabad where our Registered Office is located) each with wide circulation, which shall also be notified in an advertisement in same newspapers in which the Bid/ Offer Opening Date was published. In case of any revision, the extended Bid/ Offer Closing shall also be notified on the websites and terminals of the Members of the Syndicate as required under the SEBI ICDR Regulations and also intimated to the Designated Intermediaries and the Sponsor Bank(s). Our Company in consultation with the BRLMs, may consider closing the Bid/Offer Period for the QIB Category one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations which shall also be notified by advertisement in the same newspapers where the Bid/ Offer Opening Date was published, in accordance with the SEBI ICDR Regulations.
Bid / Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in all editions of [●], an English national newspaper, all editions of [●], a Hindi national newspaper and all editions of [●], a Telugu daily newspaper (Telugu being the regional language of Hyderabad where our Registered Office is located) each with wide circulation, and in case of any revisions, the extended Bid/Offer Closing Date shall also be notified on the websites and terminals of the Syndicate Members and also intimated to the Designated Intermediaries and the Sponsor Bank, as required under the SEBI ICDR Regulations
Bid / Offer Period	Except in relation to any Bids received from 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 in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. 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 which shall also be notified in an advertisement in same newspapers in which the Bid/Offer Opening Date was published, in accordance with SEBI ICDR Regulations.

Term	Description
“Bidder” / “Applicant” / “Investor”	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, and includes an ASBA Bidder and an Anchor Investor
Bidding Centers	Centers at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
“BRLMs” or “Book Running Lead Managers”	The book running lead managers to the Offer namely, IIFL Securities Limited and Motilal Oswal Investment Advisors Limited
Broker Centres	Broker centres of the Registered Brokers notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges, www.bseindia.com and www.nseindia.com , as updated from time to time.
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares to be sent to Successful Anchor Investors, who have been allocated the Equity Shares, on/after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted, including any revisions thereof. The Cap Price shall not be more than 120% of the Floor Price, provided that the Cap Price shall be at least 105% of the Floor Price
Cash Escrow and Sponsor Bank Agreement	Agreement dated [●] to be entered into amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Member(s), the Banker(s) to the Offer for, inter alia, collection of the Bid Amounts, transfer of funds to the Public Offer Accounts, and where applicable remitting refunds, if any, to the Anchor Investors, on the terms and conditions thereof
Client ID	Client identification number of the Bidder’s beneficiary account maintained with one of the Depositories in relation to the demat account
Collecting Depository Participant(s) / CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the UPI Circulars, issued by SEBI and the Stock Exchanges, as per the list available on the websites of the Stock Exchanges, www.bseindia.com and www.nseindia.com , as updated from time to time
Collecting Registrar and Share Transfer Agents	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024 and the UPI Circulars
Cut-off Price	The Offer Price, finalized by our Company in consultation with the BRLMs, which shall be any price within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder’s address, name of the Bidder’s father/husband, investor status, occupation, PAN, bank account details and UPI ID wherever applicable
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Form used by Bidders (other than Anchor Investors), a list of which is available at the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time
Designated CDP Locations	Such centres of the Collecting Depository Participants where Bidders (other than Anchor Investors) can submit the Bid cum Application Forms. The details of such Designated CDP Locations, along with the names and contact details of the CDPs are available on the respective websites of the Stock Exchanges and updated from time to time

Term	Description
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Issue Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of a UPI Bidder, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or are unblocked, as the case may be, in terms of the Red Herring Prospectus and the Prospectus after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which 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 RIBs 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 RIBs and Non-Institutional Bidders Bidding with an application size of up to ₹ 0.50 million (not using the UPI mechanism) 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 Bidders, 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 centres of the RTAs where Bidders (other than Anchor Investors) can submit the Bid cum Application Forms, and in case of UPI Bidders only ASBA Forms with UPI. The details of such Designated RTA Locations, along with the names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) and updated from time to time
Designated Branches of the SCSBs	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus / DRHP	This Draft Red Herring Prospectus dated July 24, 2024, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars, including of the Offer Price and the size of the Offer, including any addendum and corrigendum thereto
Eligible FPI(s)	FPIs 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 offered thereby
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid Cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares.
Escrow Account	The 'no-lien' and 'non-interest bearing' account(s) to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	The bank(s) which are clearing members and registered with SEBI as bankers to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) will be opened, in this case being [●]
"First Bidder" / "Sole Bidder"	Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids

Term	Description
	will be accepted and which shall not be less than the face value of the Equity Shares of face value ₹ 10 each
Fraudulent Borrower	A company or person, as the case may be, categorised as a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on fraudulent borrowers issued by the RBI and as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
Fresh Issue	<p>The fresh issue of up to [●] Equity Shares by our Company aggregating up to ₹ 2,500.00 million, to be issued by our Company as part of the Offer, in terms of the Red Herring Prospectus and the Prospectus</p> <p>Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under applicable law, to any person(s), aggregating up to ₹ 500.00 million at its discretion, prior to filing of the Red Herring Prospectus with the RoC (“Pre-IPO Placement”). The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20.00% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.</p>
Fugitive Economic Offender	A fugitive economic offender as defined under Section 12 of the Fugitive Economic Offenders Act, 2018 and Regulation 2(1)(p) of the SEBI ICDR Regulations
F&S	Frost & Sullivan (India) Private Limited
F&S Report	Report titled “ <i>Assessing the Opportunity of Specialized Industrial Process Equipment in the Pharma, Chemicals, and Food Processing Sector</i> ” dated July 22, 2024, prepared by F&S pursuant to their engagement letter dated April 8, 2024 commissioned for by our Company. The F&S Report is available on the website of our Company at https://www.standardglr.com/investors#f-s-industry-report , and has also been included in “ <i>Material Contracts and Documents for Inspection – Material Documents</i> ” on page 529
General Information Document / 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 modified and updated pursuant to the circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 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 that will be available to our Company
IIFL	IIFL Securities Limited
Minimum NIB Application Size	Bid Amount of more than ₹ 0.20 million in the specified lot size
MOIAL	Motilal Oswal Investment Advisors Limited
Monitoring Agency	[●]
Monitoring Agency Agreement	Agreement to be entered into between our Company and the Monitoring Agency prior to filing of the Red Herring Prospectus
Mutual Fund Portion	5% of the Net 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 Proceeds	Proceeds of the Offer that will be available to our Company, i.e., gross proceeds of the Fresh Issue, less Offer expenses to the extent applicable to the Fresh Issue.

Term	Description
	For further information about use of the Offer Proceeds and the Offer expenses, please see the section entitled “ <i>Objects of the Offer</i> ” on page 129
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Non-Institutional Bidders / NIBs	All Bidders that are not QIBs (including Anchor Investors) and Retail Individual Bidders 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 more than 15% of the Offer comprising [●] Equity Shares which shall be available for allocation to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price, in the following manner: (a) one third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ₹ 0.20 million and up to ₹ 1.00 million; (b) two third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ₹ 1.00 million: Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of non-institutional investors
Non-Resident	A person resident outside India, as defined under FEMA and includes a non-resident Indians (NRIs), FPIs and FVCIs
Offer	The initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] each (including a premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] million, comprising the Fresh Issue and the Offer for Sale. Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under applicable law, to any person(s), aggregating up to ₹ 500.00 million at its discretion, prior to filing of the Red Herring Prospectus with the RoC (“ Pre-IPO Placement ”). The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20.00% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.
Offer Agreement	The agreement dated July 24, 2024, entered into amongst our Company, the Selling Shareholders and the BRLMs, pursuant to the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Offer
Offer for Sale	Offer of up to 18,444,000 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders to be offered for sale pursuant to the Offer in terms of the Red Herring Prospectus and the Prospectus. For further information, please refer to the section titled “ <i>The Offer</i> ” on page 84
Offer Price	The final price at which Equity Shares will be Allotted to the successful Bidders (other than Anchor Investors), as determined in accordance with the Book Building Process and determined by our Company in consultation with the BRLMs in terms of the Red Herring Prospectus on the Pricing Date Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus and the Prospectus. The Offer Price will be decided by our Company, in consultation with the BRLMs on the Pricing Date in accordance with the Book Building Process and in terms of the Red Herring Prospectus.
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds from the Offer for Sale which shall be available to the Selling Shareholders. For further

Term	Description
	information about use of the Offer Proceeds, please refer to the section titled “ <i>Objects of the Offer</i> ” beginning on page 129
Offered Shares	Up to 18,444,000 Equity Shares of face value of ₹ 10 each aggregating up to ₹ [●] million offered by the Selling Shareholders in the Offer for Sale
Price Band	<p>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.</p> <p>The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company in consultation with the BRLMs and will be advertised, at least two Working Days prior to the Bid/Offer Opening Date, in all editions of [●], an English national newspaper, all editions of [●], a Hindi national newspaper, and all editions of [●], a Telugu newspaper (Telugu being the regional language of Hyderabad where our Registered Office is located), each with wide circulation, along with the relevant financial ratios calculated at the Floor price and at the Cap Price. It shall also be made available to the Stock Exchanges for the purpose of uploading on their websites</p>
Pricing Date	The date on which our Company in consultation with the BRLMs, shall finalize the Offer Price
Pre-IPO Placement	Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under applicable law, to any person(s), aggregating up to ₹ 500.00 million at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20.00% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus
Promoters’ Contribution	Aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company that is eligible to form part of the minimum promoters’ contribution, as required under the provisions of the SEBI ICDR Regulations, held by our Promoters, which shall be locked-in for a period of eighteen months from the date of Allotment
Prospectus	The Prospectus of our Company to be filed with the RoC for this Offer after the Pricing Date, in accordance with Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations, containing, inter alia, the Offer Price that is determined 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 Bank	The bank with which the Public Offer Account(s) shall be opened and maintained for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●]
Public Offer Account(s)	‘No-lien’ and ‘non-interest-bearing’ bank account(s) opened under Section 40(3) of the Companies Act, 2013 with the Public Offer Account Bank(s) to receive monies from the Escrow Account and ASBA Accounts maintained with the SCSBs on the Designated Date
“QIB Category” / “QIB Portion”	The portion of the Offer, being not more than 50% of the Offer or [●] Equity Shares to be Allotted to QIBs on a proportionate basis, including the Anchor Investor Portion (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)
“Qualified Institutional Buyers” / “QIBs” / “QIB Bidders”	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations

Term	Description
“Red Herring Prospectus” or “RHP”	The Red Herring Prospectus of our Company to be issued in accordance with Section 32 of the Companies Act and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be issued and the size of the Offer including any addenda or corrigenda thereto The Red Herring Prospectus shall be filed with the RoC at least three days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Bankers to the Offer with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	Stockbrokers registered with SEBI and the Stock Exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 and the UPI Circulars issued by SEBI and the Stock Exchanges
Registrar Agreement	The agreement dated July 24, 2024 entered into amongst 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” / “RTAs”	Registrars to an issue and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI and, as per the list available on the websites of the Stock Exchanges, and the UPI Circulars
“Registrar to the Offer” / “Registrar”	KFin Technologies Limited
“Retail Individual Bidder(s)” / “RIB(s)”	Individual Bidders, who have Bid for the Equity Shares for an amount 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	The portion of the Offer being not less than 35.00% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidder(s) in accordance with the SEBI ICDR Regulations which shall not be less than the Minimum Bid Lot, subject to valid Bids being received at or above the Offer Price
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
SCORES	Securities and Exchange Board of India Complaints Redress System
“Self-Certified Syndicate Bank(s)” / “SCSB(s)”	The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 , or such other website as may be prescribed and updated by SEBI from time to time In accordance with the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, and SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, issued by SEBI, UPI Bidders using UPI Mechanism may apply through the SCSBs and mobile applications (apps) whose name appears on the SEBI website. The said list is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 , as updated from time to time

Term	Description
Share Escrow Agent	The share escrow agent appointed pursuant to the Share Escrow Agreement, in this case being, [●].
Share Escrow Agreement	Agreement dated [●] to be entered into amongst the Selling Shareholders, our Company and a share escrow agent, in connection with the transfer of the respective portion of Offered Shares and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms from the Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time
Sponsor Bank(s)	The Bankers to the Offer registered with SEBI which is appointed by our Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the UPI Mandate Requests and / or payment instructions of the UPI Bidders using the UPI Mechanism and carry out any other responsibilities in terms of the UPI Circulars, in this case being [●]
Stock Exchanges	Collectively, NSE and BSE
Sub Syndicate	The sub syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms
Syndicate Agreement	Agreement dated [●] to be entered into amongst the BRLMs, the Syndicate Members, our Company, the Selling Shareholders and the Registrar to the Offer in relation to 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, namely, [●]
Syndicate / Members of the Syndicate	Collectively, the BRLMs and the Syndicate Members
Underwriters	[●]
Underwriting Agreement	The agreement among the Underwriters, our Company, the Selling Shareholders and the Registrar to the Offer to be entered into on or after the Pricing Date, but prior to the filing of the Prospectus
UPI	Unified payments interface, which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual investors applying as (i) Retail Individual Bidders in the Retail Portion; and (iii) Non- Institutional Bidders with an application size of up to ₹ 0.50 million in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents Pursuant to 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 shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI circular number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, SEBI RTA Master Circular, 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	Identity document created on UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidders by way of a notification on the UPI application and by way of a SMS directing the UPI Bidders to such UPI application) to the UPI Bidders initiated by the Sponsor Bank to authorise blocking of funds in the relevant ASBA Account through the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.

Term	Description
UPI Mechanism	The bidding mechanism that may be used by a UPI Bidder in accordance with the UPI Circulars to make an ASBA Bid in the Offer
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter	A company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
Working Day	All days on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/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, as per circulars issued by SEBI, including the UPI Circulars

Conventional and general terms or abbreviations

Term	Description
₹ / Rs. / Rupees / INR	Indian Rupees
AGM	Annual general meeting of shareholders under the Companies Act
AIF(s)	Alternative Investment Fund(s) as defined in and registered with SEBI under the SEBI AIF Regulations
AS / Accounting Standards	Accounting Standards issued by the ICAI
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category I AIFs	AIFs who are registered as “Category I 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 AIFs	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category II FPIs	FPIs registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
CBDT	Central Board of Direct Taxes
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
“Companies Act” / “Companies Act, 2013”	Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder
Companies Act, 1956	Erstwhile Companies Act, 1956 and the rules thereunder
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time
COVID-19	The novel coronavirus disease, which is an infectious disease caused by a newly discovered coronavirus strain that was discovered in 2019 resulting in a public health emergency of international concern and a pandemic as declared by the World Health Organization on January 30, 2020 and pandemic on March 11, 2020
CPC	Code of Civil Procedure, 1908, as amended
Demat	Dematerialised
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996, as amended
DIN	Director Identification Number
DP ID	Depository Participant’s Identification
DP / Depository Participant	A depository participant as defined under the Depositories Act

Term	Description
DPIIT	Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
EGM	Extraordinary General Meeting
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952, as amended
EPS	Earnings Per Share
FCNR	Foreign Currency Non-Resident
FIR	First information report
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT through notification dated October 15, 2020 effective from October 15, 2020
FEMA	Foreign Exchange Management Act, 1999, as amended and the rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019 issued by the Ministry of Finance, Government of India
Financial Year / Fiscal / fiscal / FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FPI(s)	Foreign portfolio investor(s) as defined under the SEBI FPI Regulations
FVCI(s)	Foreign venture capital investor(s) as defined and registered under the SEBI FVCI Regulations
GAAR	General anti-avoidance rules
GDP	Gross domestic product
GoI / Government / Central Government	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards as adopted by the International Accounting Standards Board
Income Tax Act / IT Act	The Income-tax Act, 1961, as amended
Ind AS	Indian Accounting Standards
Ind AS 24	Indian Accounting Standard 24 on Related Party Disclosure issued by the MCA
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
KPI	Key Performance Indicators
MCA	Ministry of Corporate Affairs
MSMEs	Micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006, as amended
Mutual Fund(s)	Mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996
N.A./ NA	Not applicable
NACH	National Automated Clearing House
NAV / Net Asset Value per Equity Share	Total equity / weighted average number of equity shares outstanding as at the end of year shares including effect of compulsorily convertible non-cumulative preference shares.
NEFT	National Electronic Fund Transfer
Non-Resident	A person resident outside India, as defined under FEMA and includes a Non-Resident Indian and FPIs
NR	Non-resident
NRE Account	Non-Resident External Account
NRI	An individual resident outside India who is a citizen of India or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955, as amended
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited

Term	Description
NSE	National Stock Exchange of India Limited
OCB / 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
OCI	Other Comprehensive Income
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PDP	Personal Data Protection Bill, 2019
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, 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 Master Circular	SEBI master circular bearing reference number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094, dated June 21, 2023
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Merchant Banker Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
SEBI RTA Master Circular	SEBI master circular bearing SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended
Social Security Code	Code on Social Security, 2020
State Government	Government of a State of India
STT	Securities Transaction Tax
Systemically Important NBFCs	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
US-FDA	U.S. Food & Drug Administration
U.S. Securities Act	United States Securities Act of 1933, as amended
U.S. / USA / United States	United States of America
UK	United Kingdom
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD / US\$	United States Dollars
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be

Term	Description
Year / Calendar year / CY	Unless the context otherwise requires, shall mean the twelve-month period ending December 31

Technical, industry and business related terms/ abbreviations

Term	Description
ANFD	Agitated nutsche filter dryer
API	Active Pharmaceutical Ingredient
ASME	American Society of Mechanical Engineers
CAD	Computer aided design
Capex	Capital Expenditure
CNC	Computer numerical control
CPK Unit 1	The manufacturing unit of CPK Engineers Equipment Private Limited situated at Plot No.46/A and A33 Part, Phase-I, IDA, Jeedimetla Village Quthbullapur Mandal, Medchal.-Malkajgiri District – 500055, Hyderabad, Telangana
CPK Unit 2	The manufacturing unit of CPK Engineers Equipment Private Limited situated at Plot No.33/A, Phase-II, IDA, Jeedimetla Village, Quthbullapur Mandal, Medchal.-Malkajgiri District, 500055, Hyderabad, Telangana
EOT	Electric overhead traveling
FVTPL	Fair value through profit or loss
FVOCI	Fair value through other comprehensive income
GL Hakko	GL Hakko Co. Ltd
HHV	HHV Pumps Private Limited
KL	Kilo litre
Manufacturing Units	Collectively, S2 Unit 1, S2 Unit 2, S2 Unit 3, S2 Unit 4, SGL Unit, CPK Unit 1, CPK Unit 2 and SFPL Unit
NABCB	National Accreditation Board for Certification Bodies
PLI	Production Linked Incentives
PTFE	Polytetrafluoroethylene
RCVD	Roto Cone Vacuum Dryer
S2 Unit 1	The manufacturing unit of our Material Subsidiary situated at 53/4, Narsapur Road, Bahadurpally, Qutubullapur, Medchal-Malkajgiri – 500 043, Hyderabad, Telangana.
S2 Unit 2	The manufacturing unit of our Material Subsidiary situated at plot number 1, Apuroopa Township, Jeedimetla, Hyderabad – 55, Telangana.
S2 Unit 3	The manufacturing unit of our Material Subsidiary situated at shed number D-29, IDA Jeedimetla, Phase 5, Jeedimetla, Qutubullapur, Medchal-Malkajgiri – 500 055, Hyderabad, Telangana.
S2 Unit 4	The manufacturing unit of our Material Subsidiary situated at survey number 35/A SVCIE, Phase-I IDA, Jeedimetla, Qutubullapur, Medchal-Malkajgiri – 500 055, Hyderabad, Telangana.
S2 Unit 5	The under construction manufacturing unit of our Material Subsidiary situated at Survery No. 42/A1/1, situated at Alinagar H/o Chetlapotharam village under Gram Panchayat Gaddapotharam Village, Jinnaram Mandal, Sangareddy District- 502 319 Hyderabad, Telangana
SFPL Unit	The manufacturing unit of Standard Flora Private Limited, situated at Sy.No.364/1,364/2,365, Shivampet, Nawabpet, Medak Hyderabad – 502 313, Telangana
SGL Unit	The manufacturing unit of our Company, situated at Survey no. 42A, situated at Alinagar, Chetlapotharam village, under Gaddapotharam panchayat, Jinnaram mandal, Sangareddy District -502 319 Hyderabad, Telangana
SS	Stainless Steel
VMC	Vertical machining centres
VTL	Vertical turning lathes

Financial and operational Key Performance Indicators

Term	Description
Revenue from operations	Revenue from Operations is used by the management to track the revenue profile of the business and in turn helps assess the overall financial performance of the Company and size of the business.
Growth in revenue from operations (%)	Growth in revenue from operations provides information regarding the growth of the business for the respective period.
EBITDA	EBITDA provides information regarding the operational profitability of the business.
EBITDA Margin	EBITDA margin is an indicator of the operational efficiency of the business in comparison to the revenue from operations.
Profit for the Year / Period	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin	Tracking PAT margin assists in tracking the margin profile of the business of the Company and allows comparison of results over multiple periods.
ROE	RoE provides how efficiently the Company generates profits from shareholders' funds.
ROCE	ROCE provides how efficiently the Company generates earnings from the capital employed in the business.
ROA	Represents the ratio of return on average assets which is profit after tax (PAT) to average Total assets for the relevant fiscal year. It is used to assess the return on the total assets of the company.
Debt to Equity Ratio	Debt to equity ratio is a metric that measures the degree to which the Company is financing its operation with debt compared to its own equity.
Net Debt to Equity Ratio	Debt to equity ratio is a metric that measures the degree to which the Company is financing its operation with net debt compared to its own equity.
Fixed Asset Turnover	This formula helps assess the Company how efficiently sales are being generated from existing fixed assets over multiple periods.
Adjusted ROCE	Adjusted Return on Capital Employed provides how efficiently the Company generates earnings from the capital employed in the business excluding cash and cash equivalents and Bank balances other than cash and cash equivalents and Fixed Deposits excluding Margin Money.

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

Certain conventions

All references in this Draft Red Herring Prospectus to “India” are to the Republic of India and 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”, “USA” or “United States” are to the United States of America, together with its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time (“IST”).

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

Unless the context requires otherwise or as otherwise stated, the financial information and financial ratios in this Draft Red Herring Prospectus is derived from our Restated Consolidated Financial Information, as of and for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 comprising the restated consolidated statements of assets and liabilities as at the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, the restated consolidated statements of profit and loss, the restated consolidated statements of cash flows and the restated consolidated statements of changes in equity for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 and the notes and schedules thereon, prepared in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, each as amended from time to time and included in the section titled “*Restated Consolidated Financial Information*” on page 326.

Our Company’s financial year commences on April 1 and ends on March 31 of next year. Accordingly, all references to a particular financial year, 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 year.

Unless the context otherwise indicates, any percentage amounts, as set forth in the sections titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 42, 244, and 410 respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Consolidated Financial Information.

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 the percentage figures have been rounded off to two decimal places including percentage figures in the sections titled “*Risk Factors*”, “*Industry Overview*” and “*Our Business*” on pages 42, 162 and 244 respectively.

There are significant differences between Ind AS and US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company’s financial data. For details in connection with risks involving differences between Ind AS, US GAAP and IFRS, please refer to the section titled “*Risk Factors - Significant differences exist between Ind AS (“Indian Accounting Standards”) and other accounting principles, such as U.S. GAAP (“Generally Accepted Accounting Principles in the United States of America”) and IFRS (“International Financial Reporting Standards”), which investors may be more familiar with and may consider material to their assessment of our financial condition.*” on page 74. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources. In this Draft Red Herring Prospectus, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row; any such discrepancies are due to rounding off.

Non-GAAP measures

Certain measures like CAGR, EBITDA, EBITDA Margin, PAT Margin, Return on Capital Employed, Return on Equity, Return on Assets, Net Debt to Equity Ratio, Adjusted Return on Capital Employed, Net Worth, Return on Net Worth and Net Asset Value per Equity Share presented in this Draft Red Herring Prospectus are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. For details in connection with risks involving differences between Ind AS, US GAAP and IFRS, please see section entitled “*Risk Factors -In this Draft Red Herring Prospectus, we have included certain non-GAAP (“Generally Accepted Accounting Principles”) financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology applicable across the Indian retailing industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies*” on page 71. Further, these non-GAAP measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these non-GAAP measures, are not standardised terms, hence a direct comparison of these non-GAAP measures between companies may not be possible. Other companies may calculate these non-GAAP measures differently from us, limiting its usefulness as a comparative measure. Although such non-GAAP measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company’s management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company’s operating performance.

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.

Our Company has presented all 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 millions. One million represents 1,000,000 and 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 periods indicated, information with respect to the exchange rate between the Rupee and the USD (in Rupees per USD):

Currency	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
1 USD	83.37	82.22	75.81

Source: www.fbil.org.in

Numbers above have been rounded off to their nearest two decimal places.

Note: If the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed

Industry and market data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus, including in the sections titled “*Risk Factors*”, “*Industry Overview*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 42, 162, 244 and 410, respectively, has been obtained or derived from the report titled “*Assessing the Opportunity of Specialized Industrial Process Equipment in the Pharma, Chemicals, and Food Processing Sector*” dated July 22, 2024 prepared and issued by Frost & Sullivan (India) Private Limited (“**F&S**”), commissioned and paid for by our Company, exclusively in connection with the Offer is available on the website of our Company at <https://www.standardglr.com/investors#f-s-industry-report> (“**F&S Report**”). F&S has, pursuant to their consent letter dated July 22, 2024 (“**Letter**”) accorded their no objection and consent to use the F&S Report in connection with the Offer. Further, F&S has, pursuant to the letter also confirmed that it is an independent agency and has no conflict of interest while issuing the F&S Report, and that it does not have any direct/ indirect interest in or relationship with our Company, our Subsidiaries, our Associate, our Promoters, our Directors or Key Managerial Personnel or Senior Management or the Selling Shareholders or the BRLMs. F&S was appointed by our Company pursuant to the engagement letter dated April 8, 2024.

Except for the F&S Report we have not commissioned any report for purposes of this Draft Red Herring Prospectus and any market and industry related data, other than that extracted or obtained from the F&S Report, used in this Draft Red Herring Prospectus has been obtained or derived from publicly available documents and other industry sources.

Although the industry and market data used in this Draft Red Herring Prospectus is reliable, the data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. The excerpts of the industry report are disclosed in the Offer Documents and there are no parts, information, data (which may be relevant for the proposed Offer), left out or changed in any manner. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled “*Risk Factors-Extracts of industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by Frost & Sullivan (India) Private Limited exclusively commissioned and paid for by us for such purpose.*” on page 71. Accordingly, investment decisions should not be based solely on such information.

The sections titled “*Summary of the Offer Document*”, “*Industry Overview*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” of this Draft Red Herring Prospectus contain data and statistics from the F&S Report which has been commissioned and paid for by our Company for an agreed fee and is available on the website of our Company at <https://www.standardglr.com/investors#f-s-industry-report>, which is subject to the following disclaimer:

“Assessing the Opportunity of Specialized Industrial Process Equipment in the Pharma, Chemicals, and Food Processing Sector’ has been prepared for the proposed initial public offering of equity shares by Standard Glass Lining Technology Limited (the “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.”

In accordance with the SEBI ICDR Regulations, the section titled “*Basis for Offer Price*” on page 148 includes information relating to our listed industry peers. Such information has been derived from publicly available sources believed to be reliable and verified by M/s Niranjana & Narayan, Chartered Accountants, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Accordingly, no investment decisions should be based solely on such information.

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 the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

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

- dependence on our manufacturing facilities, all of which are situated in Telangana, India;
- dependence on the availability and retainment of skilled labour and workforce;
- dependence of our manufacturing facilities on adequate and uninterrupted supply of electricity and water
- dependence upon a limited number of customers for our revenue from operations;
- dependence on a limited number of suppliers for our key raw materials;
- more than 94.33% of our revenue from operations were derived from the pharmaceutical and chemical sectors, combined, in each of the last three Fiscals;

For further discussion of factors that could cause the actual results to differ from the expectations, please refer to the sections titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 42, 244 and 410, 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 materially differ from those that have been estimated and are not a guarantee of future performance.

Forward-looking statements reflect current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. There can be no assurance to 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 our future performance.

These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based on are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. 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 Promoters, our Directors, the BRLMs, the Selling Shareholders, nor any Syndicate member nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with SEBI’s requirements, our Company shall ensure that investors in India are informed of material developments from the date of the Red Herring Prospectus in relation to the statements and undertakings made by them in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer. The Selling Shareholders, severally and not jointly, shall ensure that investors are informed of material developments in relation to statements and undertakings specifically made or confirmed by them in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus until the date of allotment of Equity Shares of face value ₹ 10 each. Only the statements and undertakings which are specifically

confirmed or undertaken by each of the Selling Shareholders about or in relation to themselves as Selling Shareholders and their respective portion of the Offered Shares, in this Draft Red Herring Prospectus shall be deemed to be statements and undertakings made by such Selling Shareholders.

SECTION II: SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of certain disclosures 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 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”, “Our Promoters and Promoter Group”, “Restated Consolidated Financial Information”, “Outstanding Litigation and Material Developments”, “Offer Procedure” and “Main Provisions of Articles of Association” on pages 42, 84, 102, 129, 163, 244, 316, 326, 440, 474 and 498, respectively.

Unless otherwise indicated, industry and market data used in this section has been derived from industry report titled ‘Assessing the Opportunity of Specialized Industrial Process Equipment in the Pharma, Chemicals and Food Processing Sector’ dated July 22, 2024 (“**F&S Report**”) prepared and issued by Frost & Sullivan (India) Private Limited (“**F&S**”), appointed by us pursuant to engagement letter dated April 8, 2024, and exclusively commissioned and paid for by us in connection with the Offer. Unless otherwise indicated, all 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. F&S was appointed by our Company and is not connected to our Company, our Directors, and our Promoters. A copy of the F&S Report is available on the website of our Company at <https://www.standardglr.com/investors#f-s-industry-report>.

Summary of the primary business of our Company

We are one of the top five specialised engineering equipment manufacturer for pharmaceutical and chemical sectors in India, in terms of revenue in Fiscal 2024, with in house capabilities across the entire value chain. Our capabilities include design, engineering, manufacturing, assembly, installation and commissioning solutions as well as establishing standard operating procedures for pharmaceutical and chemical manufacturers on a turnkey basis (Source: F&S Report).

Summary of the industry

The Glass-Lined Equipment (GLE) industry is poised for significant growth, driven by multiple factors. GLE protects the contained media from exposure to water, other chemicals, alkalis, and corrosion, providing a desirable environment for storing the media. GLE is resistant to contamination and capable of operating in a variety of environments. Glass lining technology is extensively used in various industries for its corrosion resistance and durability. (Source: F&S Report)

Names of our Promoters

The Promoters of our Company are Nageswara Rao Kandula, Kandula Krishna Veni, Kandula Ramakrishna, Venkata Mohana Rao Katragadda, Kudaravalli Punna Rao and M/s S2 Engineering Services.

For further details, please refer to the section titled “Our Promoters and Promoter Group – Our Promoters” on page 316.

Offer size

Offer of Equity Shares ⁽¹⁾	Up to [●] Equity Shares of face value ₹ 10 each, aggregating up to ₹ [●] million
of which	
- Fresh Issue ^{(1)^}	Up to [●] Equity Shares of face value ₹ 10 each, aggregating up to ₹ 2,500.00 million
- Offer for Sale ⁽²⁾	Up to 18,444,000 Equity Shares of face value ₹ 10 each, aggregating up to ₹ [●] million by the Selling Shareholders

⁽¹⁾ The Fresh Issue has been authorized by a resolution of our Board of Directors dated July 19, 2024, and a special resolution passed by our Shareholders at their meeting held on July 22, 2024. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated July 24, 2024.

⁽²⁾ Each of the Selling Shareholders, severally and not jointly, have confirmed their participation of their respective portion in the Offer for Sale vide their consent letters, each dated July 22, 2024 and our Board has taken on record the consent of the Selling Shareholders to participate in the Offer for Sale pursuant to the resolution dated July 24, 2024. Each of the Selling Shareholders, severally and not jointly, confirms and undertakes that their respective portion of the Offered Shares has been held by such Selling Shareholders for a continuous period of at least one year prior to the filing of this Draft Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations. For details of authorizations received for the Offer for Sale, please refer to the section titled “Other Regulatory and Statutory Disclosures” beginning on page 450

^ Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under applicable law, to any person(s), aggregating up to ₹ 500.00 million at its discretion, prior to filing of the Red Herring Prospectus with the RoC (“Pre-IPO Placement”). The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20.00% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus

The Offer shall constitute [●] % of the post-Offer Equity Share capital of our Company. For further details, please refer to the sections titled “The Offer” and “Offer Structure” on pages 84 and 470 respectively.

Objects of the Offer

The objects of the Offer are as follows:

Sr. No.	Particulars	Estimated amount (₹ million) ⁽²⁾
1.	Funding of capital expenditure requirements of our Company towards purchase of machinery and equipment	100.00
2.	Repayment or prepayment, in full or in part, of all or a portion of certain outstanding borrowings availed by our Company and investment in our wholly owned Material Subsidiary, S2 Engineering Industry Private Limited, for repayment or prepayment, in full or in part, of all or a portion of certain outstanding borrowings availed by S2 Engineering Industry Private Limited, from banks and financial institutions	1,300.00
3.	Investment in our wholly owned Material Subsidiary, S2 Engineering Industry Private Limited, for funding its capital expenditure requirements towards purchase of machinery and equipment	300.00
4.	Funding inorganic growth through strategic investments and/or acquisitions ⁽¹⁾	200.00
5.	General Corporate Purposes ⁽¹⁾	[●]
	Net Proceeds⁽¹⁾	[●]

(1) The cumulative amount to be utilized towards funding of inorganic growth through strategic investments and/or acquisitions and general corporate purposes shall not exceed 35% of the Gross Proceeds. Further, the amount utilized for our object of ‘Funding inorganic growth through strategic investments and/or acquisitions’ shall not exceed 25% of the Gross Proceeds. The amount to be spent towards general corporate purposes will be finalised upon determination of the Offer Price and will be updated in the Prospectus prior to filing with the RoC. The amount to be utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

(2) Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under applicable law, to any person(s), aggregating up to ₹ 500.00 million at its discretion, prior to filing of the Red Herring Prospectus with the RoC (“Pre-IPO Placement”). The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20.00% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

For further details, please refer to the section titled “Objects of the Offer” on page 129.

Aggregate pre-Offer shareholding of our Promoters, members of our Promoter Group and the Selling Shareholders as a percentage of the paid-up Equity Share capital of our Company

The aggregate pre-Offer shareholding of our Promoters and members of our Promoter Group as on the date of this Draft Red Herring Prospectus is as follows:

S. No.	Name of Shareholder	Number of Equity Shares held as on the date of this Draft Red Herring Prospectus	% of pre-Offer shareholding	% of post-Offer paid-up Equity share capital#
Promoters				
1.	Kandula Ramakrishna	48,960,000	26.96	[●]

S. No.	Name of Shareholder	Number of Equity Shares held as on the date of this Draft Red Herring Prospectus	% of pre-Offer shareholding	% of post-Offer paid-up Equity share capital [#]
2.	Kandula Krishna Veni	41,310,000	22.74	[●]
3.	Nageswara Rao Kandula	7,650,000	4.21	[●]
4.	Venkat Mohan Rao Katragadda	1,800,000	0.99	[●]
5.	Kudaravalli Punna Rao	500,000	0.28	[●]
6.	M/s S2 Engineering Services ⁽¹⁾	24,030,000	13.23	[●]
Total holding of the Promoters (A)		124,250,000	68.41	[●]
Members of our Promoter Group				
1.	M/s Standard Holdings ⁽²⁾	5,040,000	2.77	[●]
2.	Katragadda Venkata Ramani	2,080,000	1.15	[●]
3.	Poojitha Katragadda	1,800,000	0.99	[●]
4.	Venkata Siva Prasad Katragadda	1,800,000	0.99	[●]
5.	Krishna Kanth Kudravalli	900,000	0.50	[●]
6.	Kudaravalli Srikanth	900,000	0.50	[●]
7.	Balabhavani K	520,000	0.29	[●]
8.	Synergen Solutions	36,360	0.02	[●]
9.	Nextgen Unity	14,550	0.01	[●]
10.	Autonomy Solutions	72,720	0.04	[●]
11.	Apex Consulting	72,720	0.04	[●]
Total holding of the members of our Promoter Group (other than Promoters) (B)		13,236,350	7.29	[●]
Total holding of Promoters and members of our Promoter Group (A + B)		137,486,350	75.69	[●]

[#] To be updated in the Prospectus

⁽¹⁾ M/s S2 Engineering Services is represented by its partners Kandula Ramakrishna and Kandula Krishna Veni.

⁽²⁾ M/s Standard Holdings is represented by its partners Kandula Krishna Veni and Kandula Ramakrishna.

The aggregate pre-Offer shareholding of the Selling Shareholders as on the date of this Draft Red Herring Prospectus is as follows:

S. No.	Name of the Selling Shareholders	No. of Equity Shares held as on the date of this Draft Red Herring Prospectus	% of pre-Offer shareholding	% of post-Offer paid-up Equity share capital [#]
Promoter Selling Shareholders				
1.	Kandula Ramakrishna	48,960,000	26.96	[●]
2.	Kandula Krishna Veni	41,310,000	22.74	[●]
3.	Nageswara Rao Kandula	7,650,000	4.21	[●]
4.	Venkat Mohan Rao Katragadda	1,800,000	0.99	[●]
5.	Kudaravalli Punna Rao	500,000	0.28	[●]
6.	M/s S2 Engineering Services ⁽¹⁾	24,030,000	13.23	[●]
Total holding of the Promoter Selling Shareholders (A)		124,250,000	68.41	[●]
Promoter Group Selling Shareholders				
1.	M/s Standard Holdings ⁽²⁾	5,040,000	2.77	[●]
2.	Katragadda Venkata Ramani	2,080,000	1.15	[●]
3.	Poojitha Katragadda	1,800,000	0.99	[●]
4.	Venkata Siva Prasad Katragadda	1,800,000	0.99	[●]
5.	Krishna Kanth Kudravalli	900,000	0.50	[●]
6.	Kudaravalli Srikanth	900,000	0.50	[●]
7.	Balabhavani K	520,000	0.29	[●]

S. No.	Name of the Selling Shareholders	No. of Equity Shares held as on the date of this Draft Red Herring Prospectus	% of pre-Offer shareholding	% of post-Offer paid-up Equity share capital [#]
Total holding of the Promoter Group Selling Shareholders (B)		13,040,000	7.19	[●]
Other Selling Shareholders				
1.	Likitha Katragadda	1,900,000	1.05	[●]
2.	Mahitha Katragadda	1,900,000	1.05	[●]
3.	Katragadda Harini	1,860,000	1.02	[●]
4.	Venkata Sandeep Gopineedi	4,590,000	2.53	[●]
5.	Shirish Nilkantharao Dhamnekar	130,630	0.07	[●]
Total holding of the Other Selling Shareholders (C)		10,380,630	5.72	[●]
Total holding of Selling Shareholders (A+B+C)		147,670,630	81.32	[●]

[#] To be updated in the Prospectus

⁽¹⁾ M/s S2 Engineering Services is represented by its partners Kandula Ramakrishna and Kandula Krishna Veni.

⁽²⁾ M/s Standard Holdings is represented by its partners Kandula Krishna Veni and Kandula Ramakrishna.

Summary of the Restated Consolidated Financial Information

A summary of the select financial information of our Company, as per the Restated Consolidated Financial Information as follows:

(in ₹ million, except otherwise stated)

Particulars	As of and for Fiscal		
	2024	2023	2022
Equity share capital	181.63	157.85	153.00
Net Worth ⁽¹⁾	4,099.24	1,566.67	699.06
Total Equity ⁽²⁾	4,082.87	1,566.67	699.06
Revenue from operations	5,436.69	4,975.88	2,401.87
Restated profit for the year	600.11	534.24	251.45
Earnings per Equity Share (basic and diluted)			
- Basic (in ₹/share) ^{#(3)}	3.52	3.49	2.22
- Diluted (in ₹/share) ^{#(4)}	3.52	3.49	2.22
Net asset value per Equity Share (basic) (in ₹/share) ^{#(5)}	24.55	10.17	6.08
Total borrowings ⁽⁶⁾	1,293.24	819.62	698.08

Notes:

1. Net Worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the Restated Consolidated Financial Information, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation. Therefore, net worth for the Company includes paid-up share capital and non-controlling interest, retained earnings, securities premium, other comprehensive income, capital redemption reserve and general reserve and excludes capital reserve on business combinations under common control, as at March 31, 2024, March 31, 2023 and March 31, 2022.
2. Total Equity means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the Restated Consolidated Financial Information, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation. Therefore, the total equity for the Group includes paid-up share capital, retained earnings, securities premium, other comprehensive income, capital redemption reserve and general reserve and excludes non-controlling interest, capital reserve on business combinations under common control, as at March 31, 2024, March 31, 2023 and March 31, 2022.
3. Basic EPS= Restated profit for the period / year attributable to equity shareholders of the Company divided by weighted average number of equity shares outstanding during the period / year.
4. Diluted EPS= Restated profit for the period / year attributable to equity shareholders of the Company divided by weighted average number of equity shares outstanding during the period / year adjusted for the effects of all dilutive potential equity shares.

5. Net asset value per share= Net worth (excluding non-controlling interest) as restated / weighted average number of equity shares outstanding at the end of the year adjusted for the issue of Bonus Equity Shares for all year, in accordance with principles of Ind AS 33

6. Total borrowings includes current and non current borrowings and lease liabilities.

#Our Company has pursuant to the Board resolutions dated June 3, 2024 approved the issuance of 163,471,068 equity shares by way of bonus issuance in the ratio of nine Equity Shares for every one Equity Share held by our Shareholders. Basic EPS and Diluted EPS for all the period / year are considered post issue of the issuance of the bonus equity shares in accordance with Ind AS 33 – Earning Per Share notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). Net asset value (NAV) per equity share is considered post issue of bonus equity shares for all period/ year in accordance with principles of Ind AS 33.

For further details, please refer to the section titled “Restated Consolidated Financial Information” beginning on page 326.

Qualifications of the Statutory Auditors which have not been given effect to in the Restated Consolidated Financial Information

Our Statutory Auditors have not made any qualifications in the Restated Consolidated Financial Information.

Summary of outstanding litigation

A summary of outstanding litigation proceedings involving our Company, Subsidiaries, Promoters, Directors and Group Companies as on the date of this Draft Red Herring Prospectus as disclosed in the section titled “Outstanding Litigation and Other Material Developments” on page 440 in terms of the SEBI ICDR Regulations is provided below:

Name of entity	Number of criminal proceedings	Number of tax proceedings	Number of statutory or regulatory proceedings	Number of disciplinary actions by the SEBI or the Stock Exchanges against our Promoters in the last five years	Number of material civil proceedings*	Aggregate amount involved (in ₹ million)^
Company						
Against our Company	Nil	9	Nil	N.A	Nil	921.12
By our Company	Nil	Nil	Nil	N.A	Nil	Nil
Subsidiary						
Against our Subsidiaries	Nil	1	Nil	N.A	Nil	6.61
By our Subsidiaries	Nil	Nil	Nil	N.A	Nil	Nil
Directors**						
Against our Directors	1	Nil	Nil	N.A	Nil	Not quantifiable
By our Directors	Nil	Nil	Nil	N.A	1	13.40
Promoters						
Against our Promoters	1	Nil	Nil	Nil	Nil	Not quantifiable
By our Promoters	1	Nil	Nil	Nil	1	13.40
Group Companies						
Outstanding litigation that has a material impact on our Company	Nil	Nil	Nil	N.A	Nil	Nil

*Determined in accordance with the Materiality Policy

^To the extent quantifiable

**Includes Directors who are Promoters

For further details of the outstanding litigation proceedings involving our Company, Subsidiaries, Directors, Promoters and our Group Companies, please refer to the section titled “Outstanding Litigation and Other Material Developments” beginning on page 440.

Risk factors

The following is a summary of our top ten risk factors:

1. We are dependent on our manufacturing facilities, all of which are situated in Telangana, India. We are subject to risks in relation to our manufacturing process including accidents and natural disasters and also risks arising from changes in the economic or political conditions of Telangana, India which in turn will interfere with our operations and could have an adverse effect on our business, results of operations and financial condition.
2. Our business is dependent on the availability and retainment of skilled labour and workforce, and if we are unable to hire and engage the appropriate personnel, our business, results of operations and financial condition shall be adversely affected
3. Our Manufacturing Facilities are dependent on adequate and uninterrupted supply of electricity and water. Any shortage or disruption of electricity and/or water, may lead to disruption in operations, higher operating cost and consequent decline in our operating margins.
4. Our revenue from operations is dependent upon a limited number of customers and the loss of any of these customers or loss of revenue from any of these customers could have a material adverse effect on our business, financial condition, results of operations and cash flows.
5. We are dependent on a limited number of suppliers for our key raw materials such as stainless steel, carbon/mild steel, nickel alloy, forgings, castings, chemicals and Polytetrafluoroethylene powder. The loss of one or more of these suppliers could adversely impact our manufacturing processes and supply timelines, in turn adversely impacting our ability to comply with delivery schedules agreed with clients resulting in impact on our financial condition and results of operations.
6. Majority of our customers operate in the pharmaceuticals and chemical sectors. In each of the last three Fiscals, more than 94.33% of our revenue from operations were derived from the pharmaceutical and chemical sectors, combined. Factors that adversely affect these sectors or capital expenditure by companies within these sectors may adversely affect our business, results of operations and financial condition.
7. Our Company had in the past failed to comply with certain provisions of Companies Act.
8. Under-utilization of our currently operational production lines at our Manufacturing Facilities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects, and future financial performance.
9. Our business has grown rapidly in recent periods, and we may not be able to sustain our rate of growth in the future.
10. Nearly all of our revenues for Fiscal 2024, Fiscal 2023 and Fiscal 2022 were derived from sales of products and services within India, which in turn exposes us to risks specific to the Indian geography and market. There can be no assurance that we will be able to diversify the geographic sources of our revenues, which may adversely impact our future results of operations and profitability.

For further details, please see the section titled “*Risk Factors*” on page 42 to have an informed view before making an investment decision.

Summary of contingent liabilities of our Company

As of March 31, 2024, our contingent liabilities as per Ind AS 37 and the Restated Consolidated Financial Information were as follows:

<i>(₹ in million)</i>	
Contingent liabilities	
Bank guarantee issued on behalf of third parties	251.99
Total	251.99

For further details, please refer to note 37 to the Restated Consolidated Financial Information, in the section titled “*Restated Consolidated Financial Information*” beginning on page 326.

Summary of related party transactions

A summary of related party transactions as per the requirements under Ind AS 24 read with the SEBI ICDR Regulations entered into by our Company with related parties in the preceding three Fiscals are as follows:

(₹ in million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Remuneration			
Mr. Kandula Nageswara Rao	1.84	1.81	1.80
Mr. Kandula Ramakrishna	4.92	4.80	1.25
Mrs. Kandula Krishnaveni	2.46	2.40	0.60
Mr. Katragadda Venkata Mohana Rao	1.94	1.81	1.20
Mr. Kudaravalli Punna Rao	-	0.09	1.20
Mr. Katragadda Venkata Siva Prasad	3.13	2.92	-
Mr. Chamala Chandrashekar Reddy	1.50	-	-
Mrs. Katragadda Harini	0.55	0.61	0.60
Mr. Kandula Bhanu Prakash	1.27	0.91	0.60
Mr. Kudaravalli Krishnakanth	-	0.03	0.55
Mrs. Katragadda Venkata Ramani	0.55	0.61	0.60
Mrs. Kallam Hima Priya	0.77	0.66	0.30
Mr. Pathuri Anjaneyulu	3.86	2.40	-
Mr. B. Radhakrishna	1.38	1.24	-
Rent expense			
Mr. Kandula Ramakrishna	1.77	1.69	1.35
S2 Engineering Equipment	10.08	9.68	2.40
S2 Engineering Services	32.59	39.06	25.34
Stanseals Private Limited	-	2.60	-
Standard Group of Companies Private Limited	1.89	-	-
Sale of goods (Net of sale returns)			
S2 Engineering Services	(0.14)	323.22	644.34
Stanpumps Engineering Industries	2.00	47.86	36.18
Stanvalves and Controls Private Limited	1.41	0.08	-
Schematic Engineering Industries	4.50	3.51	-
Standard Equipment Leasing Services	69.20	65.14	-
Schematic Engineering Industries Private Limited	3.26	-	-
Flora Polymer Industries	0.34	-	-
Higenic Flora Private Limited	61.73	-	-
Purchase of goods			
S2 Engineering Services	0.34	8.20	16.99
Stanpumps Engineering Industries	-	1.78	18.15
Stanvalves and Controls Private Limited	7.66	2.48	-
Schematic Engineering Industries	26.88	8.96	6.52
Standard Group of Companies Private Limited	1.04	-	-
Schematic Engineering Industries Private Limited	13.15	-	-
Flora Polymer Industries	2.79	-	-
Higenic Flora Private Limited	17.01	-	-
SD Enterprises	0.02	-	-

Receipt of services			
Stanseals Private Limited	0.01	0.10	0.02
Standard Holdings	0.03	3.99	2.63
Standard Group of Companies Private Limited	23.19	16.73	-
S2 Engineering Services	-	-	2.31
Stanpumps Engineering Industries	-	-	0.81
Sri Krishna Equipments	-	2.45	0.31
Stylosoft LLP	0.67	-	-
Higenic Flora Private Limited	0.04	-	-
Rendering of services			
S2 Engineering Services	(0.24)	0.09	-
Advance given to			
Mrs. Kallam Hima Priya	1.50	-	-
Loans taken from			
Mr. Kandula Nageswara Rao	2.50	120.00	4.00
Mr. Kudaravalli Punna Rao	-	-	2.97
Mr. Katragadda Venkata Mohana Rao	-	-	12.00
Mr. Kandula Ramakrishna	16.23	5.00	17.30
Mrs. Kandula Krishnaveni	16.23	25.00	21.95
Mr. Chamala Chandrashekar Reddy	10.00	-	-
Mr. Bachu Sivasankar Reddy	10.00	-	-
Loan repayment			
Mr. Kandula Ramakrishna	18.14	-	-
Mrs. Kandula Krishnaveni	16.23	-	-
Mr. Kandula Nageswara Rao	24.79	-	-
Mr. Kudaravalli Punna Rao	2.97	-	-
Mr. Katragadda Venkata Mohana Rao	12.00	-	-
Purchase of business			
S2 Engineering Services	-	-	200.00
Stanpumps Engineering Industries	-	-	65.00
Higenic Flora Polymers	120.00	-	-
Yashasve Glass Lining Industries	150.00	-	-
Rental deposit			
Standard Group of Companies Private Limited	0.34	-	-
Equity shares issued			
Mrs. Pathuri Nirosha	6.00	-	-
Interest income			
Stanseals Private Limited	-	0.20	-
Advance repaid by			
Mrs. Kallam Hima Priya	0.03	-	-
Corporate guarantee given by			
S2 Engineering Services	2,415.00	1,645.00	621.66
Outstanding balances in relation to related parties			

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Receivables			
Standard Holdings	-	0.03	0.35
Schematic Engineering Industries	-	2.86	-
Stanseals Private Limited	-	0.01	3.05
S2 Engineering Equipment	-	-	1.45
S2 Engineering Services	-	-	17.44
Stanpumps Engineering Industries	0.08	0.08	3.12
Sri Krishna Equipments	-	0.10	1.94
Stanvalves and Controls Private Limited	0.46	0.12	0.20
Standard Equipment Leasing Services	56.55	43.65	-
Standard Group of Companies Private Limited	9.74	-	-
Schematic Engineering Industries Private Limited	3.74	-	-
Higenic Flora Private Limited	6.36	-	-
Payables			
Stanseals Private Limited	-	0.01	2.36
S2 Engineering Services	2.38	1.70	-
Stanvalves and Controls Private Limited	6.71	0.11	-
Mr. Kandula Ramakrishna	0.18	0.17	-
Schematic Engineering Industries	-	0.14	8.20
Standard Equipment Leasing Services	-	-	3.01
S2 Engineering Equipment	0.91	0.64	-
Stylosoft LLP	0.13	-	-
Schematic Engineering Industries Private limited	28.93	-	-
Flora Polymer Industries	1.34	-	-
Loans payable			
Mr. Kandula Nageswara Rao	-	22.29	12.40
Mr. Kandula Rama Krishna	-	1.91	18.24
Mr. Kudravalli Punna Rao	-	2.97	2.97
Mr. Katragadda Venkata Mohana Rao	-	12.00	12.00
Mrs. Kandula Krishnaveni	-	-	21.95
Mr. Schematic Engineering Industries	-	-	1.00
Mr. Chamala Chandrashekar Reddy	10.00	-	-
Mr. Bachu Sivasankar Reddy	10.00	-	-
Loan receivable			
Stanseals Private Limited	-	-	2.48
Advance receivable			
Mrs. Kallam Hima Priya	1.47	-	-
Rental deposit receivable			
S2 Engineering Equipment	3.00	3.00	3.00
Standard Group of Companies Private Limited	0.34		
Interest receivable			
Stanseals Private Limited	-	-	0.03
Corporate guarantee given by			
S2 Engineering Services	1,409.67	559.20	-
Transactions eliminated during the year (as per Schedule VI (Para 11(1)(A)(i)(g)) of SEBI ICDR Regulations)			

Standard Glass Lining Technology Limited			
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
S2 Engineering Industry Private Limited			
Sale of goods	30.91	6.41	-
Purchase of goods	30.63	13.49	2.16
Purchase of fixed assets	0.20	-	-
Rendering of services	-	0.01	-
Investment in subsidiary	409.80	-	140.00
Loan given	70.00	141.84	109.86
Debenture application money paid	110.00	-	-
Repayment received	249.86	41.84	30.00
Interest income	7.42	11.05	3.49
Corporate guarantee given on behalf	960.00	750.00	310.90
Standard Flora Private Limited			
Sale of goods	6.05	-	-
Sale of fixed assets	1.11	-	-
Reimbursement	1.05	-	-
Purchase of goods	7.96	-	-
Rendering of services	0.45	-	-
Investment in subsidiary	270.05	-	-
Loan given	230.74	-	-
Repayment received from/Converted to optionally convertible debentures	210.00	-	-
Interest income	0.79	-	-
Standard Engineering Solutions Private Limited			
Investment in subsidiary	0.10	-	-
Loan given to	3.00	-	-
Repayment received from/converted to optionally convertible debentures	3.00	-	-
Interest income	0.11	-	-
CPK Engineers Equipment Private Limited			
Investment in subsidiary	0.05	-	-
S2 Engineering Industry Private Limited			
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Standard Glass Lining Technology Limited			
Purchase of goods	30.91	6.41	-
Sale of goods	30.63	13.49	2.16
Sale of fixed assets	0.20	-	-
Receipt of services	-	0.01	-
Shares issued	-	-	140.00
Loans taken	70.00	141.84	109.86
Optionally convertible debentures issued	409.80	-	-
Debenture application money received pending allotment	110.00	-	-
Repayments made	249.86	41.84	30.00
Interest expenses	7.42	11.05	3.49
Corporate guarantee taken from	960.00	750.00	310.90

Standard Flora Private Limited			
Sale of goods	0.07	-	-
Purchase of goods	3.83	-	-
Standard Engineering Solutions Private Limited			
Loan given	3.00	-	-
Repayment of loan received from	3.00	-	-
Interest expenses	0.11	-	-
Standard Flora Private Limited			
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Standard Glass Lining Technology Limited			
Purchase of goods	6.05	-	-
Receipt of services	0.45	-	-
Loans taken from	230.74	-	-
Repayments made for optionally convertible debentures	210.00	-	-
Shares issued	0.05	-	-
Optionally convertible debentures issued	270.00	-	-
Interest expense	0.79	-	-
Purchase of fixed assets	1.11	-	-
Reimbursement	1.05	-	-
Sale of goods	7.96	-	-
S2 Engineering Industry Private Limited			
Sale of goods	3.83	-	-
Purchase of goods	0.07	-	-
Standard Engineering Solutions Private Limited			
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Standard Glass Lining Technology Limited			
Shares Issued	0.10	-	-
Loans taken	3.00	-	-
Repayment of loan	3.00	-	-
Interest expense	0.11	-	-
S2 Engineering Industry Private Limited			
Loan taken	3.00	-	-
Repayment of loan	3.00	-	-
Interest income	0.11	-	-
CPK Engineers Equipment Private Limited			
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Standard Glass Lining Technology Limited			
Shares Issued	0.05	-	-
Balances eliminated during the year (as per Schedule VI (Para 11(I)(A)(i)(g)) of SEBI ICDR Regulations)			
Standard Glass Lining Technology Limited			
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022

S2 Engineering Industry Private Limited			
Payables	-	8.79	2.90
Receivables	6.25	-	-
Loan receivable	-	225.68	124.60
Debenture application money payable	110.00	-	-
Interest receivables	1.61	0.99	2.18
Investment	549.80	-	-
Corporate guarantee given on behalf	579.93	357.22	218.35
Standard Flora Private Limited			
Receivables	1.23	-	-
Loan receivables	20.74	-	-
Interest receivables	0.69	-	-
Investment	270.05	-	-
Standard Engineering Solutions Private Limited			
Investment	0.10	-	-
Interest receivables	0.10	-	-
CPK Engineers Equipment Private Limited			
Investment	0.05	-	-
S2 Engineering Industry Private Limited			
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Standard Glass Lining Technology Limited			
Receivables	-	8.79	2.90
Payables	6.25	-	-
Loan payable	-	225.68	124.60
Optionally convertible debnetures	409.80	-	-
Preference shares issued	139.00	-	-
Equity shares issued	1.00		
Debenture application money receivable pending allotment	110.00	-	-
Interest payable	1.61	0.99	2.18
Corporate guarantee taken from	579.93	357.22	218.35
Standard Flora Private Limited			
Payables	4.39	-	-
Standard Engineering Solutions Private Limited			
Interest receivable	0.10	-	-
Standard Flora Private Limited			
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Standard Glass Lining Technology Limited			
Loan Payable	20.74	-	-
Payables	1.23	-	-
Optional convertible debentures	270.00	-	-
Shares issued	0.05	-	-
Interest payable	0.69	-	-
S2 Engineering Industry Private Limited			
Receivables	4.39	-	-
Standard Engineering Solutions Private Limited			

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Standard Glass Lining Technology Limited			
Shares issued	0.10	-	-
Interest payables	0.10	-	-
S2 Engineering Industry Private Limited			
Interest payable	0.10	-	-
CPK Engineers Equipment Private Limited			
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Standard Glass Lining Technology Limited			
Shares issued	0.05	-	-

For details of the related party transactions and as reported in the Restated Consolidated Financial Information, please refer to the section titled “Restated Consolidated Financial Information – Note 35 – Related party disclosures” beginning on page 326.

Financing arrangements

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

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

Except as disclosed below, none of our Promoters, members of our Promoter Group, the Selling Shareholders and Shareholders entitled with right to nominate directors or any other rights have acquired any securities in the last three years preceding the date of this Draft Red Herring Prospectus:

Name	Nature of securities	Nature of acquisition	Face value (in ₹)	Date of acquisition of securities	Number of securities acquired	Acquisition price per security (in ₹)*
Promoters/Promoter Selling Shareholders						
Kandula Ramakrishna	Equity Shares	Rights issue in the proportion of 6 Equity Shares for every 5 Equity Shares held by the Shareholders as on the record date <i>i.e.</i> October 21, 2021.	10	November 15, 2021	2,556,000	35.00
	Equity Shares	Bonus issue in the proportion of nine Equity Shares for every one Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 29, 2024.	10	June 3, 2024	44,064,000	Nil
Kandula Krishna Veni	Equity Shares	Rights issue in the proportion of 6 Equity Shares for every 5 Equity Shares held by the Shareholders as on the record date <i>i.e.</i> October 21, 2021.	10	November 15, 2021	2,151,000	35.00
	Equity Shares	Bonus issue in the proportion of nine Equity Shares for every one Equity Share held by the Shareholders as on the	10	June 3, 2024	37,179,000	Nil

Name	Nature of securities	Nature of acquisition	Face value (in ₹)	Date of acquisition of securities	Number of securities acquired	Acquisition price per security (in ₹)*
		record date <i>i.e.</i> May 29, 2024.				
Nageswara Rao Kandula	Equity Shares	Rights issue in the proportion of 6 Equity Shares for every 5 Equity Shares held by the Shareholders as on the record date <i>i.e.</i> October 21, 2021.	10	November 15, 2021	315,000	35.00
	Equity Shares	Bonus issue in the proportion of nine Equity Shares for every one Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 29, 2024.	10	June 3, 2024	6,885,000	Nil
Venkata Mohana Rao Katragadda	Equity Shares	Bonus issue in the proportion of nine Equity Shares for every one Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 29, 2024.	10	June 3, 2024	1,620,000	Nil
Kudaravalli Punna Rao	Equity Shares	Bonus issue in the proportion of nine Equity Shares for every one Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 29, 2024.	10	June 3, 2024	450,000	Nil
M/s S2 Engineering Services ⁽¹⁾	Equity Shares	Rights issue in the proportion of 6 Equity Shares for every 5 Equity Shares held by the Shareholders as on the record date <i>i.e.</i> October 21, 2021	10	November 15, 2021	1,269,000	35.00
	Equity Shares	Bonus issue in the proportion of nine Equity Shares for every one Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 29, 2024.	10	June 3, 2024	21,627,000	Nil
Promoter Group/Promoter Group Selling Shareholders						
M/s Standard Holdings ⁽²⁾	Equity Shares	Purchase of Shares	10	October 27, 2021	504,000	35.00
	Equity Shares	Bonus issue in the proportion of nine Equity Shares for every one Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 29, 2024.	10	June 3, 2024	4,536,000	Nil
Katragadda Venkata Ramani	Equity Shares	Bonus issue in the proportion of nine Equity Shares for every one Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 29, 2024.	10	June 3, 2024	1,872,000	Nil
Poojitha Katragadda	Equity Shares	Bonus issue in the proportion of nine Equity Shares for every one Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 29, 2024.	10	June 3, 2024	1,620,000	Nil
Venkata Siva Prasad Katragadda	Equity Shares	Bonus issue in the proportion of nine Equity Shares for every one Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 29, 2024.	10	June 3, 2024	1,620,000	Nil

Name	Nature of securities	Nature of acquisition	Face value (in ₹)	Date of acquisition of securities	Number of securities acquired	Acquisition price per security (in ₹)*
Krishna Kanth Kudaravalli	Equity Shares	Bonus issue in the proportion of nine Equity Shares for every one Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 29, 2024.	10	June 3, 2024	810,000	Nil
Kudaravalli Srikanth	Equity Shares	Bonus issue in the proportion of nine Equity Shares for every one Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 29, 2024.	10	June 3, 2024	810,000	Nil
Balabhavani K	Equity Shares	Bonus issue in the proportion of nine Equity Shares for every one Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 29, 2024.	10	June 3, 2024	468,000	Nil
Synergen Solutions	Equity Shares	Private Placement Bonus issue in the proportion of nine Equity Shares for every one Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 29, 2024.	10	March 24, 2023	3,636	689.00
				June 3, 2024	32,724	Nil
Nextgen Unity	Equity Shares	Private Placement Bonus issue in the proportion of nine Equity Shares for every one Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 29, 2024.	10	March 24, 2023	1,455	689.00
				June 3, 2024	13,095	Nil
Autonomy Solutions	Equity Shares	Private Placement Bonus issue in the proportion of nine Equity Shares for every one Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 29, 2024.	10	May 26, 2023	7,272	689.00
				June 3, 2024	65,448	Nil
Apex Consulting	Equity Shares	Private Placement Bonus issue in the proportion of nine Equity Shares for every one Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 29, 2024.	10	May 26, 2023	7,272	689.00
				June 3, 2024	65,448	Nil
Other Selling Shareholders[#]						
Likitha Katragadda	Equity Shares	Bonus issue in the proportion of nine Equity Shares for every one Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 29, 2024.	10	June 3, 2024	1,710,000	Nil
Mahitha Katragadda	Equity Shares	Bonus issue in the proportion of 9 Equity Shares for every 1 Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 29, 2024.	10	June 3, 2024	1,710,000	Nil
Katragadda Harini	Equity Shares	Bonus issue in the proportion of 9 Equity Shares for every 1 Equity Share held by the	10	June 3, 2024	1,674,000	Nil

Name	Nature of securities	Nature of acquisition	Face value (in ₹)	Date of acquisition of securities	Number of securities acquired	Acquisition price per security (in ₹)*
		Shareholders as on the record date <i>i.e.</i> May 29, 2024.				
Venkata Sandeep Gopineedi	Equity Shares	Rights issue in the proportion of 6 Equity Shares for every 5 Equity Shares held by the Shareholders as on the record date <i>i.e.</i> October 21, 2021.	10	November 15, 2021	9,000	35.00
	Equity Shares	Bonus issue in the proportion of 9 Equity Shares for every 1 Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 29, 2024.	10	June 3, 2024	4,131,000	Nil
Shirish Nilkantharao Dhamnekhar	Equity Shares	Private Placement	10	March 24, 2023	13,063	689.00
	Equity Shares	Bonus issue in the proportion of 9 Equity Shares for every 1 Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 29, 2024.	10	June 3, 2024	117,567	Nil
Shareholders with Special Rights (other than Promoters)						
Asahi Glassplant Inc.	Equity Shares	Private Placement	10	November 16, 2023	696,600	802.00
	Equity Shares	Bonus issue in the proportion of 9 Equity Shares for every 1 Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 29, 2024.	10	June 3, 2024	6,269,400	Nil
GL Hakko Co. Ltd	Equity Shares	Private Placement	10	November 16, 2023	348,300	802.00
	Equity Shares	Bonus issue in the proportion of 9 Equity Shares for every 1 Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 29, 2024.	10	June 3, 2024	3,134,700	Nil
Monoform Management Support Co. Ltd.	Equity Shares	Private Placement	10	December 22, 2023	1,044,900	802.00
	Equity Shares	Bonus issue in the proportion of nine Equity Shares for every one Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 29, 2024.	10	June 3, 2024	9,404,100	Nil

(1) M/s S2 Engineering Services is represented by its partners Kandula Ramakrishna and Kandula Krishna Veni

(2) M/s Standard Holdings is represented by its partners Kandula Krishna Veni and Kandula Ramakrishna.

* As per certificate dated July 24, 2024 issued by M/s Niranjan & Narayan, Chartered Accountants.

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 were acquired by our Promoters and the Selling Shareholders in the one year preceding the date of this Draft Red Herring Prospectus is as follows:

Name	Face Value (in ₹)	Number of Equity Shares acquired in the last 1 year	Weighted Average Price at which the Equity Shares acquired in the last 1 year (in ₹)
Promoters/Promoter Selling Shareholders			
Kandula Ramakrishna	10	44,064,000	Nil*
Kandula Krishna Veni	10	37,179,000	Nil*
Nageswara Rao Kandula	10	6,885,000	Nil*
Venkata Mohana Rao Katragadda	10	1,620,000	Nil*
Kudaravalli Punna Rao	10	450,000	Nil*
M/s S2 Engineering Services ⁽¹⁾	10	21,627,000	Nil*
Selling Shareholders (excluding Promoter Selling Shareholders)			

Name	Face Value (in ₹)	Number of Equity Shares acquired in the last 1 year	Weighted Average Price at which the Equity Shares acquired in the last 1 year (in ₹)
M/s Standard Holdings ⁽²⁾	10	4,536,000	Nil*
Katragadda Venkata Ramani	10	1,872,000	Nil*
Poojitha Katragadda	10	1,620,000	Nil*
Venkata Siva Prasad Katragadda	10	1,620,000	Nil*
Krishna Kanth Kudaravalli	10	810,000	Nil*
Kudaravalli Srikanth	10	810,000	Nil*
Balabhavani K	10	468,000	Nil*
Likitha Katragadda	10	1,710,000	Nil*
Mahitha Katragadda	10	1,710,000	Nil*
Katragadda Harini	10	1,674,000	Nil*
Venkata Sandeep Gopineedi	10	4,131,000	Nil*
Shirish Nilkantharao Dhamnekhar	10	117,567	Nil*

As per certificate dated July 24, 2024 issued by M/s Niranjana & Narayan, Chartered Accountants.

*The Company has on June 3, 2024 issued Bonus issue in the proportion of nine Equity Shares for every one Equity Share held by the Shareholders as on the record date i.e. May 29, 2024.

(1) M/s S2 Engineering Services is represented by its partners Kandula Ramakrishna and Kandula Krishna Veni.

(2) M/s Standard Holdings is represented by its partners Kandula Krishna Veni and Kandula Ramakrishna

Average cost of acquisition of Equity Shares by the Promoters and Selling Shareholders

The average cost of acquisition per Equity Share to our Promoters and the Selling Shareholders as at the date of this Draft Red Herring Prospectus is:

Name	Face Value (in ₹)	Number of Equity Shares held	Average cost of acquisition per Equity Share (in ₹)*
Promoters/Promoter Selling Shareholders			
Kandula Ramakrishna	10	48,960,000	2.34
Kandula Krishna Veni	10	41,310,000	2.39
Nageswara Rao Kandula	10	7,650,000	2.19
Venkata Mohana Rao Katragadda	10	1,800,000	1.00
Kudaravalli Punna Rao	10	500,000	1.00
M/s S2 Engineering Services ⁽¹⁾	10	24,030,000	2.32
Selling Shareholders (excluding Promoter Selling Shareholders)			
M/s Standard Holdings ⁽²⁾	10	5,040,000	3.50
Katragadda Venkata Ramani	10	2,080,000	1.00
Poojitha Katragadda	10	1,800,000	1.00
Venkata Siva Prasad Katragadda	10	1,800,000	1.00
Krishna Kanth Kudaravalli	10	900,000	1.00
Kudaravalli Srikanth	10	900,000	1.00
Balabhavani K	10	520,000	1.00
Likitha Katragadda	10	1,900,000	1.00
Mahitha Katragadda	10	1,900,000	1.00
Katragadda Harini	10	1,860,000	1.00
Venkata Sandeep Gopineedi	10	4,590,000	1.05
Shirish Nilkantharao Dhamnekhar	10	130,630	68.90

* As per certificate dated July 24, 2024 issued by M/s Niranjana & Narayan, Chartered Accountants.

(1) M/s S2 Engineering Services is represented by its partners Kandula Ramakrishna and Kandula Krishna Veni.

(2) M/s Standard Holdings is represented by its partners Kandula Krishna Veni and Kandula Ramakrishna

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

Period	Weighted average cost of acquisition (in ₹)*	Cap Price is 'X' times the weighted average cost of acquisition [#]	Range of acquisition price: lowest price – highest price (in ₹)*
Last one year preceding the date of this Draft Red Herring Prospectus	12.17	[●]	Nil [^] to ₹ 1,152.00

Period	Weighted average cost of acquisition (in ₹)*	Cap Price is 'X' times the weighted average cost of acquisition#	Range of acquisition price: lowest price – highest price (in ₹)*
Last 18 months preceding the date of this Draft Red Herring Prospectus	14.78	[•]	Nil^ to ₹1,152.00
Last three years preceding the date of this Draft Red Herring Prospectus	15.66	[•]	Nil^ to ₹ 1,152.00

*As per certificate dated July 24, 2024, issued by M/s Niranjana & Narayan, Chartered Accountants.

#To be included once the price band information is available.

^ The Company has on June 3, 2024 issued Bonus issue in the proportion of nine Equity Shares for every one Equity Share held by the Shareholders as on the record date i.e. May 29, 2024.

Details of Pre-IPO Placement

Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under applicable law, to any person(s), aggregating up to ₹ 500.00 million at its discretion, prior to filing of the Red Herring Prospectus with the RoC (“**Pre-IPO Placement**”). The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20.00% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

The price and name of the shareholder shall be disclosed through public advertisement on the day of the Allotment, if any Pre-IPO Placement is done.

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

Our Company has not issued any Equity Share for consideration other than cash (excluding bonus issuance) in the last one year from the date of this Draft Red Herring Prospectus.

Split / consolidation of Equity Shares in the last one year

Our Company has not undertaken a split or consolidation of the Equity Shares in the last 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 for any exemption from SEBI under Regulation 300(2) from complying with any provisions of securities law from SEBI, in respect of the Offer as on the date of this Draft Red Herring Prospectus.

SECTION III: RISK FACTORS

An investment in equity shares involves a high degree of risk. Potential investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate, or to India. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows, and financial condition. If any of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows, and financial condition could be adversely affected, the price of our Equity Shares could decline, and investors may lose all or part of their investment. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with “Industry Overview”, “Our Business”, “Restated Consolidated Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 163, 244, 326 and 410, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved.

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

This Draft Red Herring Prospectus also contains certain forward-looking statements that involve risks, assumptions, estimates, and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further information, see “Forward-Looking Statements” on page 22. Unless otherwise indicated, the financial information included herein is based on our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus. For further information, see “Restated Consolidated Financial Information” on page 326. Unless the context otherwise requires, in this section, references to “we”, “us”, or “our” refers to Standard Glass Lining Technology Limited on a consolidated basis and references to “the Company” or “our Company” refer to Standard Glass Lining Technology Limited on a standalone basis.

Unless otherwise indicated, industry and market data used in this section have been derived from industry publications, in particular, the report titled “Assessing the Opportunity of Specialized Industrial Process Equipment in the Pharma, Chemicals and Food Processing Sector” dated July 22, 2024 (the “F&S Report”) prepared and issued by Frost & Sullivan (India) Private Limited, exclusively commissioned and paid for by us in connection with the Offer, appointed pursuant to engagement letter dated April 8, 2024. The data included herein includes excerpts from the F&S Report which is available on the website of our Company at <https://www.standardglr.com/investors/#f-s-industry-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 issue), that have 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.

INTERNAL RISK FACTORS

Risk Factors related to us, our business and our industry

- We are dependent on our manufacturing facilities, all of which are situated in Telangana, India. We are subject to risks in relation to our manufacturing process including accidents and natural disasters and also risks arising from changes in the economic or political conditions of Telangana, India which in turn will interfere with our operations and could have an adverse effect on our business, results of operations and financial condition.***

We conduct our operations through our eight manufacturing facilities located across Hyderabad, Telangana, India (our “**Manufacturing Facilities**”). Our business is dependent upon our ability to manage and operate our manufacturing facilities, which are subject to various operating risks, including

those beyond our control, such as the obsolescence, industrial accidents, failure of power supply, severe weather conditions and natural disasters.

Furthermore, because our Manufacturing Facilities are used for differing segments of our business, the risk of substantial disruption or shutdown due to a single significant natural calamity or other catastrophic event is more pronounced. Any stoppage in one or more of our Manufacturing Facilities may cause us to suffer significant disruptions across our business segments. In addition, we may be required to carry out planned shutdowns of our facilities for maintenance, statutory inspections or may shut down certain facilities for capacity expansion and equipment upgrades. Our facilities and equipment would be difficult and costly to replace on a timely basis. Moreover, catastrophic events could also destroy any inventory located at our Manufacturing Facilities.

All of our eight Manufacturing Facilities are situated in Telangana, India in proximity to the manufacturing facilities of clients in the pharmaceuticals sector located in Hyderabad, Telangana, India, the pharma hub of India (*Source: F&S Report*). While we have certain benefits due to the proximity of our Manufacturing Facilities, such as efficient supply management and low overheads on transportation, the geographical concentration of our Manufacturing Facilities exposes us to risks that impact Telangana, India as a region, including natural disasters. Further, in the past our manufacturing facilities have been shutdown for brief time periods in Fiscal 2021 and Fiscal 2022 due to outbreak of Covid-19. There can be no assurance that such instances will not occur in future which may have an adverse impact on our business, results of operations and financial condition.

Such concentration exposes us to adverse economic or political conditions that may affect the demand for our products in the region. Any changes in the policies of the state or local governments, political unrest, disruption, disturbance or downturn in the economy of Telangana, India could adversely affect our business, financial condition, results of operations, cash flows and prospects.

2. *Our business is dependent on the availability and retainment of skilled labour and workforce, and if we are unable to hire and engage the appropriate personnel, our business, results of operations and financial condition shall be adversely affected.*

The success of our operations depends on the availability of skilled labour and maintaining a good relationship with our workforce. Our success also depends on our ability to attract, hire, train and retain skilled labour who are experienced in manufacturing of glass lining equipment and other process equipment. As of March 31, 2024, we employed 378 full-time employees and 823 contract labourers. Although we have not experienced any major interruption to our operations as a result of labour disputes or labour unrest in the past three Fiscals, there can be no assurance that we will not experience any such disruption in the future as a result of disputes or disagreements with our permanent and contractual workforce, which may adversely affect our ability to continue our business operations. Further, a significant increase in our employee attrition rate could also result in decreased operational efficiencies and productivity, loss of market knowledge and customer relationships, and an increase in recruitment and training costs, thereby materially and adversely affecting our business, results of operations and financial condition.

The table below provides the attrition rate for our employees for Fiscal 2024, Fiscal 2023 and Fiscal 2022:

Particulars	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
Total number of employees	378	307	250
Employees Resigned during the Fiscal	139	99	52
Employees joined during the Fiscal	158	156	137
Attrition rate (%)	29.89%	24.38%	28.11%

Note:

1. 52 employees of M/s Higenic Flora Polymers and M/s Yashasve Glass Lining Industries were transferred to our Company in Fiscal 2024 and 117 employees of M/s S2 Engineering Services and M/s Stanpumps Engineering Industries were transferred to our Company in Fiscal 2022, due to the slump sales during the respective Fiscals;

2. Attrition rate has been calculated as the number of employees who have resigned during the period, divided by the number of employees existing as of the beginning of the period and the numbers of employees who have joined during the period.

We cannot assure you that we will be able to find or hire personnel with requisite experience or expertise to operate our machinery at our existing Manufacturing Facilities. In case we are unable to hire personnel with necessary experience or expertise, our business operations, financial condition and results of operations may be adversely affected.

Further, India has stringent labour and employment legislations that protects the interests of labourers/employees, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution, and employee removal, and legislation that imposes certain financial obligations on employers upon retrenchment. Our employees are not unionized. However, in the event that our employees seek to unionize, it may impact our labour policies, which may increase our costs and adversely affect our business.

3. *Our Manufacturing Facilities are dependent on adequate and uninterrupted supply of electricity and water. Any shortage or disruption of electricity and/or water, may lead to disruption in operations, higher operating cost and consequent decline in our operating margins.*

Adequate and cost-effective supply of electrical power and water is critical to our manufacturing facilities. The table below provides details of our expenses on power & fuel and water charges as a percentage of our total expenditure for the periods indicated:

Particulars	Power & Fuel			Water Charges		
	Fiscal			Fiscal		
	2024	2023	2022	2024	2023	2022
Total expenditure (in ₹ million) (A)	123.91	131.98	98.50	2.43	2.24	1.15
(A) as a percentage of the total expenses (in %)	2.64%	3.08%	4.74%	0.05%	0.05%	0.06%

We primarily rely on the state electricity boards through a power grid for the supply of electricity. Since, there may be power cuts in the supply provided by the state electricity board from time to time, we have stand-by diesel generator sets for our operations to ensure that there is no stoppage in our production. If the per unit cost of electricity is increased by the state electricity boards our power costs will increase. It may not be possible to pass on any increase in our power costs to our customers, which may adversely affect our profit margins.

Our operations and facilities are also dependent on a steady and stable supply of water. An irregular or interrupted supply of water could adversely affect our operations. If there is an insufficient supply of water to satisfy our requirements or a significant increase in price at which we procure water, our production may be impacted, which could adversely affect our business, financial condition, and results of operations. We cannot assure you that we will always have access to sufficient supply of water in the future for our production requirements. In addition to the production losses that we would incur in the absence of a supply of electrical power or water, we would not be able to immediately return to full production volumes following such interruptions, however brief. Any interruption of power, even if short, could give rise to inefficiencies when we resume production. While we have not faced any material disruptions in the supply of electricity and water in the last three Fiscals, there can be no assurance that such instances will not occur in future which may have an adverse impact on our business, results of operations and financial condition.

4. *Our revenue from operations is dependent upon a limited number of customers and the loss of any of these customers or loss of revenue from any of these customers could have a material adverse effect on our business, financial condition, results of operations and cash flows.*

The table below sets forth our revenue from our top 10 customers (the identities of which varied between fiscal years) and as a percentage of our revenue from operations for the relevant Fiscal:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	Contribution to revenue from operations (%)	Amount (₹ million)	Contribution to revenue from operations (%)	Amount (₹ million)	Contribution to revenue from operations (%)
Top 10 customers*	2,205.11	40.56%	2,680.64	53.87%	1,154.88	48.08%

**We are unable to disclose the names of individual customers since this information is commercially sensitive to our business.*

Due to our dependency on certain key customers for a significant portion of our revenue, the loss of any one or more of such key customers for any reason (including due to loss of contracts or failure to negotiate acceptable terms during contract renewal negotiations, disputes with customers, adverse change in the financial condition of such customers, including due to possible bankruptcy or liquidation or other financial hardship, merger or decline in their sales, reduced or delayed customer requirements for our products, plant shutdowns, labour strikes or other work stoppages) could have an adverse effect on our business, results of operations and financial condition.

We derive a significant portion of our revenue from operations from repeat orders from our customers. Set forth below is our revenue from such repeat orders from our top 20 customers in the three preceding Financial Years ended March 31, 2024, March 31, 2023, and March 31, 2022:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ million)	% of our revenue from operations	Amount (in ₹ million)	% of our revenue from operations	Amount (in ₹ million)	% of our revenue from operations
Revenue from repeat orders	2,910.14	53.53%	3,534.84	71.04%	1,154.45	48.06%

We have historically been dependent, and expect to depend, on such repeat orders, for a substantial portion of our revenue and the loss of any of them for any reason (including due to loss of, or termination of existing arrangements; limitation to meet any change in their quality specification or customization requirements, disputes with a customer; change in business practices of our customers or a change in the corporate structure of such customers) could have a material adverse effect on our business, results of operations, financial condition and cash flows.

In addition to these factors, these key customers may also replace us with our competitors or replace their existing products with alternative products which we do not supply. Our customers are also entitled to cancel their orders placed with us for a number of reasons, including if we fail to adhere to the specifications in terms of the agreement. While, our customers typically do not cancel their orders placed with us, there has been reduction or change in the order quantum in the past three fiscals. There can be no assurance that we will be able to maintain our existing volume of business with these key customers or that we will be able to offset any reduction of prices to these customers with reductions in our costs or by obtaining new customers. We cannot assure you that we will be able to maintain historic levels of business from our key customers, or that we will be able to significantly reduce customer concentration in the future, all of which could have an impact on our business prospects and financial performance.

5. ***We are dependent on a limited number of suppliers for our key raw materials such as stainless steel, carbon/ mild steel, nickel alloy, forgings, castings, chemicals and polytetrafluoroethylene powder. The loss of one or more of these suppliers could adversely impact our manufacturing processes and supply timelines, in turn adversely impacting our ability to comply with delivery schedules agreed with clients resulting in impact on our financial condition and results of operations.***

The table below sets forth our raw material costs from our top 10 suppliers (the identities of which varied between fiscal years) and as a percentage of our raw material costs for the relevant Fiscal:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	As a % of our raw material costs	Amount (₹ million)	As a % of our raw material costs	Amount (₹ million)	As a % of our raw material costs
Top 10 suppliers*	1,795.75	46.00%	1,652.56	54.27%	939.88	51.34%

**We are unable to disclose the names of individual suppliers since this information is commercially sensitive to our business.*

We source key raw materials from our suppliers and we have limited ability to seek preferential rates or additional discounts including for bulk purchases from these suppliers. Further, due to the precise

requirements of our customers, we are required to source raw materials from suppliers accredited with certain of our customers, thereby limiting our ability to source raw materials from sources that may offer us preferential rates.

Further, for certain of our key raw materials, we are dependent on a limited number of suppliers. Our inventory days for our key raw materials for each of the past three fiscals was as follows:

(in number of days)

Raw material	Fiscal 2024	Fiscal 2023	Fiscal 2022
Stainless steel	56	27	134
Carbon/ mild steel	25	29	226
Nickel alloy	96	161	43
Pumps	134	107	94
Chemicals	110	87	133
Others	118	83	110

We make purchases of these key raw materials on the basis of orders placed with our suppliers after receiving an order from our customers. In addition to the above, the overall duration of majority of our orders from the time of receipt of a confirmed order from our customer till the time of delivery typically ranges between 90 days to 180 days for process equipment and is lower for vacuum pumps and products such as pipes. As a result of the relatively short order duration, our orders in hand as of a particular date may not be indicative our future positions in the long term and we may be unable to accurately predict long term demand or prospects. This in turn also limits our ability to predict requirement of raw materials and enter into any long term arrangements with suppliers or hedging policies. While we not faced any major shortage of key raw materials from suppliers in past three years, there can be no assurance that such instances will not occur in future which may have an adverse impact on our business, results of operations and financial condition.

The loss of one or more of these suppliers could adversely impact our manufacturing processes and supply timelines, in turn adversely impacting our ability to comply with delivery schedules agreed with clients resulting in impact on our financial condition and results of operations.

6. ***Majority of our customers operate in the pharmaceuticals and chemical sectors. In each of the last three Fiscals, more than 94.33% of our revenue from operations were derived from the pharmaceutical and chemical sectors, combined. Factors that adversely affect these sectors or capital expenditure by companies within these sectors may adversely affect our business, results of operations and financial condition.***

We derive a large proportion of our consolidated revenues from customers that operate in the pharmaceuticals and chemical sectors. Accordingly, we are highly dependent on the long term and short term trends in these sectors, especially on the capital expenditure investment cycle of these sectors. The following table sets forth our revenues by end user industries for Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively.

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of total revenue from operations	Amount (₹ in million)	% of total revenue from operations	Amount (₹ in million)	% of total revenue from operations
Pharmaceuticals	4,446.70	81.79%	4,119.79	82.80%	2,054.33	85.53%
Chemicals	681.72	12.54%	713.37	14.34%	324.48	13.51%
Others	308.27	5.67%	142.73	2.86%	23.06	0.96%
Total	5,436.69	100.00%	4,975.88	100.00%	2,401.87	100.00%

Any significant downturn in these sectors may reduce the demand for our products. Further, any significant decrease in the growth of the pharmaceutical and chemical sector in India or significant consolidation in this industry, may reduce the demand for our products and have an adverse effect on our business, results of operations and financial condition. While we aim to capitalise on increasing demand from international markets and thereby grow our exports, any significant changes in the pharmaceuticals or chemicals industries in the major international markets like the Americas or the European Union could significantly impact our business., inadequate infrastructure in select areas such as fermentation, and delays in land acquisition and environmental clearance. If these industries face a downturn or

recessionary cycle, sales of our products may be adversely affected which may impact our business, results of operations and financial condition

7. *Our Company had in the past failed to comply with certain provisions of Companies Act.*

We have in the past failed to comply with certain provisions of the Companies Act. The paid-up share capital of our Company had crossed ₹ 50.00 million on April 30, 2014. Accordingly, pursuant to Section 203(1) of the Companies Act, 2013, our Company was required to appoint a company secretary, within six months of the increase in the paid up share capital. However, our Company failed to appoint a company secretary within the stipulated period and had appointed a company secretary only on October 1, 2021, after a delay of six years and 11 months.

Thereby, pursuant to the board resolution dated February 26, 2024, our Company had filed an application for adjudication of the abovementioned default under Section 454 of the Companies Act before the Registrar of Companies, Hyderabad. Pursuant to an adjudication order dated July 15, 2024, the non-compliance was compounded and a penalty of ₹ 0.05 million each was imposed on our Company and each of Nageswara Rao Kandula, Kandula Krishna Veni, Katragadda Venkata Ramani, Kudravalli Punna Rao and Suryadevara Venkateswara Rao, each in their capacity as our directors during the time of default. The penalty has been paid as of the date of this DRHP.

There can be no assurance that there will not be any similar proceedings or actions initiated against our Company in the future. Further, any such proceedings may divert management time and attention and may subject us to regulatory consequences (including penalty or action) which may have an adverse effect on our business, finances and results of operations.

8. *Under-utilization of our currently operational production lines at our Manufacturing Facilities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects, and future financial performance.*

Our ability to maintain our profitability depends on our ability to optimize the product mix to support our orders. In particular, the level of our capacity utilization can impact our operating results.

Our capacity utilization levels are dependent on the availability of raw materials, industry or market conditions as well as the requirements of our business associates. In the past three fiscals, we have faced certain disruptions due to non-availability of raw materials which was primarily attributable to Covid-19 pandemic and temporary non-availability of certain special grade of steel. In the event we face disruptions at our Manufacturing Facilities including as a result of labour unrest, unexpected events or temporary schedule maintenance or inability to procure sufficient raw materials could result in operational inefficiencies which could impact our actual production and capacity utilization and eventually our sales, that would have a material effect on our business and financial condition. While there have been no instances of under-utilization of our capacities in the past three fiscals, there can be no assurance that such instances will not occur in future which may have an adverse impact on our business, results of operations and financial condition. For further details in relation to capacity utilization, please see section “*Our Business*” on page 244. The success of any capacity expansion and expected return on investment on capital expenditure is subject to, among other factors, the ability to procure requisite regulatory approvals in a timely manner; recruit and ensure satisfactory performance of personnel to further grow our business; and the ability to absorb additional infrastructure costs. Further, any under-utilization of our existing or proposed capacities would result in lower revenues, which could affect our ability to fully absorb fixed costs and thus may adversely impact our financial performance.

Set out below are the details of our installed capacity, actual production and capacity utilisation (excluding CPK Unit 1 and CPK Unit 2) as of March 31, 2024, March 31, 2023 and March 31, 2022:

Manufacturing Facility	As of March 31, 2024			As of March 31, 2023			As of March 31, 2022		
	Installed Capacity (in number of units)	Actual Production (in number of units)*	Capacity Utilisation (%)#	Installed Capacity (in number of units)	Actual Production (in number of units)*	Capacity Utilisation (%)#	Installed Capacity (in number of units)	Actual Production (in number of units)*	Capacity Utilisation (%)#
SGL Unit	1,609	1,345	83.59%	1,609	1,166	72.47%	1,609	1,274	79.18%
S2 Unit 1	458	332	72.49%	458	382	83.41%	115	99	86.46%
S2 Unit 2	380	326	85.79%	380	223	58.68%	95	86	90.53%
S2 Unit 3	440	440	100.00%	440	323	73.41%	110	41	37.27%
S2 Unit 4	684	484	70.76%	684	684	100.00%	171	95	55.56%
SFPL Unit	90,000	57,484	63.87%	-	-	-	-	-	-

*The actual production details mentioned are a function of the orders received.

#The capacity utilization has been calculated on actual production during the relevant year divided by the installed capacity of the manufacturing unit.

Notes:

1. SGL Unit manufactures primarily glass lined equipments;
2. S2 Unit 1 manufactures primarily stainless steel and nickel alloy reactors and ANFDs;
3. S2 Unit 2 manufactures primarily stainless steel and nickel alloy filtration and drying, and storage equipment;
4. S2 Unit 3 undertakes supply and servicing of pumps;
5. S2 Unit 4 primarily manufactures stainless steel and nickel alloy heat transfer system, vessel and utility systems;
6. SFPL Unit primarily manufactures PTFE lined pipes and fittings;
7. SFPL Unit commenced production of PTFE lines pipes and fittings from June 1, 2023. Accordingly, the installed capacity disclosed for Fiscal 2024 has been calculated for a period of 10 months.
8. Each of S2 Unit 1, S2 Unit 2, S2 Unit 3 and S2 Unit 4 commenced production from December 26, 2021. Accordingly, the installed capacity for Fiscal 2022 has been calculated for a period of three months.
9. In addition to our Manufacturing Units set out above, we have acquired the business of C.P.K. Engineers Private Limited in Fiscal 2025. Accordingly, CPK Unit 1 and CPK Unit 2 have commenced manufacturing of stainless steel and nickel alloy reactors, storage systems, utility systems, heat transfer systems and filtration and drying from May 1, 2024, with an annual capacity of 180 units and 60 units, respectively.
10. The S2 Unit 5 is presently under construction and the construction is expected to be completed by October 31, 2024.
11. The above table has been certified by Global Engineers & Industrial Consultants, vide their certificate dated July 24, 2024

The fall in capacity utilization as indicated in the table above is primarily attributable to reduction in orders as compared to previous fiscal, while the increase in capacity utilization is primarily due to our acquisitions coupled with increase in our order volumes. For further information, please see “Our Business” on page 244.

9. Our business has grown rapidly in recent periods, and we may not be able to sustain our rate of growth in the future.

Our business has grown rapidly in recent years for various reasons, *inter alia*, organic growth and strategic acquisitions made by the Company. Set forth below are details of our revenue from operations and year on year growth in the corresponding periods:

(₹ million, except percentages)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from operations	5,436.69	4,975.88	2,401.87
YoY Growth Rate (%)	9.26%	107.17%	-

Our revenue from operations has observed a consistent increase from ₹ 2,401.87 million in Fiscal 2022 to ₹ 4,975.88 million in Fiscal 2023 and ₹ 5,436.69 million in Fiscal 2024. While the 9.26% increase from FY 23 to FY 24 was primarily attributable to increase in overall quantity of products sold during the year in line with increased production, increase in sale of services and operating revenues, the 107.17% increase from FY 22 to FY 23 was due to increase in overall production capacities. The increase in production was on account of the completion of the acquisition of the business of M/s S2 Engineering Services and M/s Stanpumps Engineering Industries (four facilities - S2 Unit 1, S2 Unit 2, S2 Unit 3 and S2 Unit 4) in the second half of Fiscal 2022, which are engaged in manufacturing stainless steel and high-alloys based equipment and supply and service of vacuum pumps. These manufacturing facilities were acquired on a slump sale basis pursuant to a business transfer agreement dated October 25, 2021 and

commenced operations in Fiscal 2022. The operations of Fiscal 2023 reflects a full year of operations of these additional facilities and our enhanced production capacities.

For more details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Our Results of Operations*” on page 428.

Notwithstanding the above, we may not be able to sustain historical growth rates for various reasons beyond our control. Achieving success in executing our growth strategy is contingent upon, among other factors: our ability to source for materials at cost-effective prices; accurately prioritizing geographic expansion within India and entry into export markets; employing and retaining skilled employees; bidding for and winning projects on acceptable terms; obtaining cost-effective financing needed for our expansion plans.

As we expand our manufacturing operations into new overseas markets, we also expect to encounter regulatory challenges which may restrict our ability to take advantage of market opportunities, execute our expansion plans successfully, respond to competitive pressures and maintain our historical growth rates.

- 10. *Nearly all of our revenues for Fiscal 2024, Fiscal 2023 and Fiscal 2022 were derived from sales of products and services within India, which in turn exposes us to risks specific to the Indian geography and market. There can be no assurance that we will be able to diversify the geographic sources of our revenues, which may adversely impact our future results of operations and profitability.***

We derived more than 99.60% of our revenues from sale of products and services from India in each of Fiscal 2024, Fiscal 2023 and Fiscal 2022. The following table sets out the geographical distribution of our revenue from operations.

Region	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of total revenue from operations	Amount (₹ in million)	% of total revenue from operations	Amount (₹ in million)	% of total revenue from operations
India	5,416.32	99.63%	4,962.46	99.73%	2,395.99	99.76%
Outside India	20.37	0.37%	13.42	0.27%	5.88	0.24%
Total	5,436.69	100.00%	4,975.88	100.00%	2,401.87	100.00%

Due to the concentration of our revenues from India, we are highly impacted by risks specific to India, including factors affecting the overall Indian economy, including general social, political and environmental risks and specifically those impacting the pharmaceutical and chemical industries within India. In the event that any of these risks materialise or if there is a significant downturn in the Indian economy, our results of operations and future profitability could be adversely impacted. Further, any natural calamities or environmental factors that affect the Indian geography would also adversely impact our operations.

Further, in furtherance of the strategy outlined by our Board at its meeting held on July 24, 2024, we intend to strategically expand into international markets by leveraging our diverse product portfolio, customer acceptance in domestic markets and end-to-end offerings for process engineering equipment for pharmaceutical and chemical sectors. For further details, please see “*Our Business*” on page 244. There can be no assurance that we will be able to successfully implement our strategy of expanding our international business in a timely manner or in any meaningful way or at all. In the event that we fail to capitalise on opportunities that we perceive in international markets or are unable to derive intended benefits from such expansion, we may face lower margins, decrease in profitability and reduced levels of operations in the future.

- 11. *Our success depends on our ability to understand evolving industry trends and to fulfill the changing preferences of our customers. Further, the cost of implementation of new technologies could be significant.***

Our ability to anticipate changes in technology and regulatory standards on a timely basis will be a significant factor in our ability to remain competitive. We cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive. Additionally, to

compete effectively in the manufacturing industry, we must be able to fulfil our customers' changing preferences in a timely manner. Product or technology obsolescence may cause our offerings to lose their competitive edge. However, we cannot assure you that we will be able to understand the evolving industry trends, which could adversely affect our results of operations.

We are one of top three manufacturers in India of glass-lined, stainless steel and nickel alloy based equipment in Fiscal 2024 in terms of revenue (*Source: F&S Report*). There can be no assurance that we will be able to maintain our market share in any of the product categories in which we operate, in the future, which in turn may adversely affect our future prospects.

Our future success may depend in part on our ability to respond to technological advances and changes in standards and practices in terms of production of specialised engineering equipment, in a cost-effective manner and on a timely basis. We cannot assure you that we will be able to successfully make timely and cost-effective enhancements and additions to the technology underpinning our manufacturing operations, keep up with technological improvements in order to meet our customers' needs or that the technology developed by others will not render our products less competitive or attractive. In addition, rapid and frequent technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial capital expenditures or write-down of assets. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs (in comparison to our competitors who are able to successfully implement such technologies) and lead to us being less competitive in terms of our prices or quality of services we provide. Further, implementation of new or upgraded technology may not be cost effective, which may adversely affect our profitability. Any of the above events may adversely affect our business, results of operations and financial condition.

12. *We may receive notices from regulatory authorities including environmental authorities, which may result in litigation, penalties, fines or cancellation or suspension of our operating licenses.*

Our operations, particularly at our manufacturing plants, are subject to stringent scrutiny, inspection and audit from third party environmental accreditation agencies, including Government authorities. While, we have not received any notices from the environmental authorities in the past three fiscals, we cannot assure you that we will not receive any notices or inquiry in future from the Governmental authorities. Receipt of any such notices or enquiry against us will require us to provide the regulatory authorities with information such as production data during a period, power and water consumption data, amongst others. Further, while no fines or penalties have been imposed by regulatory authorities in the past three fiscals, we cannot assure you that fines, penalties or damages will not be imposed on us in future.

Furthermore, there is also a possibility that the environmental and other regulatory authorities may cancel, suspend or withdraw the approvals, permits or consents granted to us or may order the closure of the manufacturing unit until the concerns are sufficiently addressed or remedied and it could adversely affect our business, results of operations and financial condition.

13. *One of our Promoters and SMP, Kudaravalli Punna Rao, and two of our SMPs, Radhakrishna Bandi and Chamala Chandrasekhar Reddy, are unable to trace their educational documents and we have relied on affidavits furnished by them for such details of their profiles.*

As on the date of this DRHP, the documents in relation to the educational qualifications of one of our Promoters and SMP, Kudaravalli Punna Rao and two of our SMPs, Radhakrishna Bandi and Chamala Chandrasekhar Reddy are unavailable. Accordingly, the BRLMs have relied on the affidavit dated July 1, 2024, July 8, 2024 and July 8, 2024 submitted by Kudaravalli Punna Rao, Radhakrishna Bandi and Chamala Chandrasekhar Reddy, respectively, and have incorporated the relevant information in this Draft Red Herring Prospectus and have not been able to independently verify such information due to the non-availability of records. For further details, please see "*Our Management – Senior Management of the Company*" and "*Our Management – Senior Management of the Subsidiaries*" on pages 312 and 313, respectively. We cannot assure you that we will not be subject to risks arising from the unavailability of such record.

14. *We do not have long term or exclusive contracts with majority of our customers and suppliers. If such customers choose not to source their requirements from us and or if such suppliers choose not to provide us with the requisite raw materials, there may be a material adverse effect on our business, financial condition, cash flows and results of operations.*

Our arrangement with customers and our suppliers, generally, is based on undertaking work on a purchase order basis, wherein a customer issues an order on us for the desired number of units and pricing. Subject to availability of the raw materials in our inventory and stocks, we may subsequently place an order with our suppliers for the required raw materials. While we maintain limited days of inventories of key raw materials such as stainless steel, carbon/ mild steel, nickel alloy, chemicals and PTFE powder these are not sufficient to service all our orders in hand as of any particular date. Further, as we rely on purchase orders for the bulk of our raw material supplies, we do not have any formal hedging policies in place. While our purchase orders are usually executed at fixed prices, in the event of any mismatch between the contracted price and the cost of raw materials due to price increases, there can be no guarantee that we will be able to pass on increases in raw material costs in all instances, leading us to bear losses or lower or than predicted margins on such orders.

In addition to the above, the overall duration of a significant portion of our orders from the time of receipt of a confirmed order from our customer till the time of delivery ranges between 90 days to 180 days for process equipment and is lower for vacuum pumps and products such as pipes. However, in the case of our turnkey projects, the time of delivery ranges between 180-365 days, which is significantly greater than that of the specific equipment based orders. As a result of the relatively short order duration, our orders in hand as of a particular date may not be indicative our future positions in the long term and we may be unable to accurately predict long term demand or prospects. This in turn also limits our ability to predict requirement of raw materials and enter into any long term arrangements with suppliers or hedging policies.

There can be no assurance that our customers, including those customers who have previously purchased equipment from us or availed our services, including repeat customers, will continue to source products from us. In the absence of committed volumes or prices, our ability to predict demand for our products and therefore accurately plan raw material supplies and production schedules is limited. We have also encountered a change in volume of orders from our top 20 customers by contribution to revenue from operations in the last three fiscals. Any further changes in the product mix for orders placed by our customers may also substantially impact our margins and production schedules. For further details in relation to our dependence on our top 10 customers, please see “ - *Our revenue from operations is dependent upon a limited number of customers and the loss of any of these customers or loss of revenue from any of these customers could have a material adverse effect on our business, financial condition, results of operations and cash flows.*” on page 44. Our margins vary across customers and specific products, a reduction in demand with higher margin customers can have a more significant adverse effect on our operating results.

Our customers may also cancel, change or delay production quantities and schedules, or fail to meet their forecasts for a number of reasons beyond our control. Cancellations, reduction in order size or value by a significant customer, or by a group of customers, could adversely affect our operating results and negatively affect our working capital levels.

Our customer's expectations can also change rapidly, requiring us to take on additional commitments or risks and we cannot assure you that we will be able to meet such expectations while maintaining our margins and our ability to maintain business with such customers.

15. ***There may be delays or defaults in payment by our customers or the reduction in credit period for payments to be made to third-party service providers which could negatively affect our cash flows. As a result, we experience significant working capital requirements and our inability to meet our working capital requirements may materially and adversely affect our business, cash flows and financial condition.***

We are exposed to counterparty credit risk in the usual course of our business dealings with our customers, vendors/third-parties or other counterparties who may delay or fail to make payments or perform their other contractual obligations. Our business requires a significant amount of working capital to finance our operations and our inability to meet our working capital requirements may adversely affect our cash flow cycle. Our working capital requirements increase primarily due to a considerable difference between the holding levels of our trade payables and our trade receivables.

The table below sets forth details relating to holding levels of our trade payables, trade receivables and

working capital cycle, as of the dates indicated:

Particulars	Number of days as of March 31		
	2024	2023	2022
Trade receivables days	104	67	125
Trade payables days	60	55	95
Working capital days	151	70	54

The holding level of our trade receivables has decreased from 125 days as of March 31, 2022 to 67 days as of March 31, 2023 is primarily due to the exclusion of sales transactions made between April 1, 2022, and December 26, 2022. Subsequently, the holding level of our trade receivables increased from 67 days as of March 31, 2023 to 104 days as of March 31, 2024 primarily due to rise in the order book and addition of new customers having longer credit period as compared to the previous period. In terms of our most of our contracts with our customers, we are entitled to receive payment after completion of our services. Pursuant to specific request for such extension of credit, we extend credit to our customers, with post-billing credit terms, of up to 90 days and such extension has been provided to less than ten customers in the last three Fiscals, and in certain cases, we may experience delays in payments by our customers even beyond the credit period afforded to them. As a result, we have, and may continue to have, high levels of outstanding receivables. Further, the holding level of our trade payables has decreased from 95 days as of March 31, 2022 to 55 days as of March 31, 2023 primarily due to the exclusion of sales transactions made between April 1, 2022, and December 26, 2022. Subsequently, the holding level of our trade payables has increased from 55 days as of March 31, 2023 to 60 days as of March 31, 2024 primarily due to a mainly due to increase in purchases to maintain the inventory levels for serving the orders on hand.

The table below sets forth details relating to our allowances for bad debt and bad debts written off in the Fiscals 2024, 2023 and 2022.

Particulars	Fiscal					
	2024		2023		2022	
	Amount (₹ million)	% of revenue from operations (%)	Amount (₹ million)	% of revenue from operations (%)	Amount (₹ million)	% of revenue from operations (%)
Allowances for expected credit loss	17.48	0.32	2.54	0.05	8.19	0.34
Bad debts written off	5.81	0.11	8.90	0.18	5.72	0.24

The financial condition of our customers, network partners, vendors/third parties and other counterparties may be affected by the performance of their business which may be impacted by several factors including general economic conditions. We cannot assure you of the continued viability of our counterparties or that we will accurately assess their creditworthiness. We also cannot assure you that we will be able to collect all or any part of any overdue payments.

Our business requires a significant amount of working capital as there is a considerable time lag between the purchase of raw materials and components and realization from the sale of our finished products. We are therefore required to maintain a sufficient stock of raw materials at all times in order to meet manufacturing requirements and have sufficient capital for our operations until we are able to recover project costs upon delivery of project-related goods and services, which in turn affects our working capital requirements. Consequently, there could be situations where the total funds available to us may not be sufficient to fulfil our commitments, and hence we may be required to incur additional indebtedness or utilize internal accruals to satisfy our working capital requirements.

The longer credit period granted to our customers compared to that offered by our vendors/third-parties may potentially result in certain cash flow mismatches. These factors, along with the requirement for additional working capital for the expansion of our business, have contributed to an overall increase in our working capital requirements. Our working capital requirements may further increase if the holding level of trade receivables is further increased or if there is a further decrease in the holding period of trade payables. We cannot assure you that we will continue to be successful in arranging adequate

working capital for our existing or expanded operations on acceptable terms or at all, which may materially and adversely affect our business, cash flows and financial condition.

Our working capital requirements may increase if the credit period against sales is increased. Our working capital requirements may also increase if we are required to pay higher prices for raw materials or excessive advances for the procurement of raw materials. Some of these factors may result in an increase in our short-term borrowings.

As we pursue our growth plan, we may be required to raise additional funds by incurring further indebtedness or issuing additional equity to meet our capital expenditures in the future. There can be no assurance that we will generate sufficient cash flows or be able to borrow funds in a timely basis, or at all, to meet our working capital and other requirements, which could materially and adversely affect our business and results of operations.

16. *Our Company is subject to certain exclusivity clauses pursuant to agreements entered into with international glass manufacturers. The invocation of such clause may adversely impact our business and production*

Pursuant to the exclusive supply and purchase agreement dated June 12, 2024 entered into between our Company and a partnership firm based in USA (the “**ESPA**”), during the term of the ESPA (which is five years and further extendable by another three years), our Company shall not compete with the partnership firm for the sale of certain glass lined products in certain geographies such as North America (excluding Cuba), South America, Europe (excluding Belarus and Russia) and certain countries in Asia and Africa. Further, in case of termination of the ESPA by us, we cannot sell certain glass lined products in the abovementioned geographies for a period between one to two years. Similarly, pursuant to the sale and purchase agreement dated June 11, 2024 among our Company, Asahi Glassplant Inc. and GL Hakko Co., Ltd. (the “**SPA**”), during the term of the SPA, our Company has agreed to purchase products exclusively from Asahi Glassplant Inc. and GL Hakko Co., Ltd.

Thereby, a breach of these exclusivity clauses will result in the breach of the agreement and subsequent litigations against our Company which may adversely impact our business and operations.

17. *Improper storage and handling of raw materials and finished products may cause damage to our inventory leading to an adverse effect on our business, results of operations and cash flows.*

Our inventory primarily consists of raw materials including stainless steel, carbon/ mild steel, high - alloys, chemicals, PTFE powder, forgings and castings, gearboxes, motors and seals and general consumables. Our raw materials, manufacturing processes and finished products if not appropriately stored and handled may affect the quality of the finished product, which could materially and adversely affect our business, financial condition, results of operations, or cash flows. Improper storage may also result in spoilage of inventory, which may require us to incur additional expenses in replacing that portion of the inventory and/ or incur additional expenses in maintenance and improvement of our storage infrastructure, which may adversely affect our profit margins. While we not faced any significant damage to our inventory in past three years, there can be no assurance that such instances will not occur in future which may have an adverse impact on our business, results of operations and financial condition.

18. *As a manufacturing business, our success depends on the smooth supply and transportation of raw materials from our suppliers, and on the smooth delivery of our products to our customers, both of which are subject to various uncertainties and risks.*

Any failure by any of our suppliers of raw materials to adhere to our technical specifications, quality requirements and production and delivery schedules could disrupt our manufacturing process. As of March 31, 2024, March 31, 2023 and March 31, 2022, we procured 97.21%, 96.75% and 99.06%, respectively of our raw materials from domestic suppliers and the remaining 2.79%, 3.25% and 0.94%, respectively from international suppliers. Any disruption of our suppliers’ operations and / or inadequate or interrupted transportation of raw materials to our Manufacturing Facilities could adversely affect our business, financial condition, results of operations and cash flows.

We do not have any formal agreements with most of these suppliers in connection with the supply of such raw materials. Any failure by any of our suppliers of raw materials to adhere to our technical

specifications, quality requirements and production and delivery schedules could disrupt our manufacturing process, which could have a material adverse effect on our results of operations and financial condition.

In the first quarter of Fiscal 2025 we have faced an instance whereby one of our suppliers failed to adhere to the requirements and conditions in relation to the supply of the raw materials, and as result we were required to buy raw materials in the spot market at unfavorable prices. We cannot guarantee that we will not face such failures on the part of our suppliers in the future, which could materially and adversely affect our business and results of operations and cash flows.

Further, disruptions of transportation services because of weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure and port facilities, geopolitical events, or other events could impair our ability to supply our products to our customers.

19. *We have in the past entered into certain related party transactions and may continue to do so in the ordinary course of our business and we cannot assure you that such transactions will not have an adverse effect on our results of operation and financial condition.*

We have entered into transactions with related parties in the past, on an arms length basis and from, time to time, we may enter into more such related party transactions in the ordinary course of business. These transactions include remuneration, rent expenses, sale of goods, purchase of goods, rendering of services, borrowings, purchase of business, guarantee and other transactions. Our Company has entered into related party transactions taken together for Fiscal 2024, Fiscal 2023, and Fiscal 2022 which is more than 10% of the total transaction of similar nature which is rental expenses been paid to the Promoters of the Company. For details of our related party transactions please refer to “*Note no 35 of Restated Consolidated Financial Information*” on page 370.

We have paid our Promoter and members of our Promoter Group the following amounts in the past three fiscals towards rent for such properties:

(₹ in million)

Name	Amount paid in Fiscal 2024	Amount paid in Fiscal 2023	Amount paid in Fiscal 2022
Kandula Ramakrishna (Promoter)	1.77	1.69	1.35
M/s S2 Engineering Services (Promoter)	32.59	39.06	25.34
M/s S2 Engineering Equipment	10.08	9.68	2.40
Stanseals Private Limited	-	2.60	-
Standard Group of Companies Private Limited	1.89	-	-

While all such transactions have been conducted on an arm’s length basis, in accordance with the Companies Act and other applicable regulations pertaining to the evaluation and approval of such transactions, there can be no assurance that we could not have obtained more favourable terms from third parties. Our Promoters may be deemed to be interested in our operations to the extent of such lease payments, though all related party transactions that we may enter into post-listing will be subject to an approval by our Audit Committee, Board, or Shareholders, as required under the Companies Act and the SEBI Listing Regulations. Such related party transactions in the future or any other future transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company and we cannot assure you they will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

20. *Information relating to the installed manufacturing capacity of our Manufacturing Facilities included in this DRHP are based on various assumptions and estimates and such assumption may cause future production and capacity to vary.*

Information relating to the installed capacity of our Manufacturing Facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management and a certificate dated July 24, 2024 from the independent chartered engineer, Global Engineers & Industrial Consultants, including assumptions relating to number of shifts, expected operations, availability of raw materials, expected unit utilization levels, downtime resulting from scheduled maintenance activities, downtime resulting from change in stock keeping units for a particular product, unscheduled breakdowns as well as expected operational efficiencies. Actual production volumes and capacity utilization rates may differ

significantly from the estimated production capacities and historical capacity utilization of our Manufacturing Facilities. Investors should therefore not place undue reliance on our historical installed capacity information for our existing Manufacturing Facilities included in this Offer Document.

21. *An inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.*

Our operations are subject to various risks inherent in the manufacturing industry including defects, malfunctions, and failures of manufacturing equipment, fire, riots, strikes, explosions, accidents and natural disasters. Our insurance may not be adequate to completely cover any or all of our risks and liabilities. Further, there is no assurance that the insurance premiums payable by us will be commercially viable or justifiable.

The table below provides details of the aggregate coverage of the insurance policies obtained by us as a percentage of our total assets in the periods indicated:

(amount in ₹ millions, unless specified otherwise)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Insurance coverage* (A)	7,439.94	6,646.96	2,152.15
Total Assets	6,653.77	3,477.85	2,981.07
Net assets** as per Restated Consolidated Financial Statements (B)	2,947.14	1,859.46	1,589.50
Insurance coverage times the net assets (A/B)	2.52	3.57	1.35
Percentage of insurance coverage vis-à-vis the total assets of the Company (%)	111.82%	191.12%	72.19%

As certified by M/s Niranjan & Narayan, Chartered Accountants vide their certificate dated July 24, 2024

** Insurance coverage = Total insurance coverage amount by considering insurance policies of property, equipments, vehicles, stock, erection and all risk insurance*

***Net assets = Property, Plant and Equipment (net block) + Capital Work in Progress + Intangibles (net block) + Investment Property (Buildings net block) + Inventories - Land
Total Assets – Assets as per Restated Financial Statements.*

Further, as of March 31, 2024, March 31, 2023 and March 31, 2022, the insurance on our inventory as a percentage of our total inventory was 100.09%, 95.18% and 67.50%, respectively. This indicates that our total inventory, as of March 31, 2023, and March 31, 2022 is not insured and thereby, to the extent that we suffer loss or damage as a result of events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. For further information on our insurance arrangements, see “*Our Business – Insurance*” on page 264.

As of Fiscal 2024, 2023 and 2022 our Company filed a claim of ₹ 2.33 million, ₹ 1.03 million and ₹ 21.42 million, respectively, of which it received an amount of ₹ 1.19 million, ₹ 0.63 million and ₹ 3.76 million, respectively. While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, or in part, or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at an acceptable cost, or at all. To the extent that we suffer loss or damage, for which we have not obtained or maintained insurance, or which is not covered by insurance, which exceeds our insurance coverage, or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial performance could be adversely affected.

22. *Our inability to successfully implement some or all our business strategies in a timely manner or at all could have an adverse effect on our business.*

As part of our strategy aimed towards business growth and improvement of market position, we intend to implement several business strategies, which include:

- Continuing to expand and improve our existing product portfolio and enter into additional end-user industries;

- Expanding our capacity by increasing the capabilities of our existing manufacturing plants as well as set up new manufacturing plants;
- Capitalise on increasing demand from international markets to grow our exports; and
- Grow inorganically through strategic acquisitions and alliances.

Our strategy may not succeed due to various factors, including our inability to reduce our debt and our operating costs, our failure to develop new products with sufficient growth potential as per the changing market preferences and trends, our failure to effectively market these new products and services or foresee challenges with respect to our business initiatives, our failure to sufficiently upgrade our infrastructure, machines and technology as required to cater to the requirement of changing demand and market preferences, our failure to maintain highest quality and consistency in our operations or to ensure scaling of our operations to correspond with our strategy and customer demand, changes in GoI policy or regulation, our inability to respond to competition, and other operational and management difficulties. Any failure on our part to implement our strategy, including due to the reasons attributed aforesaid could be detrimental to our long-term business outlook and our growth prospects and may materially adversely affect our business, results of operations and financial condition. For further details of our strategies, see “*Our Business*” on page 244.

23. *Any failure to comply with quality standards may lead to warranty claims, cancellation of existing and future orders and could negatively impact our business, results of operations and financial condition.*

We may be exposed to risks of warranty claims, products recalls and returns. These risks can arise due to various factors such as manufacturing defects, non-compliance with safety standards, or issues discovered post-sale etc. however we are able to mitigate these risks by implementing the following namely quality control, compliance and testing, customer feedback, warranty management and crisis management plan. In the event of claimed defect, our practice is to replace / repair the product, free of cost. Any defects in the products sold by us could adversely affect future demand for our products and designs and could also result in customer claims for damages.

In defending such claims, the Company could incur substantial costs and be subject to adverse publicity. Defects in our products or designs may also result in product recalls. We do not have insurance coverage for product recalls.

In addition, we may be exposed to potential product liability claims, and the severity and timing of such claims are unpredictable. We face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, whether or not such claims are valid. We may also be subject to claims resulting from manufacturing defects or negligence in storage or handling which may lead to the deterioration of our products. Product liability claims, regardless of their merits or the ultimate success of the defence against them, are expensive. Even unsuccessful product liability claims would likely require us to incur substantial amounts on litigation and require our management’s time and focus. Accordingly, such product liability claims, may adversely affect our results of operations, goodwill and the marketability of our products.

24. *An inability to protect and further strengthen and enhance our brand and business reputation could adversely affect our business prospects and financial performance.*

Our business reputation and the “*Standard Glass*” brand name under which we sell our products are critical to the success of our business. Various factors, some of which are beyond our control, are critical for maintaining and enhancing our brand, which may negatively affect our brand if not properly managed. These include our ability to, effectively manage the quality of our products and address grievances; increase brand awareness among existing and potential business associates; adopt new technologies or adapt our systems to user requirements or emerging industry standards; and protect the intellectual property related to our brand.

Our success in marketing our products depends on our reliance on direct promotional initiatives.

There can be no assurance that our business promotion efforts will be successful in maintaining our brand and its perception in the market. Also, we may not necessarily increase or maintain our business promotion expenses in proportion to our growth in the future, which may result in limited marketing initiatives.

Our brand could also be harmed if our services fail to meet the expectations of our business associates, if we fail to maintain our established standards or if we become the subject of any negative media coverage. Our failure to develop, maintain and enhance our brand may result in decreased revenue and loss of business associates, and in turn adversely affect our business, financial condition and results of operations.

25. ***We have witnessed negative cash flow from operating activities in the past. Any negative cash flows in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and our financial condition.***

The following table sets forth certain information relating to our cash flows from / (used in) operating activities for the periods indicated:

	(₹ in million)		
	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net cash flow/(used) from/in operating activities	(650.27)	17.51	(71.49)
Net cash flow/(used) from/in investing activities	(1,568.34)	(290.17)	(297.38)
Net cash flow/(used) from/in financing activities	2,318.95	325.70	369.97
Net increase/(decrease) in cash and cash equivalents	100.34	53.04	1.10

Negative cash flows from operating activities over extended periods, or significant negative cash flows in the short term, could materially and adversely impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Cash Flows*” on page 434.

26. ***We have in the past periods received certain benefits from the Government of Telangana under the Industrial Investment Promotion Policy 2010-15. There can be no assurance that we will receive similar benefits in the future, the unavailability of which will adversely impact our revenues and future profitability.***

Pursuant to the Industrial Investment Promotion Policy 2010-15 (“**IIPP Scheme**”), our Company has received certain grants and subsidies. In July 2018, our Company received a (i) sanction of reimbursement of interest subsidy of ₹ 10.85 million; (ii) sanction of reimbursement of power cost of ₹ 9.68 million and (iii) sanction of investment subsidy of ₹ 2.00 million. Such Government grants and subsidies are a one-time benefit and, there can be no assurance that we will be able to claim any benefits under similar government schemes in the future or that investments made by us will be entitled to any incentives under applicable government policies. The absence of similar benefits in the future can reduce miscellaneous income for us in turn adversely impacting our revenues and future profitability.

27. ***Our success largely depends upon the knowledge and experience of our Promoters, Directors and our Key Management Personnel and Senior Management as well as our ability to attract and retain personnel with technical expertise. Any loss of our Promoters, Directors, Key Management Personnel and Senior Management or our ability to attract and retain them and other personnel with technical expertise could adversely affect our business, results of operations and financial condition.***

Our success largely depends upon the knowledge and experience of our Promoters, Directors and our Key Management Personnel and our Senior Management as well as our ability to attract and retain skilled personnel. Disassociation of our Promoters, or loss of our Directors and Key Management Personnel and our Senior Management or our ability to attract and retain them and other skilled personnel could adversely affect our business, results of operations and financial condition. We depend on the management skills and guidance of our Promoters for development of business strategies, monitoring their successful implementation and meeting future challenges. Further, we also significantly depend on the expertise, experience, and continued efforts of our Key Management Personnel and Senior Management who have an average professional experience of more than 10 years. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our Key Management Personnel and Senior Management are unable or unwilling to continue in his or her present position, it could be difficult for us to find a suitable or timely replacement and our business, results of operations and financial condition could be adversely affected.

In addition, we may require a long period of time to hire and train replacement personnel when personnel with technical expertise terminate their employment with us. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting and retaining personnel with technical expertise that our business requires.

There is significant competition for management and other skilled personnel in Indian manufacturing industries like process equipment manufacturing sector in which we operate, and it may be difficult to attract and retain the personnel we require in the future. There can be no assurance that our competitors will not offer better compensation packages, incentives and other perquisites to such skilled personnel.

In the event that we are not able to attract and retain talented employees as required for conducting our business, or if we are unable to motivate and retain existing employees, our business, results of operations and financial condition may be adversely affected. For further information, see “*Our Management*” on page 293.

28. *Majority of our Directors on our Board have no experience of being directors in any other listed entity within India, therefore, they will be able to provide limited guidance in relation to affairs of our Company post listing.*

None of our Directors serving on the Board of our Company have any experience of being directors in a listed entity. While they are qualified professionals with substantial experience in their respective domains, due to reasons of them not having any experience of being directors in a listed entity, they have historically not been subject to the compliance requirements and scrutiny of the regulators associated with a listed company. Accordingly, we may get limited guidance from them and, may fail to satisfy our obligations and/or maintain and improve the effectiveness of our disclosure controls, procedures and internal control as required for a listed entity under applicable laws.

29. *We require various licenses and approvals for undertaking our businesses and the failure to obtain or retain such licenses or approvals in a timely manner, or at all, may adversely affect our operations.*

Our operations are subject to various laws and regulations. Our manufacturing operations are subject to a wide range of increasingly strict environmental, health and safety requirements. These requirements address, among other things, air emissions, wastewater discharges, releases into the environment, including laws and regulations governing our relationship with our employees in areas such as minimum wages, maximum working hours, overtime, working conditions, hiring and terminating employees, contract labour and work permits. For further details in connection with the applicable regulatory and legal framework within which we operate, see “*Key Regulations and Policies in India*” on page 267. The success of our existing operations in the sector in which we operate is contingent upon, among other factors, receipt and timely renewal of all required licenses, permits and authorizations, including factory licenses, environmental permits, and health and safety permits. Also, we may not obtain all required licenses, permits and authorizations, including factory licenses, environmental permits, and health and safety permits for the under construction manufacturing facility which can be applied only post its completion of construction. We cannot assure that our Company will receive all requisite approval on time for the under construction manufacturing facility. Further, certain environmental laws impose strict liability for accidents and damages resulting from hazardous substances and any failure to comply with such laws may lead to closure, penalties, fines and imprisonment. For further details, please refer to the section “*Government and Other Approvals*” beginning on page 445.

Although we aim towards maintaining compliance with all environmental, health and safety, employee-related and other applicable laws and regulations, currently in force, changes in these laws or regulations may result in implications such as incurring significant costs in order to maintain compliance with such laws and regulations and may also result in time overrun or prevent project completion amongst others. There can be no assurance that the legal framework, licensing and other regulatory requirements or enforcement trends in our industry will not change further in a manner that might increase our costs of compliance, or that we will be successful in adequately responding to such changes.

If we fail to comply with any existing laws and regulations, or fail to obtain, maintain or renew any of the required licenses or approvals, the relevant regulatory authorities may impose fines and penalties on us as well as our officers, including our Directors, KMPs and SMPs, who may additionally be liable to penalties prescribed under applicable laws, revoke our business licenses and approvals and / or require

us to discontinue our business or impose restrictions on the affected portion of our business. Any action brought against us for alleged violations of laws or regulations, even if our defense thereof is successful, could cause us to incur significant legal expenses and divert our management’s attention from the operation of our business. Further, any public announcement that we are being investigated for possible violations of these laws or regulations could harm our reputation, operating results and financial condition. If we are found in violation, we may be subject to any applicable penalties associated with such violations, including civil and criminal penalties, damages and fines, loss of licenses, certifications, accreditations or authorizations and we may be required to curtail or cease our operations. If we lose or otherwise are unable to maintain any of our required licenses and approvals under applicable laws and regulations, our business operations may likely be materially and adversely affected.

30. *Changes in trade policies and regulations may adversely affect our operations and future profitability, especially on account of restrictions in import of our key raw materials.*

Pursuant to the changes to Indian trading policies, treaties and tariffs, which could create uncertainties about the future relationship between India and other countries with respect to trade policies, treaties and tariffs. Any such change in policies by India or by the other countries, in terms of tariff and non-tariff barriers, from which we import our raw materials, 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. For further details, see “Key Regulations and Policies” on page 267.

For each of Fiscal 2024, Fiscal 2023 and Fiscal 2022, we imported 2.79%, 3.25% and 0.94% of our total raw materials. Further, we are dependent on certain foreign suppliers for imports of high -alloys, which accounted for 2.28%, 2.65% and 0.65% of our total cost of raw materials in each of Fiscal 2024, Fiscal 2023 and Fiscal 2022. There can be no guarantee that prices of these key raw materials will not fluctuate in future or that availability of these raw materials will not be compromised, especially in the event of changes in relations between India and governments of the countries from whom these imports are made. We cannot assure you that in the event of any shortage in supplies or increase in prices of our key raw materials, we will be able to find alternative sources of these materials, at acceptable prices or within required timelines, or at all.

31. *All of our Manufacturing Facilities and our registered office are situated on parcels of land that have been leased by us. If we are unable to renew existing leases or relocate our operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition and operations.*

Nearly all of our Manufacturing Facilities are located on land parcels available to us on a leasehold basis. Further, the SGL Unit and S2 Unit 1 are on lease from M/s S2 Engineering Services and M/s S2 Engineering Equipment, respectively, at a lease rental of ₹ 2.00 million and ₹ 0.80 million per month, respectively. Additionally, we lease certain properties used as our offices from our Promoters and members of our Promoter Group. For further details, see “-We have in the past entered into certain related party transactions and may continue to do so in the ordinary course of our business and we cannot assure you that such transactions will not have an adverse effect on our results of operation and financial condition.” on page 54. While we do not perceive any conflict of interest between our Company, our Promoters and members of our Promoter Group, there can be no assurance that we could not have obtained alternate parcels of land on similar terms or better terms.

Pursuant to the related party transactions of the Company, over 10% of the total transaction of similar nature is paid as rental expenses to the Promoters of our Company. For further details, see “Restated Consolidated Financial Information – Related Party Transactions” on page 370. The details of our lease expenses for the below mentioned time periods, is as provided below along with the lease expenses as a percentage of our total expenses in the following table:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total Lease Expenses (in ₹ million)	73.18	74.11	45.22
Lease expenses as % of Total Expenses (%)	1.56%	1.73%	2.18%

While we have an option of renewing the lease agreements for our Manufacturing Facilities, leased in favor of our Company, we may need to renegotiate the terms of renewal of the lease agreement with the lessor, on acceptable terms. As of the date of this DRHP, none of our lease agreements have not been

renewed. While we have not had any instances of breach of material terms of lease agreements or termination or non-renewal of our leases by our landlords in the past three fiscals, we cannot assure you that we will be able to fully adhere to all the terms of the lease agreements, renew such lease agreement or enter into a new lease agreement in the future, on terms that are favourable to us, or at all. We are subject to a lock-in provision under majority of our lease agreements which may restrict our ability to terminate such leases, even when a manufacturing facility or office situated at such leased premises is no longer profitable for us.

Additionally, lessors have the ability to terminate lease agreements before the expiration of their term, including for noncompliance of the terms of the agreement by us or if we are unable to pay rent for an extended period of time and there can be no assurance that we will be able to identify suitable locations to re-locate our Manufacturing Facilities within an acceptable time frame or at all. Although no such incidents have occurred in the past three fiscals, we cannot assure you that such instances will not occur in future. In the event such incidents occur, our business, financial condition and results of operation may be adversely affected. For further details, please see “*Our Business – Property*” on page 265.

32. *We rely on third-party transportation providers for the transportation of our finished products and any disruption in such delivery or failure by third parties in transporting the products may adversely affect our operations.*

The success of our business depends on the uninterrupted supply and transportation of our finished products for which we depend on third-party transportation and logistics providers.

Transportation strikes in the areas where our factories are situated may have an adverse effect on supplies and deliveries of our products in a timely manner. Additionally, products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. In Fiscal 2024, Fiscal 2023 and Fiscal 2022, the losses and damages amounted to ₹ 2.33 million, ₹ 1.03 million, and ₹ nil million, respectively on account of factors including fault attributable to the transportation provider. Further, we have claimed insurance amounts of ₹ 1.90 million, ₹ 0.63 million, and ₹ nil million in Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively. There may also be delay in transportation of products which may adversely affect our business and results of operations. Failure to transport our products in an efficient and reliable manner may have a material and adverse effect on our business, financial condition, and results of operations.

There can be no assurance that a disruption in the transportation of our products will not occur in the future as a result of these factors and that such disruptions may or may not have material effect on the business of the Company. Details of our freight and forwarding charges expenses as a comparison to our total expenses for the last three fiscals are as below:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total expenses (A) (₹ in million)	4,698.80	4,282.23	2,077.32
Freight and forwarding charges (B) (₹ in million)	56.24	60.72	43.51
(B) as a percentage of (A)	1.20%	1.42%	2.09%

Further, disruptions of transportation services because of weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure and port facilities, geopolitical events, or other events could impair our ability to supply our products to our customers.

Any compensation received from insurers or third-party transportation providers may be insufficient to cover the cost of any delays and impact to our goodwill with our affected customers. We may also suffer from an increase in fuel costs, as it will have an impact on freight charges levied by our third-party transportation providers. In order to meet our distribution requirements, we would need to spend money and resources, including absorbing the extra freight costs to keep our selling price the same, which would adversely impact our business’ results of operations, or pass the costs on to our customers, which would adversely impact the demand for our products.

33. *The examination reports on our Restated Consolidated Financial Information disclose emphasis of matter paragraphs included in auditors reports on audited financial statements, and we cannot assure that our financial information for future periods will not contain emphasis of matters.*

The examination report on our Restated Consolidated Financial Information as at and for the year ended March 31, 2022 discloses an emphasis of matter paragraph included in the auditors report for the year ended March 31, 2022 describing that the purpose and basis of preparation of the Special Purpose Ind AS Consolidated Financial Statements is solely for the purpose of preparation of the Restated Consolidated Financial Information with regards to this Offer. For further details, see “*Restated Consolidated Financial Information*” beginning on page 326.

While such emphasis of matters did not have an adverse effect on our financial condition, we cannot assure that our financial information for future periods will not contain emphasis of matters, which may have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

34. *We have incurred indebtedness and an inability to comply with repayment and other covenants in our financial arrangements could adversely affect our business and financial condition. Further, certain of our financial agreements involve variable interest rates and an increase in interest rates may adversely affect our results of operations and financial condition.*

Certain of the financing arrangements entered into by us include conditions that require our Company to obtain respective lenders’ consent prior to carrying out certain activities and entering into certain transactions. As of May 31, 2024, we had total outstanding borrowings of ₹ 1,816.47 million, on a consolidated basis. While we have not encountered any instances of violation of covenants and terms of our borrowings in the past three fiscals leading to imposition of any penalty or declaration of any default by our lenders, there can be no assurance that we will continue to be able to meet all conditions imposed by our financing arrangements. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. These covenants vary depending on the requirements of the financial institutions extending such loans and the conditions negotiated under each financing agreement. Some of the corporate actions that require prior consents from certain lenders include, amongst others, changes in the capital structure of our Company, changes in the composition of board of directors of our Company, amending the constitutional documents of the Company and changes in the shareholding pattern of our Company. Although we have obtained all necessary consents for the purposes of this Offer and have adhered with these covenants, failure to do so in the future may limit or delay certain activities or initiatives that we may occasionally propose to undertake. We have not defaulted on any terms in financing agreements in the past three fiscals, however, we cannot assure you that this will be the case in the future. For further details, see “*Financial Indebtedness*” on page 406.

Failure to comply with the covenants under our financing arrangements or to obtain necessary consents/waivers, constitute defaults under the relevant financing agreements and will entitle the respective lenders to declare a default against us and enforce remedies under the terms of the financing agreements. Such events of default include (i) failure or inability to pay outstanding principal and interest amounts on due dates, (ii) providing incorrect or misleading information and representations, (iii) providing inadequate security or insurance, (iv) liquidation or dissolution of our Company, (v) cessation or change in business or control of our Company, (vi) cross default, and (vii) default in the performance of any covenant, condition or undertaking on our part. The remedies available to our lenders in case of any of the abovementioned events of default are (i) terminate and cancel either whole or part of the facility, (ii) suspend further access/drawals of the facility by us, either in whole or part, (iii) impose a monetary penalty, and (iv) accelerate repayments/initiate recall of the loans. For details in relation to our borrowings, see “*Financial Indebtedness*” on page 406.

As on date of this Draft Red Herring Prospectus, there are no delays or non-compliances by our Company in relation to the financial arrangements with our lenders.

We may obtain additional funds by availing loans from time to time and consequently, our repayment obligations and interest may increase in the future as the loans we avail will be at variable interest rates. Further, we are also exposed to the risks associated with changes in interest rates in certain of our financing arrangements where there is a provision of periodic change in interest rates. We cannot assure you that we will be able to avail loans or refinance our existing loans at interest rates that are favourable to us, or at all. Further, in recent years, the Government of India has taken measures to control inflation, which included tightening the monetary policy by raising interest rates. As such, any increase in interest rates due to economic and political conditions in the market as well as the financial condition of our Company in the future, may have an adverse effect on our business, results of operations, cash flows,

and financial condition. Additionally, if we fail to sell our products to the customers and our revenue from operations decreases as an effect of that, we may fail to repay our borrowings in a timely manner, or at all, and consequently, the credit rating with respect to our borrowings will downgrade. For further details, see “-Any downgrade in our credit ratings could increase our borrowing costs, affect our ability to obtain financing, and adversely affect our business, results of operations and financial condition.” on page 65.

35. *We intend to utilize a portion of the Net Proceeds for funding our capital expenditure requirements in relation to the expansion of our manufacturing capacities which may be subject to the risk of unanticipated delays in implementation, cost overruns and other risks and uncertainties.*

Pursuant to the resolution dated July 24, 2024 passed by the Board of Directors of our Company and resolution dated July 24, 2024 passed by the board of directors of our Material Subsidiary, we intend to utilize, up to ₹ 400.00 million from the Net Proceeds for funding capital expenditure requirements of our Company as well as our Material Subsidiary. See “Objects of the Offer” on page 129. We cannot assure you that we will be able to complete proposed expansion of capacity, within the expected estimated cost and on time which may result into cost escalations and time overruns.

In order to augment our existing capacities, we will require additional machinery and equipment. While we have procured quotations from various vendors for our existing Manufacturing Facilities as well as our manufacturing facilities which are under construction, we have not placed firm orders for supply of machinery and equipment. The quotations we have received are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. We cannot assure you that we will be able to undertake the proposed capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. We have estimated the requirement of the machinery and equipment and other ancillary expenses for the proposed capacity expansion. Our funding requirements and deployment of the Net Proceeds of the Offer are based on management estimates. In the event of any delay in placing the orders, or an escalation in procuring the machinery and equipment or in the event the vendors are not able to provide the equipment in a timely manner, there could be time and cost overruns which may consequently have a material adverse effect on our business, results of operations and financial condition. Further, if we are unable to procure the requisite materials from the vendors from whom we have procured quotations, we cannot assure you that we may be able to identify alternative vendors in a timely manner to provide us with the materials which satisfy our requirements at acceptable prices. Our inability to procure machinery and equipment at acceptable prices or in a timely manner, may result in an increase in the cost, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly, thereby resulting in an adverse effect on our business, prospects and results of operations. Further, the completion of the installation and commissioning of machinery and equipment is also dependent on the performance of external agencies which are also responsible for, inter alia, constructing the factory shed and other civil works for setting up the upcoming unit of our Material Subsidiary wherein our Material Subsidiary will install and commission the plants and machinery. If the performance of these agencies is inadequate or there are delays in obtaining government or statutory approvals, it may result in incremental cost and time overruns which could adversely affect our business and results of operations. Any similar delays in the future caused by events beyond our control may affect our ability to complete the proposed capacity expenditure in accordance with the proposed schedule of implementation, which could have an adverse impact on our growth, prospects, cash flows and financial condition. The proposed capacity expansion at our under-construction manufacturing unit will also require us to obtain various approvals, in the nature of building approvals and municipal approvals, which will be sought at appropriate stages by such external agencies. In the event of any unanticipated delay in receipt of such approvals, the proposed schedule of implementation and deployment of the Net Proceeds may be extended or varied accordingly. Expanding our current operations can be risky and expensive, and we cannot assure you that we may be successful in meeting the desired cost efficiencies and any consequent growth in our business. Our inability to procure such approvals or machinery and equipment at acceptable prices or in a timely manner may result in an increase in capital expenditure and/or in the extension of the proposed schedule implementation and deployment of Net Proceeds.

36. *Our Company proposes to utilize a portion of the Net Proceeds to repay or prepay, in full or in part, all or certain outstanding borrowings availed by our Company and our Material Subsidiary. We may not be able to derive the expected benefits of the deployment of the Net Proceeds, in a timely manner, or at all.*

As of May 31, 2024, we had total outstanding borrowings of ₹ 1,816.47 million, on a consolidated basis. For further details, please see “*Financial Indebtedness*” on page 406. Our Company intends to use a certain portion of the Net Proceeds for repayment or prepayment, in full or in part, of all or certain outstanding borrowings availed by our Company and our Material Subsidiary, as disclosed in “*Objects of the Offer*” on page 129. The deployment of Net Proceeds to our Subsidiary for the purpose of repayment of outstanding borrowings, may be in the form of equity or debt, which will be determined by our Company and updated in the Red Herring Prospectus.

The details of the borrowings identified to be repaid/pre-paid using the Net Proceeds have been disclosed in “*Objects of the Offer*” on page 129. The repayment/pre-payment of the identified borrowings is subject to various factors including, commercial considerations, market conditions, cost of borrowings and conditions attached to such borrowings. While we believe that utilization of Net Proceeds for repayment/pre-payment of borrowings would help us to reduce our indebtedness and enable the utilization of our internal accruals for further investment in business growth and expansion, the repayment of borrowings will not result in the creation of any tangible assets for our Company.

We may have to revise our management estimates on our funding requirements and deployment from time to time on account of various factors, including factors beyond its control such as market conditions, competition, cost of commodities and interest, negotiation with lenders and consequently its requirements may change. Additionally, various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. The planned use of the Net Proceeds is based on current conditions and is subject to changes in external circumstances, costs, other financial conditions, business environment, interest or exchange rate fluctuations or business strategies. However, the deployment of the Offer Proceeds will be monitored by the Monitoring Agency.

37. *Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders’ approval.*

While we propose to utilize the Net Proceeds towards the objects as specified in the section titled “*Objects of the Offer*” on page 129. 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 the shareholders’ approval through a special resolution. In the event of any such circumstances 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. 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 Offer, 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 of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

38. *The information included in this Draft Red Herring Prospectus in relation to our listed peers may not be comparable and it may be difficult to benchmark and evaluate our financial performance against other operators who operate in the same industry as us.*

While our listed peers (GMM Pfadler Ltd, HLE Glascoat Ltd, Thermax Ltd and Praj Industries) may have similar service offerings, our business may be different in terms of differing scale, business models, product verticals serviced or focus areas or geographical presence. Therefore, investors must rely on their own examination of our accounting ratios, non-GAAP measures and key performance indicators relating to our financial and operating performance for the purposes of investment in this Offer. We cannot assure you that our non-GAAP measures, key performance indicators and accounting ratios will improve in the future. An inability to improve or maintain our non-GAAP measures, key performance indicators and accounting ratios may adversely affect the market price of the Equity Shares. Moreover, there are no standard methodologies in the industry for the calculation of such indicators, measures and metrics. For further details, please see “*Basis of Offer Price*” on page 148.

Our competitive position may differ from that presented in this Draft Red Herring Prospectus and any valuation exercise undertaken for the purposes of the Offer by our Company, in consultation with the BRLMs, and may not be based on a benchmark with our listed industry peers. The relevant parameters based on which the Price Band would be determined, shall be disclosed in the advertisement that would be issued for publication of the Price Band. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, announcements by us or our competitors of significant acquisitions, strategic alliances, other external conditions or situations, announcements by third parties or governmental entities of significant claims or proceedings against us, volatility in the securities markets in India and other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

39. *The loss of accreditation for our Manufacturing Facilities and operations could damage our reputation, business, results of operations and cash flows.*

Our quality certifications and accreditations are critical for sales to our customers. We have obtained various quality and process certifications including ISO 9001:2015, ISO 14001:2015, ISO 27001:13 and ISO 45001:2018. We have also received accreditations for U symbol from The American Society of Mechanical Engineers, NB mark from the National Board of Boiler & Pressure Inspectors and R symbol from the National Board of Boiler & Pressure Vessel Inspectors. If we are unable to comply with the accreditation criteria or if such agencies determine that we are not in compliance with the prescribed standards and norms, our existing accreditation may be revoked or not renewed or we may not be granted new accreditations. To ensure continued accreditation with such agencies, we must ensure consistency and maintain the quality of our products and our manufacturing processes. If we lose one or more of our accreditations or certifications, our reputation and business prospects may be adversely affected. For further details please see “Our Business” on page 244.

40. *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 the 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.*

During Fiscal 2022, our Company has had certain instances of delays in the payment of certain statutory dues with respect to tax returns and employee provident fund payments. We cannot assure you that such delays will not arise in the future. Any delay in payment of statutory dues by our Company in the 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.

For details in delay in payment of statutory dues by our Company, please refer below table:

Delay in the payment of Provident Fund:

Sr. No.	Month	Due Date of Payment	Actual Date of Payment	Period of delay (in days)	Amount (₹ in Million)
1	April 2021	20-May-21	25-May-21	5	0.13
2.	May 2021	20-Jun-21	26-Jul-21	36	0.25
3.	June 2021	20-Jul-21	26-Jul-21	6	0.32
4.	August 2021	20-Sep-21	5-Oct-21	15	0.41
5.	September 2021	20-Oct-21	10-Nov-21	21	0.43
6.	October 2021	20-Nov-21	17-Dec-21	27	0.41
7.	December 2021	20-Jan-22	28-Jan-22	8	0.26

Delay in payment of ESIC:

Sr. No.	Month	Due Date of Payment	Actual Date of Payment	Period of delay (in days)	Amount (₹ in Million)
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1.	May 2021	15-Jun-21	21-Jul-21	36	0.05
2.	June 2021	15-Jul-21	21-Jul-21	6	0.05
3.	September 2021	15-Oct-21	20-Oct-21	5	0.08
4.	December 2021	15-Jan-22	18-Jan-22	3	0.03
5.	January 2022	15-Feb-22	16-Feb-22	1	0.02

Delay in payment of Professional Tax:

Sr. No.	Month	Due Date of Payment	Actual Date of Payment	Period of delay (in days)	Amount (₹ in Million)
1.	April 2021	15-May-21	18-May-21	3	0.02
2.	May 2021	15-Jun-21	26-Jul-21	41	0.02
3.	June 2021	15-Jul-21	26-Jul-21	11	0.02
4.	July 2021	15-Aug-21	28-Aug-21	13	0.02
5.	August 2021	15-Sep-21	25-Sep-21	10	0.02
6.	September 2021	15-Oct-21	23-Oct-21	8	0.02
7.	October 2021	15-Nov-21	27-Nov-21	12	0.02
8.	November 2021	15-Dec-21	17-Dec-21	2	0.02
9.	December 2021	15-Jan-22	28-Jan-22	13	0.02
10.	January 2022	15-Feb-22	4-Mar-22	17	0.01

Delays in payment of TDS:

Sr. No.	Month	Due Date of Payment	Actual Date of Payment	Period of delay (in days)	Amount (₹ in Million)
1	April 2021	07-May 2021	14-Jun-21	38	0.47
2.	May-2021	07-June 2021	30-Jun-21	23	0.30
3.	June 2021	07-July 2021	26-Jul-21	19	1.20
4.	July 2021	07-August 2021	01-Sep-21	25	0.80
5.	August 2021	07-Septemer 2021	05-Oct-21	28	0.86
6.	September 2021	07-October 2021	06-Nov-21	30	0.71
7.	October 2021	07-November 2021	29-Nov-21	22	0.75
8.	November 2021	07-December 2021	31-Dec-21	24	0.58
9.	December 2021	07-January 2022	03-Feb-22	27	0.76
10.	January 2022	07-February 2022	04-Mar-22	25	0.69
11.	January 2022	07-February 2022	27-Mar-22	48	0.02
12.	February 2022	07-March 2022	27-Mar-22	20	0.66

41. Our Company has availed certain unsecured borrowings which may be recalled by the lender at any time.

Our Company has availed an unsecured borrowing of ₹ 20.00 million from Directors that is repayable on demand. As on May 31, 2024, the outstanding amount of this borrowing stood at ₹ 20.00 million. While this facility was extended in the ordinary course of business of the Company, in the event that the Directors seek repayment of such unsecured borrowing, we may need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. Any such recall with respect to this facility or any unsecured borrowing that we may avail in the future, may adversely affect our business, cash flows and financial condition. While we have not faced any such instances where such unsecured borrowing was recalled/ redeemed by the lender in the last three fiscals, there can be no assurance that this will not occur in the future. Also see “*Financial Indebtedness*” on page 406 for terms of our borrowings.

42. Any downgrade in our credit ratings could increase our borrowing costs, affect our ability to obtain financing, and adversely affect our business, results of operations and financial condition.

The availability of financing arrangements depends on our credit rating. Credit ratings reflect the opinion of the rating agency on various factors such as our management, diverse clientele, increase in scale of operations and margins. We have received the following credit ratings on our debt and credit facilities:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Long term bank facilities	A-	BBB+	BBB
Short term bank facilities	A2+	A2	A3+

Any downgrade in our credit ratings may increase borrowing costs, result in an event of default laid down under our financing arrangements and may adversely affect our access to equity and debt markets. It would also adversely affect our interest margins, our business, results of operations, financial condition and cash flows. Furthermore, any downgrade in our credit ratings could increase the probability of our lenders imposing more restrictive terms and conditions, such as increase in rates of interest at which loans are extended to us, to any financing arrangements we enter into in the future and adversely affect our business, results of operations and financial condition.

43. *Our Company, Promoters, Subsidiary and Directors are involved in certain legal and regulatory proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, financial condition, cash flows, and results of operations.*

There are outstanding legal and regulatory proceedings involving our Company, Promoters, Subsidiary and Directors which are pending at different levels of adjudication before various forums. Such proceedings could divert the management's time and attention and consume financial resources in their defence or prosecution. The amounts claimed in these proceedings have been disclosed to the extent that such amounts are ascertainable and quantifiable and include amounts claimed jointly and severally, as applicable. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, business, financial condition, and results of operations.

The summary of outstanding legal proceedings involving our Company, Promoters, Subsidiary, Directors and Group Companies, as on the date of this Draft Red Herring Prospectus is set out below:

Name of entity	Number of criminal proceedings	Number of tax proceedings	Number of statutory or regulatory proceedings	Number of disciplinary actions by the SEBI or the Stock Exchanges against our Promoters in the last five years	Number of material civil proceedings*	Aggregate amount involved (in ₹ million)^
Company						
Against our Company	Nil	9	Nil	N.A	Nil	921.12
By our Company	Nil	Nil	Nil	N.A	Nil	Nil
Subsidiary						
Against our Subsidiaries	Nil	1	Nil	N.A	Nil	6.61
By our Subsidiaries	Nil	Nil	Nil	N.A	Nil	Nil
Directors**						
Against our Directors	1	Nil	Nil	N.A	Nil	Not quantifiable
By our Directors	Nil	Nil	Nil	N.A	1	13.40
Promoters						
Against our Promoters	1	Nil	Nil	Nil	Nil	Not quantifiable
By our Promoters	1	Nil	Nil	Nil	1	13.40
Group Companies						
Outstanding litigation that has a material impact on our Company	Nil	Nil	Nil	N.A	Nil	Nil

*Determined in accordance with the Materiality Policy

^To the extent quantifiable

**Includes Directors who are Promoters

Further, two of our Directors, Nageswara Rao Kandula and Kandula Krishna Veni, were in the past directors of companies, which were struck off from the rolls of registrar of companies under Section 248 of the Companies Act, 2013 for certain non-compliances including non-filing of annual financial statements.

We cannot assure you that any of these matters will be settled in favour of our Company, Promoters, or Directors, respectively, 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 440.

44. *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) funding of capital expenditure requirements of our Company towards purchase of machinery and equipment; (ii) repayment or prepayment, in full or in part, of all or a portion of certain outstanding borrowings availed by our Company and investment in our wholly owned Material Subsidiary, S2 Engineering Industry Private Limited, for repayment or prepayment, in full or in part, of all or a portion of certain outstanding borrowings availed by S2 Engineering Industry Private Limited, from banks and financial institutions; (iii) investment in our wholly owned Material Subsidiary, S2 Engineering Industry Private Limited, for funding its capital expenditure requirements towards purchase of machinery and equipment; and (iv) funding inorganic growth through strategic investments and/or acquisitions and (v) general corporate purposes. For details, see “*Objects of the Offer*” on page 129. 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 the 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.

45. *We may not derive the anticipated benefits from our strategic investments and acquisitions and we may not be successful in pursuing future investments and acquisitions.*

As part of our growth strategy, we have in the past invested in and acquired business of certain entities on slump sale basis that are complementary to our business offerings. For details of such acquisitions, see “*History and Certain Corporate Matters- Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, if any, in the last ten years*” on page 277. We are currently evaluating potential opportunities and targets for acquisition. We believe that our investments and acquisitions serve to augment our growth by acquiring companies with strong supply/ distribution capabilities, expand our product offerings and portfolios, enhance our geographical presence and strengthen our existing product offerings.

There can be no assurance that our investments and acquisitions will achieve their anticipated benefits. We may not be able to integrate acquired operations, personnel and technologies successfully or effectively manage our combined business following the acquisition. Our investments and acquisitions may subject us to uncertainties and risks, including potential ongoing and unforeseen or hidden liabilities, diversion of management resources and cost of integrating acquired businesses. We may also experience difficulties and additional expenses associated with supporting legacy products and hosting infrastructure of the acquired business and retaining suppliers and customers of the acquired business.

We may not succeed in implementing our strategy of growth through strategic investments and acquisitions in the future as it is subject to many factors which are beyond our control, including our ability to identify, attract and successfully execute suitable acquisition opportunities and partnerships.

Any failure to achieve the anticipated benefits of our past investments and acquisitions or to consummate new investments and acquisitions in the future could negatively impact our ability to compete in our sector and have a material adverse effect on our business.

- 46. *Our Promoters, our Directors, Key Managerial Personnel and members of the Senior Management have interests in our business other than the reimbursement of expenses incurred or normal remuneration or benefits. Further, conflicts of interest may arise out of business ventures in which certain of our Directors are interested.***


In addition to payment of remuneration, we have entered into related party transactions with our Promoters, our Directors, Key Managerial Personnel and certain members of our Senior Management for payment of rent to such related parties and loan availed by our Company from related parties including loans to our KMPs. For details, see “*Restated Consolidated Financial Information – Note 35*” on page 370. Further, our promoters are also interested in our Company to the extent of Equity Shares held by them. Additionally, our Promoters, Nageswara Rao Kandula, Kandula Krishna Veni, Kandula Ramakrishna, Kudaravalli Punna Rao, Venkata Mohana Rao Katragadda and M/s S2 Engineering Services have provided personal guarantees for certain of our borrowings, which amounted to ₹ 1,409.67 million as of March 31, 2024 and our business, financial condition, results of operations and prospects may be adversely affected by the revocation of all or any of the guarantees provided by our Promoters in connection with our Company’s borrowings.

- 47. *We cannot assure the payment of dividends on the Equity Shares in the future.***

The declaration and payment of dividends on the Equity Shares is recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the applicable law, including the Companies Act. While our Company has not paid any dividends to its shareholders in the past three fiscals, we cannot assure you that we will be able to pay dividends on the Equity Shares at any point in the future. Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, sufficient profitability, working capital requirements and capital expenditure requirements and other factors considered relevant by our Directors and Shareholders.

- 48. *We may not be able to adequately protect our intellectual property. Further, our logo is not registered as of date of this DRHP.***

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.

We have filed an application for the registration of our corporate logo  along with certain other brand names which are currently pending. Further, there have been objections received to our corporate logo application. Until our applications are accepted, any unauthorized or inappropriate use of our brand, trademarks and domain names 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.

Like many of our competitors, we possess extensive technical knowledge about our products. Such technical knowledge has been built up through our own experiences and through our agreements to avail technical knowhow, which grant us access to new technologies.

Our technical knowledge is a significant independent asset, which may not be adequately protected by intellectual property rights such as patent registration. While we have registered two trademarks in India, one each by our Company and our Material Subsidiary, 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. 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 and applications made by our Company and our Material Subsidiary, please see “Government and Other Approvals – Intellectual property related approvals” beginning on page 448.

49. We may infringe the intellectual property rights of others and we may face claims that may be costly to defend and/or limit our ability to use such technology in the future, which may have a material adverse effect on our business, financial condition and results of operations.

As we expand our business, third parties may assert that our technologies or techniques violate their intellectual property rights. Such intellectual property claims against us could result in significant financial liability or prevent us from operating all or part of our business. Despite our efforts to comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights which may force us to alter our technologies, obtain additional licenses or cease certain segments of our operations. We may also be susceptible to claims from third parties asserting infringement and other related claims. For instance, under the agreements with some of our customers, we are required to, among others, pay damages or indemnify our customers in the event a successful intellectual property claim is brought against them in connection with the use of our products. While we have not been subject to such claims, including trademark disputes instituted against our Company before any judicial forum, nor has a third party brought claims against one of our customers for their use of our Company’s products, any such claims, regardless of their merits, could materially and adversely affect our relationships with current or future customers, result in costly litigation, cause product shipment delays or stoppages, divert management’s attention and resources, subject us to significant liabilities, require us to enter into additional royalty or licensing agreements or require us to cease certain activities. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

50. We engage in foreign currency transactions, which exposes us to adverse fluctuations in foreign exchange rates. Fluctuations in the exchange rate between the Rupee and other currencies may affect our operating results.

A small portion of our total revenues is denominated in currencies other than Indian Rupees. The table below sets forth details of our export sales in the periods indicated:

Particulars	Fiscal					
	2024		2023		2022	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Sales outside India	20.37	0.37%	13.42	0.27%	5.88	0.24%

Although, we monitor our exposure to foreign currencies to reduce the risks of currency fluctuations, these activities are not always sufficient to protect us against incurring potential losses if currencies fluctuate significantly or in the absence of hedging limits. As of March 31, 2024, ₹ 0.02 million each of our foreign currency receivable and payable balances were unhedged. In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an effect on our results of operations and cash flows. For further details, see “Management’s Discussion and Analysis – Foreign currency risk” on page 437.

51. Our performance may be adversely affected if we are not successful in forecasting customer demands, managing our inventory or working capital.

We maintain inventory levels of raw materials based on anticipated requirements to manufacture our products. We use our enterprise resource planning (“ERP”) software to evaluate our inventory balances of materials based on shelf life, expected sourcing levels, known uses and anticipated demand based on forecasted customer order activity and changes in our product sales mix. Efficient inventory management

is a key component of the success of our business, results of operations and financial condition. To be successful, we must maintain sufficient inventory levels and an appropriate product sales mix to meet our customers' demands, without allowing those levels to increase to such an extent that the costs associated with storing and holding other inventory adversely affects our results of operations. Our inventory levels for the last three fiscals ended March 31, 2024, March 31, 2023 and March 31, 2022 was ₹ 2,248.02 million, ₹ 1,434.09 million and ₹ 1,259.27 million, respectively. If our raw materials purchase decisions do not accurately predict sourcing levels, customer trends or our expectations about customer demands and needs are inaccurate, we may have to take unanticipated markdowns or impairment charges to dispose of the excess or obsolete inventory, which can adversely affect our results of operations. In addition, our working capital requirements have increased in recent years due to the general growth of our business. If a client defaults in making its payment on a product to which we have devoted significant resources, it may also affect our profitability and liquidity and decrease the capital resources that are otherwise available for other uses. All of these factors may result, or have resulted, in increases in our working capital requirements. If we are unable to finance our working capital needs, or secure other financing when needed, on acceptable commercial terms or at all, it may adversely affect our business, results of operations and financial condition.

52. *Failure or disruption of our IT, ERP or CRM systems may adversely affect our business, results of operations and financial condition.*

We have implemented various information technology (“IT”) and ERP software solutions to cover key areas of our operations, procurement, dispatch and accounting. All of these systems are potentially vulnerable to damage or interruption from a variety of sources, which could result from (among other causes) cyber-attacks on or failures of such infrastructure or compromises to its physical security, as well as from damaging weather or other acts of nature. A significant or large-scale malfunction or interruption of one or more of our ERP systems or other IT systems could adversely affect our ability to keep our operations running efficiently and affect product availability, particularly in the country, region or functional area in which the malfunction occurs, and wider or sustained disruption to our business cannot be excluded. In addition, it is possible that a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of our customers.

Such malfunction or disruptions could cause economic losses for which we could be held liable or cause damage to our reputation. Any of these developments, alone or in combination, could have a material adverse effect on our business, results of operations and financial condition. Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our ERP systems or other IT systems may lead to inefficiency or disruption of our operations and thereby adversely affecting our business, results of operations and financial condition.

53. *Employee misconduct could harm us and is difficult to detect and deter.*

Although we closely monitor our employees, misconduct, including acts of bribery, corruption or fraud by employees or executives, such acts could include binding us to transactions that exceed authorized limits or present unacceptable risks, or they may hide unauthorized or unlawful activities from us, which may result in substantial financial losses and damage to our reputation and loss of business from our customers. Employee or executive misconduct could also involve the improper use or disclosure of confidential information, which could result in regulatory sanctions and serious reputational or financial harm, including harm to our brand. It is not always possible to deter employee or executive misconduct and the precautions taken and systems put in place to prevent and detect such activities may not be effective in all cases. While we have not faced any such instances of employee misconduct in the past three fiscals, in the case of occurrence of the same our business, results of operations and financial condition could be adversely affected.

54. *We have certain contingent liabilities, capital commitments and guarantees which, if materialize, may affect our results of operations, financial condition, and cash flows.*

Set out below are the details of our contingent liabilities, capital commitments and guarantees as of March 31, 2024:

Particulars	Amount
-------------	--------

	(₹ in million)
Contingent liabilities	
Bank guarantee issued on behalf of third parties	251.99
Capital commitments	
Estimated amount of contracts remaining to be executed on capital account and not provided for: Property, plant and equipment	33.94
Guarantees	
Letter of credit issued to supplier/vendors	26.49
Total	312.42

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, cash flows, financial condition and results of operations. Further, there can be no assurance that we will not incur increased levels of contingent liabilities or capital commitments in the current fiscal year or in the future. Our contingent liabilities or capital commitments may become actual liabilities. Further, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future. For further information, see “*Financial Statements — Restated Financial Information – Note 37*” on page 380.

55. ***In this Draft Red Herring Prospectus, we have included certain non-GAAP (“Generally Accepted Accounting Principles”) financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology applicable across the Indian retailing industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.***

Certain non-GAAP financial measures such as CAGR, EBITDA, EBITDA Margin, PAT Margin, Return on Capital Employed, Return on Equity, Return on Assets, Net Debt to Equity Ratio, Adjusted Return on Capital Employed, Net Worth, Return on Net Worth and Net Asset Value per Equity Share, etc. and certain other industry measures related to our operations and financial performance have been included in this DRHP. We compute and disclose such non-GAAP financial measures and such other industry related 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 Indian retail industry. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our audited financial statements as reported under applicable accounting standards disclosed in this DRHP.

These non-GAAP financial measures and such other industry related statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and industry related statistical information of similar nomenclature that may be computed and presented by other companies. Accordingly, investors should not place undue reliance on the non-GAAP financial information included in this DRHP. For further information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators and Non-GAAP Financial Measures*” on page 424.

56. ***Extracts of industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by Frost & Sullivan (India) Private Limited exclusively commissioned and paid for by us for such purpose.***

We have used the report titled “*Assessing the Opportunity of Specialized Industrial Process Equipment in the Pharma, Chemicals and Food Processing Sector*” dated July 22, 2024 (the “**F&S Report**”) prepared and issued by Frost & Sullivan (India) Private Limited (“**F&S**”), exclusively commissioned and paid for by us in connection with the Offer, appointed pursuant to engagement letter dated April 8, 2024 for the purpose of inclusion of such information in the Offer Documents. Our Company, our Subsidiaries, our Promoters, our Directors or Key Managerial Personnel or Senior Management or the Selling Shareholders or the Book Running Lead Managers are not related to F&S Given the scope and

extent of the F&S Report, disclosures are limited to certain excerpts and the F&S Report has not been reproduced in its entirety in this Draft Red Herring Prospectus. 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. The F&S Report is a paid report and is subject to various limitations and based upon certain assumptions that are subjective in nature.

- 57. *After the completion of the Offer, our Promoters along with the members of our Promoter Group will continue to collectively hold majority of the shareholding in our Company, which will allow them to influence the outcome of matters requiring shareholder approval.***

For details of the pre and post-Offer shareholding of our Promoters and members of our Promoter Group, see “*Capital Structure*” on page 102. After the completion of the Offer, our Promoters along with the members of our Promoter Group will continue to collectively hold the majority of the shareholding in our Company and will continue to exercise significant influence over our business policies and affairs and all matters requiring Shareholders’ approval, including the composition of our Board, the adoption of amendments to our constitutional documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures or any other matter requiring a special resolution. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these stockholders. Further, some of our lenders require that our Promoters provide personal guarantees in order to secure debt availed by us. We cannot assure that our Promoters will be amenable to provide such security in future. For details in relation to the guarantees issued by our Promoters see “*History and Certain Corporate Matters - Details of guarantees given to third parties by our Promoter Selling Shareholders*” on page 279. The interests of the Promoters as our controlling shareholders could conflict with our interests or the interests of our other shareholders. We cannot assure you that the Promoters will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business. For further details in relation to the interests of our Promoters in our Company, see “*Our Promoters and Promoter Group*”, “*Our Management*” and “*Summary of the Offer Document– Summary of Related Party Transactions*” on pages 316, 293 and 29, respectively.

External Risk Factors

- 58. *Recent global economic conditions have been challenging and continue to affect the Indian market, which may adversely affect our business, financial condition, results of operations, and prospects.***

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

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

- 59. *Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest, and other events could materially and adversely affect our business.***

Natural disasters (such as typhoons, flooding, and/or earthquakes), epidemics, pandemics such as COVID-19, and man-made disasters, including acts of war, terrorist attacks, and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition, and results of operations. Recent developments in the ongoing conflict between Russia and Ukraine and the Israel and Hamas has resulted in and may continue to result in a period of sustained instability across global financial markets, induce volatility in commodity prices, adversely impact availability of natural gas, increase in supply chain, logistics times and costs, increase borrowing costs, cause outflow of capital from emerging markets and may lead to overall slowdown in economic activity in India. Our operations may be adversely affected by fires, natural disasters, and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity, and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic, and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1, and H1N1 strains of influenza in birds and swine and more recently, the SARS-CoV-2 virus and the monkeypox virus. Another outbreak of any new variant of COVID-19 pandemic such as the new JN.1 variant or future outbreaks of SARS-CoV-2 virus or a similar contagious disease could adversely affect the global economy and economic activity in the region.

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

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

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

The Income Tax Act, 1961 (“**IT Act**”) was amended to provide new manufacturing domestic companies (i.e., companies which have been set-up and registered on or after October 1, 2019 and commenced manufacturing or production on or before March 31, 2024) an option to pay corporate income tax at the rate of 15% (plus applicable surcharge and health and education cess), as compared to rate of 30% (plus applicable surcharge and health and education cess), provided such companies do not claim certain specified deductions or exemptions. Similarly, other domestic companies have an option to pay corporate income tax at the rate of 22% (plus applicable surcharge and health and education cess), on satisfaction of prescribed conditions. Further, where a company has opted to pay the reduced corporate tax rate, the minimum alternate tax provisions would not be applicable. We pay corporate tax at the rate of 22%. Any future amendments or increase in the tax rate may have an effect on our profitability.

Further, with the implementation of GST, we are obligated to pass on any benefits accruing to us as result of the transition to GST to the consumer thereby limiting our benefits. In order for us to utilise input credit under GST, the entire value chain has to be GST compliant, including us. While we are and will continue to adhere to the GST rules and regulations, there can be no assurance that our suppliers and dealers will do so. Any such failure may result in increased cost on account of non-compliance with the GST and may adversely affect our business and results of operations.

Earlier, distribution of dividends by a domestic company was subject to Dividend Distribution Tax (“**DDT**”), and such dividends were generally exempt from tax in the hands of the shareholders. However, the GoI has amended the IT Act to abolish the DDT regime. Accordingly, any dividend distributed by a domestic company is subject to tax in the hands of the investor at the applicable rate. Additionally, the Company is required to withhold tax on such dividends distributed at the applicable rate. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends. Investors are

advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

Further, the GoI has announced the interim union budget for the financial year 2024-2025 and the Finance Bill, 2024 has been tabled before the Parliament. While the Finance Bill, 2024 does not propose any significant changes to the IT Act, the full union budget which has been announced on July 23, 2024 has introduced certain amendments to the IT Act. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations, and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent, may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

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

Similarly, changes in other laws may require additional compliances and/or result in us incurring additional expenditure. For instance, the Government of India has notified four labour codes which are yet to come into force as of the date of this Draft Red Herring Prospectus, namely, (i) the Code on Wages, 2019, (ii) the Industrial Relations Code, 2020; (iii) the Code on Social Security, 2020; and (iv) the Occupational Safety, Health and Working Conditions Code, 2020. Such codes will replace the existing legal framework governing rights of workers and labour relations. Once these codes are in force, we may be required to incur additional expenditure to ensure compliance with them. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent, may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

62. *Significant differences exist between Ind AS (“Indian Accounting Standards”) and other accounting principles, such as U.S. GAAP (“Generally Accepted Accounting Principles in the United States of America”) and IFRS (“International Financial Reporting Standards”), which investors may be more familiar with and may consider material to their assessment of our financial condition.*

Our Restated Consolidated Financial Information for Fiscal 2024, Fiscal 2023 and Fiscal 2022, have been prepared and presented in conformity with Ind AS. Ind AS differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements and consult their own professional advisors for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should be limited accordingly.

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, United States, United Kingdom, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy, financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries.

These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

64. *If inflation were to rise in India, we might not be able to increase the prices of our products at a proportional rate thereby reducing our margins.*

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials, and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our business associates, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or entirely offset any increases in costs with increases in prices for our products. In such a case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the Government has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

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

The Competition Act, 2002, of India, as amended (“**Competition Act**”), regulates practices having an appreciable adverse effect on competition in the relevant market in India (“**AAEC**”). Under the Competition Act, any formal or informal arrangement, understanding, or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment, or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the “**CCI**”). Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

On April 11, 2023, the Competition (Amendment) Bill 2023 received the assent of the President of India to become the Competition (Amendment) Act, 2023 (“**Competition Amendment Act**”) amending the Competition Act and giving the CCI additional powers to prevent practices that harm competition and the interests of consumers. The Competition Amendment Act, *inter alia*, modifies the scope of certain factors used to determine AAEC, introduces a deal value threshold for mergers & acquisitions, reduces the overall time limit for the assessment of combinations by the CCI, changes the scope of anti-competitive agreements, broadens the definition of cartels, and empowers the CCI to impose penalties based on the global turnover of entities, for anti-competitive agreements and abuse of dominant position.

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

Risks Relating to the Equity Shares and this Offer

66. *The average cost of acquisition of Equity Shares of the Selling Shareholders may be lower than the Offer Price.*

The average cost of acquisition of the Equity Shares for the Selling Shareholders ranges from ₹ 1.00 to ₹ 68.90, which may be lower than the Offer Price. For details, see “*Basis for Offer Price*” and “*Capital Structure*” on pages 148 and 102, respectively. The Offer Price is not indicative of the price at which our Company has issued the Equity Shares in the past or that will prevail in the open market following listing of the Equity Shares.

67. *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.*

On listing of our Equity Shares, we may be subject to general market conditions which may include significant price and volume fluctuations. The price of our Equity Shares may also fluctuate after listing of our Equity Shares due to several factors such as volatility in the Indian and global securities markets, our profitability and performance, performance of our competitors, changes in the estimates of our performance or any political or economic factors. The occurrence of any of the abovementioned factors may lead to us triggering the parameters stipulated by SEBI and/or the Stock Exchanges for placing securities under the GSM or ASM framework such as net worth and net fixed assets of securities, high low variation in securities, concentration of business associates, close to close price variation, market capitalization, variation in volume, delivery percentage and average unique PAN traded over a period of time. In the event our Equity Shares are covered under such surveillance measures implemented by SEBI and/or the Stock Exchanges, we may be subject to certain additional restrictions in relation to trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active trading market for our Equity Shares.

68. *We have issued Equity Shares during the preceding 12 months at prices that may be lower than the Offer Price. We cannot assure you that we will not issue Equity Shares in the future at a price lower than the Offer Price.*

We have issued Equity Shares at prices that may be lower than the Offer Price in the last 12 months preceding the filing of this Prospectus, by way of issuing bonus shares. For further details, see “*Capital Structure*” on page 102. The price at which our Company has issued the Equity Shares in the past is not

indicative of the price at which they will be issued or traded. We cannot assure you that the Equity Shares to be issued in the future will be at or lower than the Offer Price.

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

We are incorporated under the laws of India and all of our Directors, Key Management Personnel and Senior Management Personnel reside in India. All of our assets are also located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 (“CPC”). India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the CPC. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, 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, including the United States, cannot be enforced by proceedings 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 directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. Further, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such an amount may also be subject to income tax in accordance with applicable law.

70. *The trading volume and market price of the Equity Shares may be volatile following the Offer.*

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts’ recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- fluctuations in stock market prices and volume;

- general economic and stock market conditions;
- significant change in holding by promoters or other significant investors;
- market speculative trends without any changes in fundamentals; and
- interest rate decisions by RBI MPC and Publishing of Inflation data by National Statistical Office.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

71. *Our Company will not receive any proceeds from the Offer for Sale. The Selling Shareholders will receive the net proceeds from the Offer for Sale.*

The Offer consists of a Fresh Issue and an Offer for Sale. The Selling Shareholders shall be entitled to the proceeds from the Offer for Sale (net of their respective portion of the Offer-related expenses) and our Company will not receive any of the net proceeds from the Offer for Sale. None of our Directors, Key Managerial Personnel or members of Senior Management will receive, in whole or in part, any proceeds from the Offer except for proceeds pursuant to the Offer for Sale.

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

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

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 are generally taxable in India. A securities transaction tax (“STT”) is levied on and collected by an Indian stock exchange on which equity shares are sold. Any capital gain exceeding ₹100,000, realized on the sale of listed equity shares held for more than 12 months immediately preceding the date of transfer, may be subject to long-term capital gains tax in India. This beneficial provision is, *inter alia*, subject to payment of STT. Further, any gain realized on the sale of listed equity shares in an Indian company, held for more than 12 months, which are sold using any platform other than a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India.

Further, any gain realized on the sale of the Equity Shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short-term capital gains tax in India, subject to STT being paid at the time of sale of such shares. Otherwise, such gains will be taxed at the applicable income tax rates.

While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India’s right to impose tax on capital gains arising from the sale of shares of an Indian company. As a result, non-resident investors may be liable for tax in India as well as in their own jurisdiction on a gain realized upon the sale of the Equity Shares. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

The stamp duty for transfer of certain securities, other than debentures, on a delivery basis is currently specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

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

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

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

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities, or securities linked to Equity Shares including through the exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares, convertible securities, or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

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

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India requires a tax clearance certificate from the Indian income tax authorities.

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

We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 496.

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

We are not a listed company and have historically not been subjected to the compliance requirements and increased scrutiny of our affairs associated with being a listed company by shareholders, regulators, and the public at large. As a listed company, we will incur significant legal, accounting, corporate governance, and other expenses that we did not previously 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 of our business and financial conditions. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may be unable to readily determine and accordingly report any changes in our results of operations or cash flows as promptly in comparison to the other listed companies.

Furthermore, as a listed company, we will be required to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. 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. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, financial condition, results of operations and cash flows. In addition, we may need to hire additional staff with appropriate experience and technical legal and accounting knowledge for our legal and accounting departments, but we cannot assure you that we will be able to do so in a timely and efficient manner.

78. *Determination of the Price Band is based on various factors and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer. Further, the current market price of some securities listed pursuant to certain previous issues managed by the BRLMs is below their respective issue prices.*

The Price Band for the Offer is determined on the basis of various factors and assumptions, by our Company in consultation with the BRLMs. Further, the Offer Price of the Equity Shares has been determined by our Company in consultation with the BRLMs through the Book Building Process. These are based on various factors, including factors as described under "*Basis for Offer Price*" on page 148 and may not be indicative of the market price for the Equity Shares after the Offer.

Additionally, the current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLMs is below their respective issue price. For further details, see "*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLMs*" on page 457. The factors that may affect the market price of the Equity Shares include, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop, or continuous trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

79. *The Offer Price, market capitalization to revenue multiple based on the Offer Price of our Company, may not be indicative of the market price of the Company on listing or thereafter.*

Our revenue from operations and profit after tax for Fiscal 2024 was ₹ 5,436.69 million and ₹ 600.11 million, respectively and our market capitalization to revenue from operations (Fiscal 2024) multiple is [●] times at the upper end of the Price Band. The Offer Price of the Equity Shares is proposed to be determined on the basis of assessment of market demand for the Equity Shares offered through the book-building process prescribed under the SEBI ICDR Regulations, and certain quantitative and qualitative factors as set out in the section titled "*Basis for Offer Price*" on page 148 and the Offer Price, multiples and ratios may not be indicative of the market price of the Equity Shares on listing or thereafter.

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

Accordingly, any valuation exercise undertaken for the purposes of the Offer by our Company and Selling Shareholders, in consultation with the BRLMs, would not be based on a benchmark with our

industry peers. The relevant financial parameters based on which the Price Band would be determined, shall be disclosed in the advertisement that would be issued for publication of the Price Band.

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

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

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

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

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

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

Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under applicable law, to any person(s), aggregating up to ₹ 500.00 million at its discretion, prior to filing of the Red Herring Prospectus with the RoC ("**Pre-IPO Placement**"). The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20.00% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

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

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

We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the investors' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing. Therefore, QIBs and Non-Institutional Bidders 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, cash flows, or otherwise between the dates of submission of their Bids and Allotment.

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

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

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

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

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

Our Articles of Association, the 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 of our Company than as a shareholder of an entity in another jurisdiction.

SECTION IV: INTRODUCTION

THE OFFER

The following table sets forth details of the Offer:

The Offer of Equity Shares of face value of ₹10 each ^{#(1)(2)}	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ [●] million
<i>of which</i>	
Fresh Issue ⁽¹⁾	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ 2,500.00 million
Offer for Sale ⁽²⁾	Up to 18,444,000 Equity Shares of face value of ₹10 each aggregating up to ₹ [●] million by the Selling Shareholders
The Offer consists of	
A) QIB Portion ⁽³⁾⁽⁴⁾	Not more than [●] Equity Shares of face value of ₹10 each
<i>of which</i>	
Anchor Investor Portion ⁽⁵⁾	Up to [●] Equity Shares of face value of ₹10 each
Net QIB Portion available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares of face value of ₹10 each
<i>of which</i>	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion) ⁽⁴⁾	Up to [●] Equity Shares of face value of ₹10 each
Balance of the Net QIB Portion for all QIBs including Mutual Funds	Up to [●] Equity Shares of face value of ₹10 each
B) Non-Institutional Portion ⁽³⁾⁽⁶⁾	Not less than [●] Equity Shares of face value of ₹10 each
<i>of which</i>	
One-third of the Non-Institutional Portion, available for allocation to Bidders with an application size between ₹ 0.2 million to ₹ 1.00 million	[●] Equity Shares of face value of ₹10 each
Two-thirds of the Non-Institutional Portion, available for allocation to Bidders with an application size of more than ₹ 1.00 million	[●] Equity Shares of face value of ₹10 each
C) Retail Portion ⁽³⁾	Not less than [●] Equity Shares of face value of ₹10 each
Pre and post Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as of the date of this Draft Red Herring Prospectus)	181,634,520 Equity Shares of face value of ₹10 each
Equity Shares outstanding after the Offer	[●] Equity Shares of face value of ₹10 each
Use of Net Proceeds by our Company	Please see the section entitled “ <i>Objects of the Offer</i> ” on page 129 for information about the use of the Net Proceeds. Our Company will not receive any proceeds from the Offer for Sale.

Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under applicable law, to any person(s), aggregating up to ₹ 500.00 million at its discretion, prior to filing of the Red Herring Prospectus with the RoC (“Pre-IPO Placement”). The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20.00% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant

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

- (1) The Fresh Issue has been authorized by a resolution of our Board of Directors dated July 19, 2024, and a special resolution passed by our Shareholders at their meeting held on July 22, 2024. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated July 24, 2024.
- (2) Each of the Selling Shareholders, severally and not jointly, has confirmed and authorized their participation in the Offer for Sale in relation to their portion of the Offered Shares through their consent letters each dated July 22, 2024. Each of the Selling Shareholders, severally and not jointly, confirms that their respective portion of the Offered Shares has 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 the authorisations provided by the Selling Shareholders are as follows:

Name of the Selling Shareholder	Aggregate proceeds from the Offer for Sale (in ₹ million)	Maximum number of Offered Shares	Date of consent letter to participate in the Offer for Sale
Promoter Selling Shareholders			
M/s S2 Engineering Services*	Up to [●]	Up to 52,04,000	July 22, 2024
Kandula Ramakrishna	Up to [●]	Up to 48,96,000	July 22, 2024
Kandula Krishna Veni	Up to [●]	Up to 41,31,000	July 22, 2024
Nageswara Rao Kandula	Up to [●]	Up to 7,65,000	July 22, 2024
Kudaravalli Punna Rao	Up to [●]	Up to 50,000	July 22, 2024
Venkata Mohana Rao Katragadda	Up to [●]	Up to 40,000	July 22, 2024
Promoter Group Selling Shareholders			
M/s Standard Holdings **	Up to [●]	Up to 5,04,000	July 22, 2024
Katragadda Venkata Ramani	Up to [●]	Up to 5,00,000	July 22, 2024
Venkata Siva Prasad Katragadda	Up to [●]	Up to 3,50,000	July 22, 2024
Krishna Kanth Kudravalli	Up to [●]	Up to 2,00,000	July 22, 2024
Kudaravalli Srikanth	Up to [●]	Up to 2,00,000	July 22, 2024
Balabhavani K	Up to [●]	Up to 50,000	July 22, 2024
Poojitha Katragadda	Up to [●]	Up to 40,000	July 22, 2024
Other Selling Shareholders			
Venkata Sandeep Gopineedi	Up to [●]	Up to 4,50,000	July 22, 2024
Likitha Katragadda	Up to [●]	Up to 3,50,000	July 22, 2024
Mahitha Katragadda	Up to [●]	Up to 3,50,000	July 22, 2024
Katragadda Harini	Up to [●]	Up to 3,50,000	July 22, 2024
Shirish Nilkantharao Dhamnekar	Up to [●]	Up to 14,000	July 22, 2024

* M/s S2 Engineering Services is represented by its partners Kandula Ramakrishna and Kandula Krishna Veni.

**M/s Standard Holdings is represented by its partners Kandula Krishna Veni and Kandula Ramakrishna.

- (3) Subject to valid bids being received at or above the Offer Price, under subscription, 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.
- (4) Our Company, in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. 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 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, 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 474. Allocation to all categories shall be made in accordance with the SEBI ICDR Regulations.
- (5) Allocation to Bidders in all categories except the Anchor Investor Portion, the Non-Institutional Portion and the Retail Portion, if any, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price, as applicable. 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 474.
- (6) The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.2 million and up to ₹ 1.00 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 in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.

Allocation to Anchor Investors shall be on a discretionary basis in accordance with the SEBI ICDR Regulations. For details, including in relation to grounds for rejection of Bids, please refer to the section titled "Offer Procedure" and "Offer Structure" on pages 474 and 470, respectively. For details of the terms of the Offer, please refer to the section titled "Terms of the Offer" on page 463.

SUMMARY FINANCIAL INFORMATION

The following tables set forth a summary of financial information derived from our 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*” beginning on pages 326 and 410, respectively.

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Restated Consolidated Statement of Assets and Liabilities

(All amounts in ₹ millions, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	822.08	546.82	319.33
Capital work-in-progress	44.70	32.91	7.00
Right-of-use assets	129.73	197.41	196.67
Other intangible assets	9.66	6.16	3.90
Financial assets			
-Loans	-	-	2.48
-Other financial assets	14.24	21.26	35.51
Income tax asset (net)	-	6.85	-
Other non-current assets	45.55	35.15	40.63
Total non-current assets	1,065.96	846.56	605.52
Current assets			
Inventories	2,248.02	1,434.09	1,259.27
Financial assets			
-Trade receivables	1,547.80	912.81	821.66
-Cash and cash equivalents	154.55	54.21	1.17
-Bank balances other than cash and cash equivalents	364.88	-	-
-Other financial assets	955.31	51.99	12.24
Other current assets	317.25	178.19	281.21
Total current assets	5,587.81	2,631.29	2,375.55
Total assets	6,653.77	3,477.85	2,981.07
Equity and liabilities			
Equity			
Equity share capital	181.63	157.85	153.00
Other equity	3,891.77	1,399.35	536.59
Equity attributable to owners of the parent	4,073.40	1,557.20	689.59
Non-controlling interests	16.37	-	-
Total equity	4,089.77	1,557.20	689.59
Liabilities			
Non-current liabilities			
Financial liabilities			
-Borrowings	5.79	30.30	67.89
-Lease liabilities	124.31	184.73	182.46
Provisions	8.86	20.83	14.22
Deferred tax liabilities (net)	6.05	5.85	3.84
Total non-current liabilities	145.01	241.71	268.41
Current liabilities			
Financial liabilities			
-Borrowings	1,132.03	570.32	423.61
-Lease liabilities	31.11	34.27	24.12
Trade payables			
-Total outstanding dues of micro enterprises and small enterprises	69.11	82.60	61.30
-Total outstanding dues of creditors other than micro enterprises and small enterprises	817.95	667.06	563.46
-Other financial liabilities	17.55	7.73	20.52
Provisions	8.91	8.33	5.88
Other current liabilities	324.85	293.63	893.21

	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax liabilities (net)	17.48	15.00	30.97
Total current liabilities	2,418.99	1,678.94	2,023.07
Total liabilities	2,564.00	1,920.65	2,291.48
Total equity and liabilities	6,653.77	3,477.85	2,981.07

Restated Consolidated Statement of Profit and Loss

(All amounts in ₹ millions, unless otherwise stated)

	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	5,436.69	4,975.88	2,401.87
Other income	60.12	24.88	13.15
Total income	5,496.81	5,000.76	2,415.02
Expenses			
Cost of materials consumed	3,516.61	2,996.65	1,391.87
Changes in inventories of finished goods and work-in-progress	(339.94)	(141.74)	(240.42)
Employee benefits expenses	207.68	157.52	135.21
Finance costs	117.90	86.96	37.73
Depreciation and amortisation expenses	93.28	77.07	42.36
Other expenses	1,103.27	1,105.77	710.57
Total expenses	4,698.80	4,282.23	2,077.32
Restated profit before tax	798.01	718.53	337.70
Income tax expense/(credit)			
Current tax			
- for the current year	197.05	182.40	90.77
- pertaining to earlier year(s)	0.77	(0.29)	-
Deferred tax	0.08	2.18	(4.52)
Total income tax expense	197.90	184.29	86.25
Restated profit for the year	600.11	534.24	251.45
Other comprehensive income			
Item that will not be reclassified to profit and loss			
Remeasurement of post-employment defined benefit plan	0.53	(0.71)	0.72
Income tax relating to the above item	(0.13)	0.18	(0.18)
Restated other comprehensive income/(loss) for the year	0.40	(0.53)	0.54
Restated total comprehensive income for the year	600.51	533.71	251.99
Restated profit for the year attributable to:			
Owners of the parent	583.84	534.24	251.45
Non-controlling interests	16.27	-	-
	600.11	534.24	251.45
Restated other comprehensive income for the year attributable to:			
Owners of the parent	0.40	(0.53)	0.54
Non-controlling interests	-	-	-
	0.40	(0.53)	0.54
Restated total comprehensive income attributable to:			
Owners of the parent	584.24	533.71	251.99
Non-controlling interests	16.27	-	-
	600.51	533.71	251.99
Restated earnings per equity share (Face value of share - ₹ 10 each)			
Basic (in ₹)	3.52	3.49	2.22
Diluted (in ₹)	3.52	3.49	2.22

Restated Consolidated Statement of Cash Flows

(All amounts in ₹ millions, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flows from operating activities			
Restated profit before tax	798.01	718.53	337.70
Adjustments for:			
Depreciation and amortisation expenses	93.28	77.07	42.36
Finance costs	117.90	86.96	37.73
Gain on termination of leases	(3.37)	-	-
Interest income			
-On fixed deposits at amortised cost	(39.12)	(1.06)	(0.99)
-On other financial assets at amortised cost	-	(0.58)	(4.94)
-On other deposits	(1.76)	-	-
Liabilities no longer required written back	-	-	3.17
Allowance for expected credit loss including bad debts written off	23.29	11.44	13.91
Advances written off	-	-	0.72
Operating profit before working capital changes	988.23	892.36	429.66
Changes in working capital			
Increase in inventories	(813.93)	(174.82)	(481.88)
Increase in trade receivables	(658.28)	(102.59)	(392.89)
(Increase)/decrease in other financial assets	12.02	(25.67)	(17.17)
(Increase)/decrease in other current assets	(139.06)	103.03	(56.65)
Increase in other non-current assets	(8.51)	(3.56)	(6.38)
Increase in trade payables	137.39	124.92	148.80
Increase in other financial liabilities	-	-	10.06
Increase/(decrease) in provisions	(10.86)	8.35	(40.15)
Increase/(decrease) in other current liabilities	31.22	(599.58)	420.16
Cash generated from/(used) in operations	(461.78)	222.44	13.56
Income taxes paid (net of refunds)	(188.49)	(204.93)	(85.05)
Net cash flows from/(used in) operating activities (A)	(650.27)	17.51	(71.49)
Cash flows from investing activities			
Payments for acquisition of property, plant and equipment (including capital advances)	(331.03)	(292.20)	(51.34)
Payments for acquisition of intangible assets	(4.99)	(2.26)	(1.66)
Investment in deposits	(1,248.65)	-	-
Payments made for business combinations, net of cash acquired	-	-	(261.18)
Proceeds from loans to related parties	-	2.48	0.02
Loans to related parties	-	-	10.86
Interest received	16.33	1.81	5.92
Net cash flows used in investing activities (B)	(1,568.34)	(290.17)	(297.38)
Cash flows from financing activities			
Proceeds from issue of equity shares to owners	1,931.96	333.90	211.03
Proceeds from issue of equity shares to non-controlling Interest (NCI)	0.10	-	-
Proceeds from/(repayment of) non-current borrowings (net)	(24.51)	(37.59)	2.71
Proceeds from/(repayment of) current borrowings (net)	561.71	146.70	206.55
Payment of principal portion of lease liabilities	(32.41)	(30.35)	(12.59)
Payment of interest portion of lease liabilities	(16.60)	(19.91)	(14.34)

Finance costs paid	(101.30)	(67.05)	(23.39)
Net cash flows from financing activities (C)	2,318.95	325.70	369.97
Net increase in cash and cash equivalents (A+B+C)	100.34	53.04	1.10
Cash and cash equivalents at the beginning of the year	54.21	1.17	0.06
Cash and cash equivalents at end of the year	154.55	54.21	1.17
Cash and cash equivalents comprise			
-Cash on hand	0.19	0.01	0.03
-Balances with banks			
-In current accounts	154.36	54.20	1.14
Cash and cash equivalents at end of the year	154.55	54.21	1.17

GENERAL INFORMATION

Our Company was incorporated as “Standard Glass Lining Technology Private Limited” at Hyderabad, as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated September 6, 2012, issued by the Registrar of Companies, Andhra Pradesh. Subsequently, upon the conversion of our Company into a public limited company, pursuant to a special resolution passed by our Shareholders on June 4, 2022, the name of our Company was changed to “Standard Glass Lining Technology Limited” and a fresh certificate of incorporation dated, June 17, 2022, was issued by the RoC.

Further, for details in relation to the business of our Company, please refer to the section titled “*Our Business*” on page 244.

Registered Office

The address of our Registered Office is as follows:

Standard Glass Lining Technology Limited

D.12, Phase-1, IDA Jeedimetla,
Hyderabad, Telangana-500055, India

Corporate Office

The address of our Corporate Office is as follows:

Standard Glass Lining Technology Limited

10th Floor, PNR High Nest,
Hydernagar, KPHB Colony,
Hyderabad, Telangana - 500085, India

Registration number and corporate identity number

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

- a. **Registration number:** 082904
- b. **Corporate identity number:** U29220TG2012PLC082904

Address of the RoC

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

2nd Floor, Corporate Bhawan,
GSI Post, Tattiannaram Nagole, Bandlaguda
Hyderabad - 500 068

Filing

A copy of this Draft Red Herring Prospectus has been filed electronically on the SEBI Intermediary Portal at <https://siportal.sebi.gov.in>, as required under Regulation 25(8) of the SEBI ICDR Regulations and in accordance with the Master Circular for Issue of Capital and Disclosure Requirements bearing number SEBI/HO/CFD/ PoD-2/P /CIR/2023/00094 dated June 21, 2023 and at cfddl@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to “Easing of Operational Procedure – Division of Issues and Listing – CFD”. It will also be filed with SEBI at:

Securities and Exchange Board of India

SEBI Bhavan, Plot No. C4 A, ‘G’ Block
Bandra Kurla Complex
Bandra (E), Mumbai 400 051
Maharashtra, India

A copy of the Red Herring Prospectus, along with the material contracts and documents will be filed under Section 32 of the Companies Act with the RoC and a copy of the Prospectus will be delivered for filing under Section 26 of the Companies Act with the RoC at its office and through the electronic portal at <https://www.mca.gov.in/mcafoportal/login.do>.

Board of Directors

The Board of our Company as on the date of this Draft Red Herring Prospectus comprises the following:

Name	Designation	DIN	Address
Sambasiva Rao Gollapudi	Non-Executive Chairman and Independent Director	10629150	Villa 198, Indu Fortune Fields, Phase 13, Near Hitech City Railway Station, Kukat Pally Housing Board Colony, Kukat Pally, Rangareddi, Andhra Pradesh – 500 075
Nageswara Rao Kandula	Managing Director	00762497	Plot no – 262, Shapoor Nagar, opposite HMT Society Kalyanamandapam, IDA Jeedimetla, Qutubullapur, Rangareddi, Andhra Pradesh – 500 055
Kandula Krishna Veni	Executive Director	02260233	Plot no – 262, Shapoor Nagar, opposite HMT Society Kalyanamandapam, IDA Jeedimetla, Qutubullapur, Rangareddi, Andhra Pradesh – 500 055
Venkata Mohana Rao Katragadda	Executive Director	08362181	Flat no 1302 D-Block, ADR Makuta My Space, near VNR Vignana Jyothi Institute of Engineering, Bachupally, Bachpalle, Medchal-Malkajgiri, Telangana – 500 090
Kandula Ramakrishna	Executive Director	05281520	4-32-336, Plot 189/A, L B Nagar, Shapur Nagar, near CMR Apartment IDA, Qutubullapur, Rangareddi, Andhra Pradesh – 500 065
Sudhakara Reddy Siddareddy	Independent Director	06568783	No 243, Maple Town, Glendale Academy Road, Suncity, Bandlaguda, Rajendranagar, K.V. Rangareddy, Telangana – 500 086
Yasuyuki Ikeda*	Non-Executive Director	02437433	4-13-62-1704, Yakuin chuo-ku, Fukuoka-shi, Japan
Radhika Nannapaneni	Independent Director	10590789	Flat no 1102, M-Block, Rainbow Vistas Rock Garden, Moosapet, Greenhills Road, Sanathnagar E, Hyderabad, Telangana - 500018

* *Nominee of AGI Investors*

For brief profiles and further details of our Board, please refer to the section titled “*Our Management*” on page 293.

Company Secretary and Compliance Officer

Kallam Hima Priya

10th Floor, PNR High Nest,
Hydernagar, KPHB Colony,
Hyderabad, Telangana - 500085, India

Telephone: 040 3518 2204

E-mail: corporate@standardglr.com

Investor grievances

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

All Offer related grievances, other than that of Anchor Investors, 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's DP ID, Client ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than UPI Bidders using the UPI Mechanism) 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), in case of UPI Bidders using the UPI Mechanism.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the 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 names and addresses of the BRLMs where the Anchor Investor Application Form was submitted by the Anchor Investor.

Book Running Lead Managers

IIFL Securities Limited

24th Floor, One Lodha Place

Senapati Bapat Marg, Lower Parel (W)

Mumbai 400 013, Maharashtra, India

Telephone: +91 22 4646 4728

E-mail: standardglass.ipo@iiflcap.com

Investor grievance e-mail:

ig.ib@iiflcap.com

Website: www.iiflcap.com

Contact person: Nishita Mody/Pawan Jain

SEBI registration no.: INM000010940

Motilal Oswal Investment Advisors Limited

Motilal Oswal Tower, Rahimtullah Sayani Road

Opposite Parel ST Depot, Prabhadevi

Mumbai 400 025, Maharashtra, India

Telephone: +91 22 7193 4380

E-mail: standardglassipo@motilaloswal.com

Investor grievance e-mail:

moiaplredressal@motilaloswal.com

Website: www.motilaloswalgroup.com

Contact person: Sankita Ajinkya/ Ritu Sharma

SEBI registration no.: INM000011005

Syndicate Members

[•]

Legal Counsel to the Company

J. Sagar Associates

One Lodha Place, 27th Floor

Senapati Bapat Marg, Lower Parel

Mumbai – 400013

Maharashtra, India

Statutory Auditors of our Company

M S K A & Associates, Chartered Accountants

1101/B, Manjeera Trinity Corporate,

JNTU-Hitech City Road, Kukatpally,

Hyderabad-500072,

Telangana, India

E-mail: MukeshPugalia@mska.in

Firm registration number: 105047W

Peer review number: 013267

Registrar to the Offer

KFin Technologies Limited

Selenium, Tower B, Plot No. 31 and 32,
Financial District Nanakramguda,
Serilingampally, Hyderabad 500 032,
Telangana, India

Tel: +91 40 6716 2222

E-mail: sgltl.ipo@kfintech.com

Website: www.kfintech.com

Investor grievance e-mail: einward.ris@kfintech.com

Contact person: M. Murali Krishna

SEBI Registration No.: INR000000221

Bankers to the Offer

Escrow Collection Bank(s)

[•]

Refund Bank(s)

[•]

Public Offer Account Bank(s)

[•]

Sponsor Bank(s)

[•]

Bankers to the Company

Axis Bank Limited

Tarnaka Centre, 12/51/149/17,
Tarnaka, Opposite Railway Degree College,
Hyderabad, Telangana – 500 017

Contact Person: G. Ramana Durga Prasad

Tel: +91 099899 23719

Email: ramana.gaddam@axisbank.com

Website: www.axisbank.com

ICICI Bank Limited

Regional Office Plot Number 12,
Gachibowli, Hyderabad
Telangana – 500 032

Contact Person: Saumya Prasoon

Tel: +91 75043 69898

Email: Saumya.prasoon@icicibank.com

Website: www.icicibank.com

HDFC Bank Limited

Roxana Palladium, H. No. 6/3, 246 and 6/3 244,
Banjara Hills Road Number 1,
Banjara Hills, Hyderabad, Telangana – 500 034

Contact Person: Bhushan Surange

Tel: +91 040 3009 1545

Email: Bhushanvilas.surange@hdfcbank.com

Website: www.hdfcbank.com

The Hongkong and Shanghai Banking Corporation Limited

6-3-1107 and 1108, Raj Bhavan Road,
Somajiguda, Hyderabad,
Telangana – 500 082

Contact Person: Atluri Karthik Choudary

Tel: +91 4902 2103

Email: atluri.karthik.choudary@hsbc.co.in

RBL Bank Limited

Krishe Sapphire Building,
Survey Number 88, Ground Floor, MSR Block,
Hi-Tech City Main Road, Madhapur,
Hyderabad, Telangana – 500 081

Contact Person: Praveen Mahendraker

Tel: +91 40 4001 3324

Email: Praveen.mahendraker@rblbank.com

Website: www.rblbank.com

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 on the SEBI website, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs with which an ASBA Bidder (other than an UPI Bidders using the UPI mechanism), not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, may submit the ASBA Forms is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 on the SEBI website, and at such other websites as may be prescribed by SEBI from time to time.

Syndicate SCSB branches

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

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 using the UPI Mechanism may only apply through the SCSBs and mobile applications (apps) using the UPI handles whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. A list of SCSBs and mobile applications, which are live for applying public issues using UPI Mechanism is available on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> and www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, respectively and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stock broker network of the stock exchange, 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/Markets/PublicIssues/brokercentres_new.aspx? and www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, 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?andwww.nseindia.com/products/content/equities/ipos/asba_procedures.htm respectively, or such other websites 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?](http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?andwww.nseindia.com/products/content/equities/ipos/asba_procedures.htm) and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, or such other websites as updated from time to time.

Experts

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

- (a) Our Company has received written consent dated July 24, 2024 from M/s M S K A & Associates, Chartered Accountants, to include their name as 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 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) the examination report dated July 19, 2024 relating to the Restated Consolidated Financial Information as at and for the years ended March 31, 2024, 2023 and 2022; and (ii) statement on special tax benefits available to our Company, its Material Subsidiary and its Shareholders under the direct and indirect tax laws dated July 24; 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. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.
- (b) Our Company has received written consent dated July 24; 2024 from M/s Niranjana & Narayan, Chartered Accountants, to include their name in this Draft Red Herring Prospectus, as an “expert” as defined under section 2(38) of the Companies Act to the extent and in their capacity as an independent chartered accountant to our Company, and in respect of the certificates and the details derived therefrom to be included in this Draft Red Herring Prospectus. 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.
- (c) Our Company has received written consent dated July 24; 2024 from Global Engineers & Industrial Consultants the Chartered Engineer, 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 an independent chartered engineer, in relation to the certificate dated July 24; 2024, certifying, inter alia, the details of the installed and production capacity of our manufacturing facilities. 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.

Changes in Auditors

Except as disclosed below, there has been no change in our Statutory Auditors in the three years preceding the date of this Draft Red Herring Prospectus:

Sr. No.	Particulars	Date of change	Reason for change
1.	Bhishma & Associates, Chartered Accountants #10-3-282/2/A/27, Venkatadri Nagar Colony, Humayun Nagar, Hyderabad – 500 028, Andhra Pradesh, India Tel.: +91 40 235 4740 E-mail: cbc1034@yahoo.co.in ICAI Firm Registration Number: 010376 Peer Review Number: N.A.	August 8, 2022	Resignation due to pre-occupation in other assignments and inability to devote time to the affairs of the Company.
2.	M S K A & Associates, Chartered Accountants 1101/B, Manjeera Trinity Corporate, JNTU-Hitech City Road, Kukatpally, Hyderabad-500072, Telangana, India Tel.: +91 40 6814 2999 E-mail: MukeshPugalia@mska.in ICAI Firm Registration Number: 105047W Peer Review Number: 013267	September 30, 2022	Appointed to fill in vacancy left by the previous auditor

Monitoring Agency

Our Company will appoint a monitoring agency prior to the filing of the Red Herring Prospectus in accordance with Regulation 41 of the SEBI ICDR Regulations to monitor utilization of the Gross Proceeds from the Fresh Issue. For details, see 'Objects of the Offer – Monitoring of utilization of funds' on page 146.

Appraising entity

No appraising entity has been appointed in relation to the Offer.

Grading of the Offer

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

Credit rating

As this is an Offer consisting only of Equity Shares of face value ₹ 10 each, there is no requirement to obtain credit rating for the Offer.

Debenture trustees

As this is an Offer consisting only of Equity Shares of face value ₹ 10 each, the appointment of debenture trustees is not required.

Green shoe option

No green shoe option is contemplated under the Offer.

Statement of inter-se allocation of responsibilities amongst the BRLMs

The following table sets forth the inter-se allocation of responsibilities for various activities among the BRLMs:

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, positioning strategy and due diligence of the Company including its operations/management/ business plans/legal etc. Drafting, design and finalizing of the draft red herring prospectus, red herring prospectus and prospectus and of statutory / newspaper advertisements including a memorandum containing salient features of the prospectus. The BRLMs shall ensure compliance with SEBI ICDR Regulations and stipulated requirements and completion of prescribed formalities with the stock exchanges, RoC and SEBI and RoC filings and follow up and coordination till final approval from all regulatory authorities.	IIFL, MOIAL	IIFL
2.	Drafting and approval of statutory advertisements	IIFL, MOIAL	IIFL
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, application form, abridged prospectus, etc. and filing of media compliance report.	IIFL, MOIAL	MOIAL
4.	Appointment of intermediaries –Registrar to the Offer and advertising agency including co-ordination for agreements.	IIFL, MOIAL	IIFL
5.	Appointment of intermediaries – Bankers to the Offer, printers, monitoring agency to the Offer including co-ordination for agreements.	IIFL, MOIAL	MOIAL
6.	Preparation of road show marketing presentation and frequently asked questions	IIFL, MOIAL	MOIAL

7.	International Institutional marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> • Institutional marketing strategy; • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedule 	IIFL, MOIAL	MOIAL
8.	Domestic Institutional marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> • Institutional marketing strategy; • Finalizing the list and division of domestic investors for one-to-one meetings; and • Finalizing domestic road show and investor meeting schedule 	IIFL, MOIAL	IIFL
9.	Retail marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> • Finalising media, marketing, public relations strategy and publicity • budget including list of frequently asked questions at retail road shows • Finalising collection centres • Finalising application form • Finalising centres for holding conferences for brokers etc. • Follow – up on distribution of publicity; and • Issue material including form, RHP / Prospectus and deciding on the quantum of the Issue material 	IIFL, MOIAL	MOIAL
10.	Non-Institutional marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> • Finalising media, marketing and public relations strategy; and • Formulating strategies for marketing to Non – Institutional Investors. 	IIFL, MOIAL	IIFL
11.	Managing the book and finalization of pricing in consultation with the Company	IIFL, MOIAL	IIFL
12.	Coordination with Stock Exchanges for anchor intimation, book building software, bidding terminals and mock trading	IIFL, MOIAL	IIFL
13.	<p>Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with registrar, SCSBs and Bank to the Offer, intimation of allocation and dispatch of refund to bidders, etc.</p> <p>Post-Offer activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable. Payment of the applicable securities transaction tax (“STT”) on sale of unlisted equity shares by the Selling Shareholder under the Offer for Sale to the Government and submission of all post Offer reports including the Initial and final Post Offer report to SEBI.</p>	IIFL, MOIAL	MOIAL

Book Building Process

The Book Building Process, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band. Price Band and minimum Bid Lot which will be decided by our Company in consultation with the

BRLMs and, will be advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and all editions of [●] (a widely circulated Telugu regional daily newspaper, Telugu being the regional language in Hyderabad where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. The Offer Price shall be determined by our Company in consultation with the BRLMs after the Bid/Offer Closing Date. For details, please refer to the section titled “Offer Procedure” on page 474.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs, or in the case UPI Bidders, by using the UPI Mechanism. The Retail Individual Bidders shall 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 SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bid(s) (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders (subject to the Bid Amount being up to ₹ 0.20 million) can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to the Anchor Investors will be on a discretionary basis, while allocation to QIBs (other than Anchor Investors) will be on a proportionate basis.

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

For further details on the method and procedure for Bidding and Book Building Process, please refer to the sections titled “Terms of the Offer”, “Offer Structure” and “Offer Procedure” on pages 463, 470 and 474, respectively.

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

Bidders should note the Offer is also subject to: (i) obtaining final listing and trading approvals from 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 period as prescribed under applicable law; and (ii) filing of the Prospectus with the RoC.

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Offer. Each of the Selling Shareholders have, severally not jointly, confirmed that they will comply with the SEBI ICDR Regulations and any other directions issued by SEBI, as applicable to the respective Selling Shareholders, in relation to the Offered Shares. In this regard, our Company and the Selling Shareholders have appointed the BRLMs to manage this Offer and procure Bids for this Offer.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders 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 in the Offer shall be as per the Underwriting Agreement. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

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

(The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC. This portion has been intentionally left blank and will be completed before filing 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)
[•]	[•]	[•]

The abovementioned underwriting commitments are provided for indicative purposes only and will be finalised after determination of Offer Price and finalisation of Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of the Board of Directors (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The Board of Directors/ IPO Committee will accept and enter into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

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

(In ₹, except share data or unless stated otherwise)

Sr. No	Particulars	Aggregate value at face value	Aggregate value at Offer Price*
A	AUTHORISED SHARE CAPITAL⁽¹⁾		
	216,000,000 equity shares of face value ₹ 10 each	2,160,000,000.00	-
B	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER		
	181,634,520 equity shares of face value ₹ 10 each	1,816,345,200.00	-
C	PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS⁽²⁾		
	Offer of up to [●] Equity Shares of face value ₹ 10 each ⁽³⁾	[●]	[●]
	<i>Of which:</i>		
	Fresh Issue of up to [●] Equity Shares of face value of ₹ 10 each	[●]	[●]
	Offer for Sale of up to 18,444,000 Equity Shares of face value ₹ 10 each ⁽⁴⁾	[●]	[●]
D	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER		
	[●] Equity Shares of face value ₹ 10 each	[●]	-
E	SECURITIES PREMIUM ACCOUNT		
	Before the Offer <i>(in ₹ million)</i>		766.81
	After the Offer*		[●]

*To be updated upon finalisation of the Offer Price.

- (1) For details in relation to the changes in the authorised share capital of our Company in the last 10 years, please refer to the section titled "History and Certain Corporate Matters – Amendments to the Memorandum of Association in the last 10 years" on page 275.
- (2) Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under applicable law, to any person(s), aggregating up to ₹ 500.00 million at its discretion, prior to filing of the Red Herring Prospectus with the RoC ("Pre-IPO Placement"). The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20.00% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.
- (3) The Fresh Issue has been authorized by a resolution of our Board of Directors dated July 19, 2024, and a special resolution passed by our Shareholders at their meeting held on July 22, 2024. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated July 24, 2024.
- (4) Each of the Selling Shareholders, severally and not jointly, have confirmed their participation of their respective portion in the Offer for Sale and our Board has taken on record the consent of the Selling Shareholders to participate in the Offer for Sale pursuant to the resolution dated July 24, 2024. Each of the Selling Shareholders, severally and not jointly, confirms and undertakes that their respective portion of the Offered Shares has been held by such Selling Shareholders for a continuous period of at least one year prior to the filing of this Draft Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations. For details of authorizations received for the Offer for Sale, please refer to the section titled "Other Regulatory and Statutory Disclosures" beginning on page 450.

Notes to Capital Structure

1. Equity Share capital history of our Company

Our Company is in compliance with the Companies Act, 1956 and Companies Act, 2013, as applicable, with respect to issuance of securities since its incorporation till the date of filing of Draft Red Herring Prospectus.

The history of the Equity Share capital of our Company is set out in the table below:

(a) Primary issuances of Equity Shares

Date of allotment of Equity Shares	Number of Equity Shares allotted	Details of allottees		Face value per Equity Share (₹)	Issue price per equity share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (in ₹)
September 10, 2012 ⁽¹⁾	50,000	<i>No. of equity shares of face value ₹ 10 each allotted</i>	<i>Names of allottees</i>	10	10	Cash	Initial subscription to the Memorandum of Association.	50,000	500,000
		13,500	1. Kandula Krishna Veni						
		13,000	2. Katragadda Venkata Ramani						
		12,000	3. Kudaravalli Punna Rao						
		11,500	4. Nageswara Rao Kandula						
May 24, 2013	1,225,000	<i>No. of equity shares of face value ₹ 10 each allotted</i>	<i>Names of allottees</i>	10	10	Cash	Rights issue in the proportion of 31 Equity Shares for every 1 Equity Share held by the Shareholders as on the record date i.e. May 24, 2013.	1,275,000	12,750,000
		788,000	1. Kudaravalli Punna Rao						
		437,000	2. Katragadda Venkata Ramani						
May 25, 2013	1,071,429	<i>No. of equity shares of face value ₹ 10 each allotted</i>	<i>Name of allottee</i>	10	11.67	Cash	Rights issue in the proportion of 17 Equity Shares for every 20 Equity Shares held by the Shareholders as on the record date i.e. May 25, 2013.	2,346,429	23,464,290
		1,071,429	1. Kandula Ramakrishna						
May 26, 2013	1,225,000	<i>No. of equity shares of face value ₹ 10 each allotted</i>	<i>Names of allottees</i>	10	14.08	Cash	Rights issue in the proportion of 1 Equity Share for every 1 Equity Share held by the Shareholders as on the record date i.e. May 26, 2013.	3,571,429	35,714,290
		915,071	1. Kandula Krishna Veni						
		309,929	2. Nageswara Rao Kandula						

Date of allotment of Equity Shares	Number of Equity Shares allotted	Details of allottees		Face value per Equity Share (₹)	Issue price per equity share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (in ₹)
April 30, 2014	2,448,571	<i>No. of equity shares of face value ₹ 10 each allotted</i>	<i>Names of allottees</i>	10	10	Cash	Rights issue in the proportion of 6 Equity Shares for every 5 Equity Shares held by the Shareholders as on the record date i.e. April 30, 2014.	6,020,000	60,200,000
		1,268,571	1. Kandula Ramakrishna						
		1,051,429	2. Kandula Krishna Veni						
		128,571	3. Nageswara Rao Kandula						
October 13, 2014	2,520,000	<i>No. of equity shares of face value ₹ 10 each allotted</i>	<i>Names of allottees</i>	10	10	Cash	Rights issue in the proportion of 4 Equity Shares for every 5 Equity Shares held by the Shareholders as on the record date i.e. October 13, 2014.	8,540,000	85,400,000
		1,320,000	1. S. Venkateshwara Rao						
		900,000	2. Suryadevara Lakshmi						
		300,000	3. Suryadevara Neeraja						
March 30, 2015	460,000	<i>No. of equity shares of face value ₹ 10 each allotted</i>	<i>Name of allottee</i>	10	10	Cash	Rights issue in the proportion of 1 Equity Share for every 1 Equity Share held by the Shareholders as on the record date i.e. March 30, 2015.	9,000,000	90,000,000
		460,000	1. Katragadda Harini						
November 15, 2021	6,300,000	<i>No. of equity shares of face value ₹ 10 each allotted</i>	<i>Names of allottees</i>	10	35	Cash	Rights issue in the proportion of 6 Equity Shares for every 5 Equity Shares held by the Shareholders as on the record date i.e. October 21, 2021.	15,300,000	153,000,000
		2,556,000	1. Kandula Ramakrishna						
		2,151,000	2. Kandula Krishna Veni						
		1,269,000	3. M/s S2 Engineering Services						
		315,000	4. Nageswara Rao Kandula						
		9,000	5. Venkata						

Date of allotment of Equity Shares	Number of Equity Shares allotted	Details of allottees		Face value per Equity Share (₹)	Issue price per equity share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (in ₹)
			Sandeep Gopineedi						
March 24, 2023	484,607	<i>No. of equity shares of face value ₹ 10 each allotted</i>	<i>Names of allottees</i>	10	689	Cash	Private placement	15,784,607	157,846,070
		45,000	1. Pallerla Srinivasa Reddy						
		36,284	2. Chandra Mouliswar Reddy Gangavaram						
		33,957	3. Potukanuma Reddi Pallavi						
		30,104	4. M/s Horizon Securities and Holdings						
		30,104	5. M/s Quantum Holdings						
		22,000	6. Asha Rani Mandada						
		18,287	7. Girish Jain						
		18,287	8. Boyapati Sivaram						
		15,000	9. Duthala Sahithi						
		14,543	10. M/s Optima Holdings						
		14,513	11. Chanchal Jain						
		14,513	12. Loya Manisha						
		14,513	13. Polina Yashoda						
		13,063	14. Shirish Nilkantharao Dhamnekhar						
		13,062	15. Suryadevara Lakhsmi Devi						
		13,062	16. Suryadevara Neeraja						
		13,062	17. Suryadevara Sreenath						
		10,160	18. Nannapaneni Radhika						
		7,295	19. Cherukumalli Tirupathi Rao						
		7,257	20. Cherukumalli Vinutna						
		7,257	21. Hina Yaqoob Ali						
		7,256	22. Bhimoreddy Satyanarayana Reddy						
		7,200	23. Asokdas M Damodaran						
		4,355	24. Sudhakara Reddy Siddareddy						
		4,355	25. Bharanwala						

Date of allotment of Equity Shares	Number of Equity Shares allotted	Details of allottees	Face value per Equity Share (₹)	Issue price per equity share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (in ₹)
		Shailesh S						
	4,354	26. Suryadevara Venkateswara Rao						
	4,354	27. Kancharla Pranav						
	4,000	28. Venkata Chaitanya Gopineedi						
	3,636	29. M/s Synergen Solutions						
	3,629	30. Addala Surya Kumari						
	3,629	31. Sudeepthi Gopineedi						
	3,628	32. Geeta Arvind Sheth						
	3,628	33. Arvindkumar B Sheth						
	3,339	34. Harish Reddy Siddareddy						
	3,000	35. Rajeswara Rao Gopineedi						
	2,903	36. Kaliki Surekha						
	2,903	37. Haritha Venkata Cheemala						
	2,902	38. Kancharla Pragnan						
	2,902	39. Bhaskar Rao Eloori						
	2,323	40. Malempati Suneetha						
	2,000	41. Pentyala Lakshmitayaru						
	1,455	42. M/s Nextgen Unity						
	1,452	43. Bellam Sriharsha						
	1,452	44. Sangeetha Suresh						
	1,451	45. Rammohan Rao Lagadapati						
	1,451	46. Venkat Reddy Kotamreddy						
	1,451	47. Venkateswara Rao Mandava						
	1,451	48. V B P Sindhura Dosapati						
	1,451	49. Varun Yalamanchi						
	1,451	50. Smita Girish Sawarkar						
	1,451	51. Vandana Yalamanchi						
	870	52. Madhusudhan Reddy Golamari						
	726	53. Swarali Dhamnekhar						

Date of allotment of Equity Shares	Number of Equity Shares allotted	Details of allottees		Face value per Equity Share (₹)	Issue price per equity share (₹)	Nature of consideration	Reason/Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (in ₹)
		726	54. Sunidhi Dhamnekar						
		150	55. Anuradha Chitturi						
May 26, 2023	157,344	<i>No. of equity shares of face value ₹ 10 each allotted</i>	<i>Names of allottees</i>	10	689	Cash	Private placement	15,941,951	159,419,510
		58,172	1. M/s Visionary Consulting						
		18,325	2. M/s Blue Ribbon Management						
		14,543	3. M/s Stellar Ventures						
		13,235	4. M/s Innovate Holdings						
		11,635	5. M/s Alliance Holding						
		7,272	6. M/s Apex Consulting						
		7,272	7. M/s Autonomy Solutions						
		5,000	8. Lakshmi Bharathi Gopineedi						
		5,000	9. Madanagopalaswamy Gopineedi						
		4,363	10. M/s Nexus Consulting						
		4,363	11. M/s Vibrant Solutions						
		3,050	12. Nannapaneni Radhika						
		2,909	13. M/s Futuretech Solutions						
		1,455	14. M/s Catalyst Advisors						
		750	15. Sowjanya Manne						
November 16, 2023	1,044,900	<i>No. of equity shares of face value ₹ 10 each allotted</i>	<i>Names of allottees</i>	10	802	Cash	Private placement	16,986,851	169,868,510
		696,600	1. Asahi Glassplant Inc.						
		348,300	2. GL HAKKO Co. Ltd.						
December 22, 2023	1,044,900	<i>No. of equity shares of face value ₹ 10 each allotted</i>	<i>Name of allottee</i>	10	802	Cash	Private placement	18,031,751	180,317,510
		1,044,900	1. Monoform						

Date of allotment of Equity Shares	Number of Equity Shares allotted	Details of allottees		Face value per Equity Share (₹)	Issue price per equity share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (in ₹)
			Management Support Co. Ltd.						
March 30, 2024	131,701	<i>No. of Equity Shares allotted</i>	<i>Names of allottees</i>	10	1,152	Cash	Private placement	18,163,452	181,634,520
		104,166	1. Krishna Prasad Chigurupati						
		17,926	2. Sparkline Engineering						
		5,209	3. Pathuri Nirosha						
		4,400	4. Shobana Savithri Ramu						
June 3, 2024	163,471,068	<i>No. of equity shares of face value ₹ 10 each allotted</i>	<i>Names of allottees</i>	10	-	Other than cash	Bonus issue in the proportion of nine Equity Shares for every one Equity Share held by the Shareholders as on the record date i.e. May 29, 2024.	181,634,520	1,816,345,200
		44,064,000	1. Kandula Ramakrishna						
		37,179,000	2. Kandula Krishna Veni						
		21,627,000	3. M/s S2 Engineering Services						
		9,404,100	4. Monoform Management Support Co., Ltd						
		6,885,000	5. Nageswara Rao Kandula						
		6,269,400	6. Asahi Glassplant Inc.						
		4,536,000	7. M/s Standard Holdings						
		4,131,000	8. Venkata Sandeep Gopineedi						
		3,134,700	9. GL Hakko Co., Ltd						
		2,754,000	10. M/s Srinivasa Ventures						
		1,872,000	11. Katragadda Venkata Ramani						
		1,710,000	12. Likitha Katragadda						
		1,710,000	13. Mahitha Katragadda						
		1,674,000	14. Katragadda Harini						
		1,620,000	15. Venkata Siva Prasad Katragadda						
		1,620,000	16. Katragadda Venkata Mohana						

Date of allotment of Equity Shares	Number of Equity Shares allotted	Details of allottees		Face value per Equity Share (₹)	Issue price per equity share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (in ₹)
			Rao						
	1,620,000	17.	Poojitha Katragadda						
	937,494	18.	Krishna Prasad Chigurupati						
	810,000	19.	Krishna Kanth Kudaravalli						
	810,000	20.	Kudaravalli Srikanth						
	540,576	21.	Pallerla Srinivasa Reddy						
	523,548	22.	M/s Visionary Consulting						
	517,851	23.	Ramachandra Naidu Chereddi						
	468,000	24.	Balabhavani K.						
	450,000	25.	Kudaravalli Punna Rao						
	326,556	26.	Chandra Mouliswar Reddy Gangavaram						
	305,613	27.	Potukanuma Reddi Pallavi						
	277,137	28.	M/s Blue Ribbon Management						
	270,936	29.	M/s Horizon Securites and Holdings						
	270,936	30.	M/s Quantum Holdings						
	198,000	31.	Asha Rani Mandada						
	164,583	32.	Girish Jain						
	164,583	33.	Boyapati Sivaram						
	161,334	34.	M/s Sparkline Engineering						
	135,000	35.	Duthala Sahithi						
	135,000	36.	Brahmaiah Kolluri						
	130,887	37.	M/s Optima Holdings						
	130,887	38.	M/s Stellar Ventures						
	130,617	39.	Chanchal Jain						
	130,617	40.	Loya Manisha						
	130,617	41.	Polina Yashoda						
	119,115	42.	M/s Innovate Holdings						
	118,890	43.	Nannapaneni Radhika						
	117,567	44.	Shirish Nilkantharao Dhamnekhar						
	117,558	45.	Suryadevara Lakshmi Devi						
	117,558	46.	Suryadevara Neeraja						
	117,558	47.	Suryadevara Sreenath						

Date of allotment of Equity Shares	Number of Equity Shares allotted	Details of allottees		Face value per Equity Share (₹)	Issue price per equity share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (in ₹)
		112,212	48. M/s Sai Krishna Ventures						
		111,456	49. Danesh Noshir Mistry						
		108,000	50. Aditya Tantia						
		108,000	51. Sarath Babu Mandada						
		108,000	52. Lekhya Entertainment Private Limited						
		104,715	53. M/s Alliance Holding						
		72,000	54. Yaqoob Ali						
		65,655	55. Cherukumalli Tirupathi Rao						
		65,448	56. M/s Apex Consulting						
		65,448	57. M/s Autonomy Solutions						
		65,313	58. Cherukumalli Vinutna						
		65,313	59. Hina Yaqoob Ali						
		65,304	60. Bhimireddy Satyanarayana Reddy						
		64,800	61. Asokdas M Damodaran						
		54,693	62. Rupesh Rajalal Patel						
		54,000	63. Anupa Viswanath Sajjanar						
		54,000	64. Venkata Ramudu Jasthi						
		54,000	65. Sai Suhruta Jasthi						
		54,000	66. Kishor Shah						
		54,000	67. Avenue Holdings Private Limited						
		49,500	68. Jayasri Akkineni						
		46,881	69. Pathuri Nirosha						
		45,000	70. Madanagopalaswamy Gopineedi						
		45,000	71. Lakshmi Bharathi Gopineedi						
		45,000	72. Bhanwar Lal Chandak						
		45,000	73. Manisha Kajaria						
		39,600	74. Shobana Savithri Ramu						
		39,267	75. M/s Nexus Consulting						
		39,267	76. M/s Vibrant Solutions						
		39,195	77. Sudhakara Reddy Siddareddy						
		39,195	78. Bharanwala Shailesh S						
		39,186	79. Suryadevara Venkateswara Rao						

Date of allotment of Equity Shares	Number of Equity Shares allotted	Details of allottees	Face value per Equity Share (₹)	Issue price per equity share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (in ₹)
	39,186	80. Kancharla Pranav						
	36,000	81. Venkata Chaitanya Gopineedi						
	36,000	82. Nageshwar Rao Koripalli						
	36,000	83. Lakshmi Koripalli						
	36,000	84. Suryateja Rao Koripalli						
	32,724	85. M/s Synergen Solutions						
	32,661	86. Addala Surya Kumari						
	32,661	87. Sudeepthi Gopineedi						
	32,652	88. Geeta Arvind Sheth						
	32,652	89. Arvindkumar B Sheth						
	30,051	90. Harish Reddy Siddareddy						
	27,000	91. Rajeswara Rao Gopineedi						
	26,181	92. M/s Futuretech Solutions						
	26,127	93. Kaliki Surekha						
	26,127	94. Haritha Venkata Cheemala						
	26,118	95. Kancharla Pragnan						
	26,118	96. Bhaskar Rao Eloori						
	22,500	97. Ranjana Sivasankar						
	20,907	98. Malempati Suneetha						
	18,000	99. Pentyala Lakshmitayaru						
	18,000	100. Rahul Cherukumalli						
	18,000	101. Nirmala Cherukumalli						
	13,095	102. M/s Nextgen Unity						
	13,095	103. M/s Catalyst Advisors						
	13,068	104. Bellam Sriharsha						
	13,068	105. Sangeetha Suresh						
	13,059	106. Rammohan Rao Lagadapati						
	13,059	107. Venkat Reddy Kotamreddy						
	13,059	108. Venkateswara Rao Mandava						
	13,059	109. V B P						

Date of allotment of Equity Shares	Number of Equity Shares allotted	Details of allottees		Face value per Equity Share (₹)	Issue price per equity share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (in ₹)
			Sindhura Dosapati						
	13,059	110.	Varun Yalamanchi						
	13,059	111.	Vandana Yalamanchi						
	13,059	112.	Smita Girish Sawarkar						
	9,000	113.	Anirudh Cherukumalli						
	7,830	114.	Madhusudan Reddy Golamari						
	6,750	115.	Sowjanya Manne						
	6,534	116.	Swarali Dhamnekar						
	6,534	117.	Sunidhi Dhamnekar						
	1,350	118.	Anuradha Chitturi						

(1) Our Company was incorporated on September 6, 2012. The date of subscription to the Memorandum of Association was September 6, 2012, and the allotment of equity shares pursuant to such subscription was done on September 10, 2012.

(b) Acquisitions of Equity Shares of our Company through secondary transactions by Shareholders (other than our Promoters):

Set out below are the details of acquisitions of Equity Shares of our Company through secondary transactions by Shareholders, other than our Promoters. For details of acquisitions of Equity Shares by our Promoters, please see “- Build-up of our Promoters’ equity shareholding in our Company” on page 116.

Date of Transfer of Equity Shares	Name of transferor	Name of transferee	No. of Equity Shares	Face value per equity share (₹)	Transfer price per Equity Share (₹)	Total consideration	Nature of consideration	Percentage of the pre-Offer Equity Share capital (%)	Percentage of the post-Offer Equity Share capital (%)
June 3, 2020	Kudaravalli Punna Rao	Mahitha Katragadda	135,000	10	10	1,350,000	Cash	0.07	[●]
June 3, 2020	Kudaravalli Punna Rao	Likitha Katragadda	135,000	10	10	1,350,000	Cash	0.07	[●]
June 3, 2020	Kudaravalli Punna Rao	Balabhavani K.	90,000	10	10	900,000	Cash	0.05	[●]
June 3, 2020	Kudaravalli Punna Rao	Venkata Siva Prasad Katragadda	170,000	10	10	1,700,000	Cash	0.09	[●]
June 3, 2020	Katragadda Harini	Venkata Siva Prasad Katragadda	10,000	10	10	100,000	Cash	0.01	[●]

Date of Transfer of Equity Shares	Name of transferor	Name of transferee	No. of Equity Shares	Face value per equity share (₹)	Transfer price per Equity Share (₹)	Total consideration	Nature of consideration	Percentage of the pre-Offer Equity Share capital (%)	Percentage of the post-Offer Equity Share capital (%)
June 3, 2020	M/s S2 Engineering Services	Mahitha Katragadda	90,000	10	10	900,000	Cash	0.05	[●]
June 3, 2020	M/s S2 Engineering Services	Likitha Katragadda	90,000	10	10	900,000	Cash	0.05	[●]
June 3, 2020	M/s S2 Engineering Services	Venkata Sandeep Gopineedi	450,000	10	10	4,500,000	Cash	0.25	[●]
June 3, 2020	M/s S2 Engineering Services	Krishna Kanth Kudaravalli	90,000	10	10	900,000	Cash	0.05	[●]
June 3, 2020	M/s S2 Engineering Services	Srikanth Kudaravalli	90,000	10	10	900,000	Cash	0.05	[●]
June 3, 2020	M/s S2 Engineering Services	Poojitha Katragadda	180,000	10	10	1,800,000	Cash	0.10	[●]
October 27, 2021	Katragadda Venkata Ramani	M/s Standard Holdings	174,461	10	35	6,106,135	Cash	0.10	[●]
October 27, 2021	Kudaravalli Punna Rao	M/s Standard Holdings	96,923	10	35	3,392,305	Cash	0.05	[●]
October 27, 2021	Katragadda Harini	M/s Standard Holdings	232,616	10	35	8,141,560	Cash	0.13	[●]
July 25, 2022	M/s S2 Engineering Services	M/s Srinivasa Ventures	306,000	10	61	18,666,000	Cash	0.17	[●]

Date of Transfer of Equity Shares	Name of transferor	Name of transferee	No. of Equity Shares	Face value per equity share (₹)	Transfer price per Equity Share (₹)	Total consideration	Nature of consideration	Percentage of the pre-Offer Equity Share capital (%)	Percentage of the post-Offer Equity Share capital (%)
December 11, 2023	Kudaravalli Punna Rao	Rupesh Rajalal Patel	6,077	10	802	4,873,754	Cash	0.00	[●]
December 11, 2023	Kudaravalli Punna Rao	Jayasri Akkineni	5,500	10	802	4,411,000	Cash	0.00	[●]
December 18, 2023	Katragadda Venkata Ramani	Bhanwar Lal Chandak	5,000	10	802	4,010,000	Cash	0.00	[●]
December 18, 2023	Katragadda Harini	Kishor Shah	6,000	10	802	4,812,000	Cash	0.00	[●]
December 18, 2023	Likitha Katragadda	Manisha Kajaria	5,000	10	802	4,010,000	Cash	0.00	[●]
December 20, 2023	Kudaravalli Punna Rao	Ranjana Sivasankar	2,500	10	802	2,005,000	Cash	0.00	[●]
December 20, 2023	Kudaravalli Punna Rao	Nageshwar Rao Koripalli	4,000	10	802	3,208,000	Cash	0.00	[●]
December 20, 2023	Kudaravalli Punna Rao	Brahmaiah Kolluri	15,000	10	802	12,030,000	Cash	0.01	[●]
December 21, 2023	Balabhavani K.	Sai Sahruta Jasthi	6,000	10	802	4,812,000	Cash	0.00	[●]
December 21, 2023	Balabhavani K.	Aditya Tantia	12,000	10	802	9,624,000	Cash	0.01	[●]
December 21, 2023	Balabhavani K.	Venkata Ramudu Jasthi	6,000	10	802	4,812,000	Cash	0.00	[●]
December 21, 2023	Balabhavani K.	Anupa Viswanath Sajjanar	6,000	10	802	4,812,000	Cash	0.00	[●]
December 21, 2023	Katragadda Venkata Ramani	Ramachandra Naidu Chereddi	57,539	10	802	46,146,278	Cash	0.03	[●]
December 21, 2023	Katragadda Venkata Ramani	Anirudh Cherukumalli	1,000	10	802	802,000	Cash	0.00	[●]
December 21, 2023	Katragadda Venkata Ramani	Nirmala Cherukumalli	2,000	10	802	1,604,000	Cash	0.00	[●]
December 21, 2023	Katragadda Venkata Ramani	Rahul Cherukumalli	2,000	10	802	1,604,000	Cash	0.00	[●]
December 21, 2023	Katragadda Harini	Danesh Noshir Mistry	12,384	10	802	9,931,968	Cash	0.01	[●]

Date of Transfer of Equity Shares	Name of transferor	Name of transferee	No. of Equity Shares	Face value per equity share (₹)	Transfer price per Equity Share (₹)	Total consideration	Nature of consideration	Percentage of the pre-Offer Equity Share capital (%)	Percentage of the post-Offer Equity Share capital (%)
December 21, 2023	Katragadda Harini	Lekhya Entertainment Pvt Ltd	12,000	10	802	9,624,000	Cash	0.01	[●]
December 26, 2023	Likitha Katragadda	Avenue Holdings Private Limited	6,000	10	802	4,812,000	Cash	0.00	[●]
December 26, 2023	Likitha Katragadda	Srinivasa Reddy Pallerla	12,000	10	802	9,624,000	Cash	0.01	[●]
December 26, 2023	Mahitha Katragadda	Yaqoob Ali	8,000	10	802	6,416,000	Cash	0.00	[●]
December 28, 2023	Mahitha Katragadda	Srinivasa Reddy Pallerla	2,064	10	802	1,655,328	Cash	0.00	[●]
December 28, 2023	Mahitha Katragadda	M/s Blue Ribbon Management	12,468	10	802	9,999,336	Cash	0.01	[●]
December 28, 2023	Mahitha Katragadda	M/s Sai Krishna Ventures	12,468	10	802	9,999,336	Cash	0.01	[●]
December 29, 2023	Likitha Katragadda	Sarath Babu Mandada	12,000	10	802	9,624,000	Cash	0.01	[●]
December 29, 2023	Katragadda Harini	Pallerla Srinivasa Reddy	1,000	10	802	802,000	Cash	0.00	[●]
January 2, 2024	Balabhavani K.	Lakshmi Koripalli	4,000	10	802	3,208,000	Cash	0.00	[●]
January 2, 2024	Balabhavani K.	Suryateja Rao Koripalli	4,000	10	802	3,208,000	Cash	0.00	[●]

5. Preference Share capital history of our Company

Our Company has not issued any preference shares since the date of our incorporation till date of this Draft Red Herring Prospectus.

6. Issue of shares which may be at a price lower than the Offer Price

The Offer Price shall be determined by our Company in consultation with the BRLMs after the Bid / Offer Closing Date. Except for issuances as disclosed in “– Notes to the Capital Structure – 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. Shares issued for consideration other than cash or out of revaluation reserves

Except for bonus issue of Equity Shares on June 3, 2024, as disclosed above in “– Notes to the Capital Structure – Equity Share Capital History of our Company” on page 102, our Company has not issued any Equity Shares for consideration other than cash or out of revaluation reserves since its incorporation.

8. Issue of shares pursuant to schemes of arrangement

As of the date of this Draft Red Herring Prospectus, our Company has not allotted any equity shares in terms of any scheme of arrangement approved under sections 391-394 of Companies Act, 1956 or sections 230-234 of the Companies Act.

9. History of the Equity Share capital held by our Promoters, Promoters’ Contribution and lock-in

(a) As on the date of this Draft Red Herring Prospectus, our Promoters hold 124,250,000 Equity Shares of face value ₹ 10 each, equivalent to 68.41% of the issued, subscribed and paid-up Equity Share capital of our Company. All Equity Shares issued to our Promoters were fully paid-up on the respective dates of allotment or acquisition, as applicable.

(b) ***Build-up of our Promoters’ equity shareholding in our Company***

The build-up of the equity shareholding of our Promoters since incorporation of our Company is set out in the table below:

Date of allotment/transfer	Nature of transaction	No. of equity shares	Face value per equity share (₹)	Issue price/Transfer price per equity share (₹)	Percentage of the pre- Offer equity share capital (%)	Percentage of the post- Offer equity share capital (%)
<i>Kandula Ramakrishna</i>						
May 25, 2013	Rights issue in the proportion of 17 Equity Shares for every 20 Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 25, 2013.	1,071,429	10	11.67	0.59	[●]
April 30, 2014	Rights issue in the proportion of 6 Equity Shares for every 5 Equity Shares held by the Shareholders as on the record date <i>i.e.</i> April 30, 2014.	1,268,571	10	10	0.70	[●]
November 15, 2021	Rights issue in the proportion of 6 Equity Shares for every 5 Equity Shares held by the Shareholders as on the record date <i>i.e.</i> October 21, 2021.	2,556,000	10	35	1.41	[●]
June 3, 2024	Bonus issue in the proportion of nine Equity Shares for every one Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 29, 2024.	44,064,000	10	-	24.26	[●]
Sub-Total (A)		48,960,000			26.96	[●]

Date of allotment/ transfer	Nature of transaction	No. of equity shares	Face value per equity share (₹)	Issue price/ Transfer price per equity share (₹)	Percentage of the pre- Offer equity share capital (%)	Percentage of the post- Offer equity share capital (%)
Kandula Krishna Veni						
September 10, 2012 ⁽¹⁾	Subscription to the Memorandum of Association	13,500	10	10	0.01	[•]
May 26, 2013	Rights issue in the proportion of 1 Equity Share for every 1 Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 26, 2013.	915,071	10	14.08	0.50	[•]
April 30, 2014	Rights issue in the proportion of 6 Equity Shares for every 5 Equity Shares held by the Shareholders as on the record date <i>i.e.</i> April 30, 2014.	1,051,429	10	10	0.58	[•]
November 15, 2021	Rights issue in the proportion of 6 Equity Shares for every 5 Equity Shares held by the Shareholders as on the record date <i>i.e.</i> October 21, 2021.	2,151,000	10	35	1.18	[•]
June 3, 2024	Bonus issue in the proportion of nine Equity Shares for every one Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 29, 2024.	37,179,000	10	-	20.47	[•]
Sub-Total (B)		41,310,000			22.74	[•]
Nageswara Rao Kandula						
September 10, 2012 ⁽¹⁾	Subscription to the Memorandum of Association	11,500	10	10	0.01	[•]
May 26, 2013	Rights issue in the proportion of 1 Equity Share for every 1 Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 26, 2013.	309,929	10	14.08	0.17	[•]
April 30, 2014	Rights issue in the proportion of 6 Equity Shares for every 5 Equity Shares held by the Shareholders as on the record date <i>i.e.</i> April 30, 2014.	128,571	10	10	0.07	[•]
November 15, 2021	Rights issue in the proportion of 6 Equity Shares for	315,000	10	35	0.17	[•]

Date of allotment/ transfer	Nature of transaction	No. of equity shares	Face value per equity share (₹)	Issue price/ Transfer price per equity share (₹)	Percentage of the pre- Offer equity share capital (%)	Percentage of the post- Offer equity share capital (%)
	every 5 Equity Shares held by the Shareholders as on the record date <i>i.e.</i> October 21, 2021.					
June 3, 2024	Bonus issue in the proportion of nine Equity Shares for every one Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 29, 2024.	6,885,000	10	-	3.79	[•]
Sub-Total (C)		7,650,000			4.21	[•]
Venkata Mohana Rao Katragadda						
June 3, 2020	Purchase of 90,000 Equity Shares from Kudaravalli Punna Rao and 90,000 Equity Shares from M/s S2 Engineering Services	180,000	10	10	0.10	[•]
June 3, 2024	Bonus issue in the proportion of nine Equity Shares for every one Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 29, 2024.	1,620,000	10	-	0.89	[•]
Sub-Total (D)		1,800,000			0.99	[•]
Kudaravalli Punna Rao						
September 10, 2012 ⁽¹⁾	Subscription to the Memorandum of Association	12,000	10	10	0.01	[•]
May 24, 2013	Rights issue in the proportion of 31 Equity Shares for every 1 Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 24, 2013.	788,000	10	10	0.43	[•]
June 3, 2020	Transfer of 135,000 Equity Shares to Mahitha Katragadda, 135,000 Equity Shares to Katragadda Likitha, 90,000 Equity Shares to Venkat Mohan Rao Katragadda, 90,000 Equity Shares to Bala Bhavini Kudaravalli, and 170,000 Equity Shares to Venkat Prasad	(620,000)	10	10	(0.34)	[•]

Date of allotment/ transfer	Nature of transaction	No. of equity shares	Face value per equity share (₹)	Issue price/ Transfer price per equity share (₹)	Percentage of the pre- Offer equity share capital (%)	Percentage of the post- Offer equity share capital (%)
	Katragadda					
October 27, 2021	Transfer of 96,923 Equity Shares to M/s Standard Holdings,	(96,923)	10	35	(0.05)	[•]
December 11, 2023	Transfer of 5,500 Equity Shares to Jayasri Akkineni and 6,077 Equity Shares to Rupesh Rajalal Patel.	(11,577)	10	802	(0.01)	[•]
December 20, 2023	Transfer of 15,000 Equity Shares to Brahmaiah Kolluri, 4,000 Equity Shares to Nageshwar Rao Koripalli, and 2,500 Equity Shares to Ranjana Sivasankar	(21,500)	10	802	(0.01)	[•]
June 3, 2024	Bonus issue in the proportion of nine Equity Shares for every one Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 29, 2024.	450,000	10	-	0.25	[•]
Sub-Total (E)		500,000			0.28	[•]
M/s S2 Engineering Services						
January 27, 2020	Purchase of 13,20,000 Equity Shares from Suryadevara Venkateswara Rao and 9,00,000 Equity Shares from Suryadevara Lakshmi Devi and 3,00,000 Equity Shares from Suryadevara Neeraja	2,520,000	10	10	1.39	[•]
June 3, 2020	Transfer of 90,000 Equity Shares to Likitha Katragadda, 90,000 Equity Shares to Mahitha Katragadda, 90,000 Equity Shares to Krishna Kanth Kudaravalli, 90,000 Equity Shares to Kudaravalli Srikanth, and 90,000 Equity Shares to Venkata Mohana Rao Katragadda and 180,000 Equity Shares to Poojitha	(1,080,000)	10	10	(0.59)	[•]

Date of allotment/ transfer	Nature of transaction	No. of equity shares	Face value per equity share (₹)	Issue price/ Transfer price per equity share (₹)	Percentage of the pre- Offer equity share capital (%)	Percentage of the post- Offer equity share capital (%)
	Katragadda and 450,000 Equity Shares to Venkata Sandeep Gopineedi					
November 15, 2021	Rights issue in the proportion of 6 Equity Shares for every 5 Equity Shares held by the Shareholders as on the record date <i>i.e.</i> October 21, 2021.	1,269,000	10	35	0.70	[●]
July 25, 2022	Transfer of 3,06,000 Equity Shares to M/s Srinivasa Ventures	(306,000)	10	61	(0.17)	[●]
June 3, 2024	Bonus issue in the proportion of nine Equity Shares for every one Equity Share held by the Shareholders as on the record date <i>i.e.</i> May 29, 2024	21,627,000	10	-	11.91	[●]
Sub-Total (F)		24,030,000			13.23	[●]
TOTAL (A+B+C+D+E+F)		124,250,000			68.41	[●]

⁽¹⁾ Our Company was incorporated on September 6, 2012. The date of subscription to the Memorandum of Association was September 6, 2012, and the allotment of equity shares pursuant to such subscription was done on September 10, 2012.

(c) **Shareholding of our Promoters and members of our Promoter Group**

The details of the equity shareholding of our Promoters and members of our Promoter Group of our Company as on the date of this Draft Red Herring Prospectus are as follows:

S. No.	Name of Shareholder	Number of Equity Shares held as on the date of this Draft Red Herring Prospectus	% of pre- Offer shareholding	% of post- Offer paid-up Equity share capital#
Promoters				
1.	Kandula Ramakrishna	48,960,000	26.96	[●]
2.	Kandula Krishna Veni	41,310,000	22.74	[●]
3.	Nageswara Rao Kandula	7,650,000	4.21	[●]
4.	Venkat Mohan Rao Katragadda	1,800,000	0.99	[●]
5.	Kudaravalli Punna Rao	500,000	0.28	[●]
6.	M/s S2 Engineering Services ⁽¹⁾	24,030,000	13.23	[●]
Total holding of the Promoters (A)		124,250,000	68.41	[●]
Members of our Promoter Group				
1.	M/s Standard Holdings ⁽²⁾	5,040,000	2.77	[●]
2.	Katragadda Venkata Ramani	2,080,000	1.15	[●]
3.	Poojitha Katragadda	1,800,000	0.99	[●]
4.	Venkata Siva Prasad Katragadda	1,800,000	0.99	[●]
5.	Krishnakanth Kudravalli	900,000	0.50	[●]

S. No.	Name of Shareholder	Number of Equity Shares held as on the date of this Draft Red Herring Prospectus	% of pre- Offer shareholding	% of post- Offer paid-up Equity share capital#
6.	Kudaravalli Srikanth	900,000	0.50	[●]
7.	Balabhavani K.	520,000	0.29	[●]
8.	M/s Synergen Solutions	36,360	0.02	[●]
9.	M/s Nextgen Unity	14,550	0.01	[●]
10.	M/s Autonomy Solutions	72,720	0.04	[●]
11.	M/s Apex Consulting	72,720	0.04	[●]
Total holding of the members of our Promoter Group (other than Promoters) (B)		13,236,350	7.29	[●]
Total holding of Promoters and members of our Promoter Group (A + B)		137,486,350	75.69	[●]

To be updated in the Prospectus

⁽¹⁾ M/s S2 Engineering Services is represented by its partners Kandula Ramakrishna and Kandula Krishna Veni.

⁽²⁾ M/s Standard Holdings is represented by its partners Kandula Krishna Veni and Kandula Ramakrishna.

All Equity Shares held by our Promoters and the members of our Promoter Group are in dematerialised form as on the date of this Draft Red Herring Prospectus.

For further details, please refer to the section titled “Our Promoters and Promoter Group” on page 316.

(d) **Details of Promoters’ Contribution and lock-in:**

1. **Promoters’ Contribution**

- (i) Pursuant to Regulations 14 and 16(1) of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by the Promoters, except for the Equity Shares offered pursuant to the Offer for Sale, shall be locked in for a period of eighteen months or any other date as may be specified by SEBI as minimum promoter’s contribution from the date of Allotment (“**Promoter’s Contribution**”), and the Promoter’s shareholding in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of six months or any other date as may be specified by SEBI from the date of Allotment.
- (ii) Details of the Equity Shares to be locked-in for eighteen months from the date of Allotment as Promoters’ Contribution are as follows:

Name of the Promoters	Date of transaction and when made fully paid-up	Nature of transaction	No. of Equity Shares	Face value per Equity Share (₹)	Issue/ acquisition price per Equity Share (₹)	No. of Equity Shares locked-in ⁽¹⁾⁽²⁾	Percentage of post- Offer paid-up capital (%)	Date up to which the Equity Shares are subject to lock-in
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total						[●]	[●]	[●]

Note: To be updated at the Prospectus stage

(1) For a period of eighteen months from the date of Allotment.

(2) All Equity Shares were fully paid-up at the time of allotment/acquisition

- (iii) Our Promoters have given consent to include such number of Equity Shares held by them as 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 filing 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.

- (iv) Our Company undertakes that the Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters' Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. In this connection, we confirm the following:
- The Equity Shares offered for Promoters' Contribution do not include Equity Shares acquired in the three years immediately preceding the date of this Draft Red Herring Prospectus (a) for consideration other than cash involving revaluation of assets or capitalisation of intangible assets; or (b) resulting from a bonus issue of Equity Shares out of revaluation reserves or unrealised profits of our Company or from a bonus issuance of equity shares against Equity Shares, which are otherwise ineligible for computation of Promoters' Contribution;
 - The Promoters' Contribution do not include any Equity Shares acquired during the one year immediately preceding the date of this Draft Red Herring Prospectus at a price lower than the Offer Price;
 - Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm; and
 - The Equity Shares forming part of the Promoters' Contribution are not subject to any pledge or any other form of encumbrance.

2. *Other lock-in requirements:*

- (i) In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by the Promoters and locked in for eighteen months as specified above and the Equity Shares offered by the Selling Shareholders as part of the Offer for Sale, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of six months from the date of Allotment including any unsubscribed portion of the Offer for Sale, in accordance with Regulation 17 of the SEBI ICDR Regulations.
- (ii) 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.
- (iii) Pursuant to Regulation 21 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in for a period of six months from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions or a Systemically Important NBFC or a deposit accepting housing finance company as collateral security for loans granted by such entities, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans. Equity Shares locked-in as Promoter's Contribution for eighteen months can be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer. 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 in terms of the SEBI ICDR Regulations.
- (iv) In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters and locked-in pursuant to Regulation 16 of the SEBI ICDR Regulations, may be transferred amongst our Promoters and/ or any member of our Promoter Group or a new promoter, subject to continuation of lock-in applicable to the transferee for the remaining period and compliance with provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**"), and such transferee shall not be eligible to transfer till the lock-in period stipulated in SEBI ICDR Regulations has expired.
- (v) In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by persons other than our Promoters and locked-in pursuant to Regulation 17 of the SEBI ICDR Regulations for a period of six months from the date of Allotment, may be transferred to any other person holding

Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in applicable to the transferee and compliance with the provisions of the Takeover Regulations.

(e) ***Lock-in of Equity Shares to be Allotted, if any, to Anchor Investors***

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

10. Shareholding pattern of our Company

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

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid-up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of Equity Shares underlying depository receipts (VI)	Total no. of Equity Shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Equity Shares underlying convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted Equity 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)
								No of Voting Rights						No. (a)	As a % of total Equity Shares held (b)	No. (a)	As a % of total Equity Shares held (b)	
								Class: Equity	Class: Others	Total	Total as a % of (A+B+C)							
(A)	Promoter and Promoter Group	17	137,486,350	0	0	137,486,350	75.69	137,486,350	0	137,486,350	75.69	0	75.69	0	0	0	0	137,486,350
(B)	Public	101	44,148,170	0	0	44,148,170	24.31	44,148,170	0	44,148,170	24.31	0	24.31	0	0	0	0	44,148,170
(C)	Non Promoter-Non Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C1)	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	118	181,634,520	0	0	181,634,520	100.00	181,634,520	0	181,634,520	100.00	0	100.00	0	0	0	0	181,634,520

11. As of the date of the filing of this Draft Red Herring Prospectus, our Company has 118 Equity Shareholders and does not have any preference Shareholders.

12. Details of equity shareholding of the major Shareholders of our Company

(a) Set forth below is a list of Shareholders holding 1% or more of the issued and paid-up Equity Share capital of our Company, as on the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares of face value ₹ 10 each	Percentage of the Equity Share capital (%)
1.	Kandula Ramakrishna	48,960,000	26.96
2.	Kandula Krishna Veni	41,310,000	22.74
3.	M/s S2 Engineering Services*	24,030,000	13.23
4.	Monoform Management Support Co., Ltd	10,449,000	5.75
5.	Nageswara Rao Kandula	7,650,000	4.21
6.	Asahi Glassplant Inc.	6,966,000	3.84
7.	M/s Standard Holdings**	5,040,000	2.77
8.	Venkata Sandeep Gopineedi	4,590,000	2.53
9.	GL Hakko Co., Ltd	3,483,000	1.92
10.	M/s Srinivasa Ventures	3,060,000	1.68
11.	Katragadda Venkata Ramani	2,080,000	1.15
12.	Likitha Katragadda	1,900,000	1.05
13.	Mahitha Katragadda	1,900,000	1.05
14.	Katragadda Harini	1,860,000	1.02
	Total	163,278,000	89.90

* M/s S2 Engineering Services is represented by its partners Kandula Ramakrishna and Kandula Krishna Veni.

**M/s Standard Holdings is represented by its partners Kandula Krishna Veni and Kandula Ramakrishna.

(b) Set forth below is a list of Shareholders holding 1% or more of the Equity Share capital of our Company, as of 10 days prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the shareholder	Number of Equity Shares of face value ₹ 10 each	Percentage of the Equity Share capital (%)
1.	Kandula Ramakrishna	48,960,000	26.96
2.	Kandula Krishna Veni	41,310,000	22.74
3.	M/s S2 Engineering Services*	24,030,000	13.23
4.	Monoform Management Support Co., Ltd	10,449,000	5.75
5.	Nageswara Rao Kandula	7,650,000	4.21
6.	Asahi Glassplant Inc.	6,966,000	3.84
7.	M/s Standard Holdings**	5,040,000	2.77
8.	Venkata Sandeep Gopineedi	4,590,000	2.53
9.	GL Hakko Co., Ltd	3,483,000	1.92
10.	M/s Srinivasa Ventures	3,060,000	1.68
11.	Katragadda Venkata Ramani	2,080,000	1.15
12.	Likitha Katragadda	1,900,000	1.05
13.	Mahitha Katragadda	1,900,000	1.05
14.	Katragadda Harini	1,860,000	1.02
	Total	163,278,000	89.90

* M/s S2 Engineering Services is represented by its partners Kandula Ramakrishna and Kandula Krishna Veni.

**M/s Standard Holdings is represented by its partners Kandula Krishna Veni and Kandula Ramakrishna.

(c) Set forth below is a list of Shareholders holding 1% or more of the issued and paid-up Equity Share capital of our Company, as of one year prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the shareholder	Number of Equity Shares of face value ₹ 10 each	Percentage of the Equity Share capital (%)
1.	Kandula Ramakrishna	48,96,000	30.71
2.	Kandula Krishna Veni	41,31,000	25.91
3.	M/s S2 Engineering Services*	24,03,000	15.07
4.	Nageswara Rao Kandula	7,65,000	4.80
5.	M/s Standard Holdings**	5,04,000	3.16
6.	Venkata Sandeep Gopineedi	4,59,000	2.88
7.	M/s Srinivasa Ventures	3,06,000	1.92
8.	Katragadda Venkata Ramani	2,75,539	1.73
9.	Likitha Katragadda	2,25,000	1.41
10.	Mahitha Katragadda	2,25,000	1.41
11.	Harini Katragadda	2,17,384	1.36
12.	Venkata Siva Prasad Katragadda	1,80,000	1.13
13.	Venkata Mohana Rao Katragadda	1,80,000	1.13
14.	Poojitha Katragadda	1,80,000	1.13
	Total	14,946,923	93.76

* M/s S2 Engineering Services is represented by its partners Kandula Ramakrishna and Kandula Krishna Veni.

**M/s Standard Holdings is represented by its partners Kandula Krishna Veni and Kandula Ramakrishna.

- (d) Set forth below is a list of Shareholders holding 1% or more of the issued and paid-up Equity Share capital of our Company, as of two years prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the shareholder	Number of Equity Shares of face value ₹ 10 each	Percentage of the Equity Share capital (%)
1.	Kandula Krishna Veni	4,131,000	27.00
2.	Nageswara Rao Kandula	765,000	5.00
3.	Katragadda Venkata Ramani	275,539	1.80
4.	Kandula Ramakrishna	4,896,000	32.00
5.	Harini Katragadda	217,384	1.42
6.	M/s S2 Engineering Services*	2,709,000	17.71
7.	Venkata Siva Prasad Katragadda	180,000	1.18
8.	Likitha Katragadda	225,000	1.47
9.	Mahitha Katragadda	225,000	1.47
10.	Venkata Mohana Rao Katragadda	180,000	1.18
11.	Poojitha Katragadda	180,000	1.18
12.	Venkata Sandeep Gopineedi	459,000	3.00
13.	M/s Standard Holdings**	504,000	3.29
	Total	15,046,923	97.69

* M/s S2 Engineering Services is represented by its partners Kandula Ramakrishna and Kandula Krishna Veni.

**M/s Standard Holdings is represented by its partners Kandula Krishna Veni and Kandula Ramakrishna.

13. Details of shares held by our Directors, Key Managerial Personnel and Senior Management

Except as disclosed below, none of our Directors, Key Managerial Personnel, or Senior Management hold any Equity Shares or Preference Shares in our Company as on the date of this Draft Red Herring Prospectus:

S. No.	Name	No. of Equity Shares held	Pre-Offer (%)	Post-Offer (%)*
Directors and Key Managerial Personnel				
1.	Kandula Ramakrishna**	48,960,000	26.96	[●]
2.	Kandula Krishna Veni**	41,310,000	22.74	[●]
3.	Nageswara Rao Kandula**	7,650,000	4.21	[●]
4.	Katragadda Venkata Mohana Rao**	1,800,000	0.99	[●]
5.	Sudhakar Reddy Siddareddy	43,550	0.02	[●]
6.	Radhika Nannapaneni	1,32,100	0.07	[●]

S. No.	Name	No. of Equity Shares held	Pre-Offer (%)	Post-Offer (%)*
Senior Management				
7.	Krishna Kanth Kudaravalli	900,000	0.50	[●]
8.	Kudaravalli Punna Rao	500,000	0.28	[●]
9.	Shirish Nilkanthrao Dhamnekhar	130,630	0.07	[●]
	Total	101,426,280	55.84	[●]

* To be updated in the Prospectus.

**Also, Key Managerial Personnel.

14. The BRLMs and their associates (determined as per the definition of ‘associate company’ under the Companies Act, and as per definition of the term ‘associate’ under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any securities as on the date of this Draft Red Herring Prospectus. The BRLM and their affiliates may engage in the transactions with and perform services for our Company, the Selling Shareholders and their respective affiliates or associates, 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, or the Selling Shareholders or their respective affiliates or associates for which they have received, and may in the future receive compensation.

15. Except as disclosed in “- *Equity Share Capital of our Company*” on page 102, our Company has not made any public issue or rights issue, as defined under the SEBI ICDR Regulation, of any kind or class of securities since its incorporation. For further details, please see “—*Share capital history of our Company*” on page 102.

16. No person connected with the Offer, including, but not limited to, our Company, the members of the Syndicate, our Directors or the members of our Promoter Group, shall offer in any manner whatsoever any incentive, whether direct or indirect, in cash, in kind or in services or otherwise to any Bidder for making a Bid. Further, no payment, direct or indirect benefit in the nature of commission (except underwriting commission that may be paid to the underwriters) and allowance or otherwise shall be offered or paid either by our Company or our Promoters to any person in connection with making an application for or receiving any Equity Shares pursuant to this Offer.

17. *Employee Stock Option Scheme 2024 (“ESOP Scheme”):*

Our Company adopted the ESOP Scheme pursuant to resolutions passed by our Board on July 19, 2024, and by our Shareholders by way of a special resolution on July 22, 2024. The objective of the ESOP Scheme is to provide an incentive to attract, reward, motivate and retain key employees performing exemplary services for the Company and further motivate such employees to contribute to the growth and profitability of the Company. The ESOP Scheme would provide an incentive for the employees to remain with the Company and to reward those who have a share in the direct contribution to the success of the Company. This purpose is sought to be achieved through the grant of options to eligible employees.

In terms of the ESOP Scheme, minimum vesting period is one year and maximum vesting period is five years from the date of grant of options. Subject to certain conditions, the employee can exercise the vested options within the exercise period, which shall commence from the date of vesting and can extend till the end of five years from the date of grant of options.

Our Company has not granted any options under the ESOP Scheme as on the date of this Draft Red Herring Prospectus.

18. Except as stated in “- *Notes to Capital Structure – Acquisitions of Equity Shares of our Company through secondary transactions by Shareholders (other than our Promoters)*” and “- *Build-up of our Promoters’ equity shareholding in our Company*” on pages 112 and 116, none of our Promoters, members of our Promoter Group, our Directors, and their relatives (as defined under the Companies Act) have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

19. Neither our Company nor our Directors have entered into any buy-back and / or standby arrangements for purchase of Equity Shares from any person. Further, the BRLMs have not entered into any buy-back and/or standby arrangements for purchase of Equity Shares from any person.

20. Our Company has not raised any bridge loans which are proposed to be repaid from the proceeds of the Offer.
21. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on date of this Draft Red Herring Prospectus.
22. Our Company, Directors, Promoters or members of our Promoter Group shall not make any payments direct or indirect, discounts, commissions, allowances or otherwise under the Offer except as disclosed in this Draft Red Herring Prospectus.
23. None of the Equity Shares are pledged or otherwise encumbered.
24. All Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of allotment.
25. Except to the extent of sale of the Offered Shares in the Offer for Sale by the Selling Shareholders, none of our Promoters and members of our Promoter Group will submit Bids or participate in the Offer.
26. There have been no financing arrangements whereby the Promoters, members of our Promoter Group, our Directors and their relatives (as defined under Companies Act) have financed the purchase by any other person of securities of our Company during a period of six months preceding the date of this Draft Red Herring Prospectus with SEBI.
27. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
28. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
29. Our Company shall ensure that transactions in the Equity Shares by our Promoters and the members of our Promoter Group, if any, during the period between the date of filing of this Draft Herring Prospectus and the date of closure of the Offer shall be intimated to the Stock Exchanges within 24 hours of such transaction.
30. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date. Except for issuance of the Equity Shares upon conversion of the Preference Shares, there will be no further issue of Equity Shares by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise, until the Equity Shares have been listed on the Stock Exchanges or all application moneys have been refunded to the Anchor Investors, or the application moneys are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc., as the case may be.
31. Except for: (i) allotment of Equity Shares pursuant to exercise of options granted under the ESOP Scheme, (ii) the Pre-IPO Placement and (iii) Allotment of Equity Shares pursuant to the Offer, there will be no further issue of Equity Shares whether by way of issue of bonus shares, rights issue, preferential issue or any other manner during the period commencing from the date of filing of this Draft Red Herring Prospectus until the listing of the Equity Shares on the Stock Exchanges, or all application monies have been refunded or unblocked, as the case may be.
32. Employee stock options shall be to be issued to only employees, from time to time, in accordance with prevailing applicable laws.
33. None of the Shareholders as on the date of this Draft Red Herring Prospectus are directly or indirectly related to the BRLMs or their associates as defined under SEBI Merchant Bankers Regulations.

There are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares, or any other right which would entitle any person any option to receive Equity Shares.

SECTION V: PARTICULARS OF THE OFFER

OBJECTS OF THE OFFER

The Offer comprises the Fresh Issue of [●] Equity Shares, aggregating up to ₹2,500.00 million by our Company and the Offer for Sale of up to 18,444,000 Equity Shares, aggregating up to ₹ [●] million by the Selling Shareholders. For details, see “*Summary of this Offer Document*” and “*The Offer*” on pages 24 and 84, respectively.

Offer for Sale

Each of the Selling Shareholders will be entitled to its respective portion of the proceeds of the Offer for Sale, net of their proportion of the Offer-related expenses and relevant taxes thereon. It is further clarified that all such payments shall be made by our Company, in the first instance and (a) upon successful consummation of the transfer of the Offered Shares in the Offer, or (b) in the event Offer is postponed, withdrawn, abandoned, or not successfully completed for any reason, as may be applicable, any payments by our Company in relation to the Offer expenses on behalf of any of the Selling Shareholders shall be reimbursed by such Selling Shareholder, severally and not jointly, to our Company inclusive of taxes. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. For further details in reference to the Offer expenses, see “*-Offer expenses*” on page 144.

Fresh Issue

Net Proceeds

The details of the proceeds of the Net Proceeds from the Fresh Issue are set out below:

Particulars	Estimated Amount (₹ million)
Gross proceeds of the Fresh Issue	Up to 2,500.00 ⁽¹⁾
(Less) Offer-related expenses in relation to the Fresh Issue	[●] ^{(2) (3)}
Net Proceeds	[●] ⁽³⁾

1. *Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under applicable law, to any person(s), aggregating up to ₹ 500.00 million at its discretion, prior to filing of the Red Herring Prospectus with the RoC (“Pre-IPO Placement”). The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20.00% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.*
2. *See “- Offer Expenses” on page 144.*
3. *To be finalized upon determination of the Offer Price and will be updated in the Prospectus prior to filing with the RoC.*

Requirement of funds

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

1. Funding of capital expenditure requirements of our Company towards purchase of machinery and equipment;
2. Repayment or prepayment, in full or in part, of all or a portion of certain outstanding borrowings availed by our Company and investment in our wholly owned Material Subsidiary, S2 Engineering Industry Private Limited, for repayment or prepayment, in full or in part, of all or a portion of certain outstanding borrowings availed by S2 Engineering Industry Private Limited, from banks and financial institutions;
3. Investment in our wholly owned Material Subsidiary, S2 Engineering Industry Private Limited, for funding its capital expenditure requirements towards purchase of machinery and equipment;
4. Funding inorganic growth through strategic investments and/or acquisitions; and

5. General corporate purposes.

(collectively, the “Objects”)

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges and enhancement of our Company’s visibility and brand image and creation of a public market for our Equity Shares in India. The main objects and objects incidental and ancillary to the main objects set out in our Memorandum of Association enable us: (i) to undertake our existing business activities and other activities set out therein; and (ii) to undertake the activities proposed to be funded from the Net Proceeds and (iii) undertake the activities towards which the loans proposed to be repaid or pre-paid from the Net Proceeds were utilised.

Utilization of Net Proceeds

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

Sr. No.	Particulars	Estimated amount (₹ million) ⁽²⁾
1.	Funding of capital expenditure requirements of our Company towards purchase of machinery and equipment;	100.00
2.	Repayment or prepayment, in full or in part, of all or a portion of certain outstanding borrowings availed by our Company and investment in our wholly owned Material Subsidiary, S2 Engineering Industry Private Limited, for repayment or prepayment, in full or in part, of all or a portion of certain outstanding borrowings availed by S2 Engineering Industry Private Limited, from banks and financial institutions;	1,300.00
3.	Investment in our wholly owned Material Subsidiary, S2 Engineering Industry Private Limited, for funding its capital expenditure requirements towards purchase of machinery and equipment;	300.00
4.	Funding inorganic growth through strategic investments and/or acquisitions ⁽¹⁾	200.00
5.	General Corporate Purposes ⁽¹⁾	●
	Net Proceeds⁽¹⁾	●

(1) The cumulative amount to be utilized towards funding of inorganic growth through strategic investments and/or acquisitions and general corporate purposes shall not exceed 35% of the Gross Proceeds. Further, the amount utilized for our object of ‘Funding inorganic growth through strategic investments and/or acquisitions’ shall not exceed 25% of the Gross Proceeds. The amount to be spent towards general corporate purposes will be finalised upon determination of the Offer Price and will be updated in the Prospectus prior to filing with the RoC. The amount to be utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

(2) Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under applicable law, to any person(s), aggregating up to ₹ 500.00 million at its discretion, prior to filing of the Red Herring Prospectus with the RoC (“Pre-IPO Placement”). The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20.00% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

Proposed schedule of implementation and deployment of Net Proceeds

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

(in ₹ million)

Particulars	Estimated utilization from Net Proceeds ⁽²⁾	Estimated schedule of deployment of Net Proceeds		
		Fiscal 2025	Fiscal 2026	Fiscal 2027
Funding of capital expenditure requirements of our Company towards purchase of machinery and equipment;	100.00	20.00	50.00	30.00
Repayment or prepayment, in full or in part, of all or a portion of certain outstanding borrowings	1,300.00	1,300.00	-	-

Particulars	Estimated utilization from Net Proceeds ⁽²⁾	Estimated schedule of deployment of Net Proceeds		
		Fiscal 2025	Fiscal 2026	Fiscal 2027
availed by our Company and investment in our wholly owned Material Subsidiary, S2 Engineering Industry Private Limited, for repayment or prepayment, in full or in part, of all or a portion of certain outstanding borrowings availed by S2 Engineering Industry Private Limited, from banks and financial institutions;				
Investment in our wholly owned Material Subsidiary, S2 Engineering Industry Private Limited, for funding its capital expenditure requirements towards purchase of machinery and equipment;	300.00	50.00	100.00	150.00
Funding inorganic growth through strategic investments and/or acquisitions ⁽¹⁾	200.00	-	100.00	100.00
General corporate purposes ⁽¹⁾	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]

⁽¹⁾ The cumulative amount to be utilized towards funding of inorganic growth through strategic investments and/or acquisitions and general corporate purposes shall not exceed 35% of the Gross Proceeds. Further, the amount utilized for our object of 'Funding inorganic growth through strategic investments and/or acquisitions' shall not exceed 25% of the Gross Proceeds. The amount to be spent towards general corporate purposes will be finalised upon determination of the Offer Price and will be updated in the Prospectus prior to filing with the RoC. The amount to be utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

⁽²⁾ Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under applicable law, to any person(s), aggregating up to ₹ 500.00 million at its discretion, prior to filing of the Red Herring Prospectus with the RoC ("Pre-IPO Placement"). The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20.00% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

We intend to deploy the Net Proceeds towards the Objects as disclosed in the table above, in accordance with the business needs of our Company and our Material Subsidiary. However, the actual deployment of funds will depend on a number of factors, including the timing of completion of the Offer, market conditions, our Board's analysis of economic trends and business requirements, ability to identify and consummate proposed investments and acquisitions, competitive landscape, as well as general factors affecting our results of operations and financial condition. Depending upon such factors, we may have to reduce or extend the deployment period for the stated Objects, at the discretion of our management, and in accordance with applicable laws. In the event that the estimated utilization of the Net Proceeds in a scheduled Fiscal is not completely met, including due to the reasons stated above, the same shall be utilized in the next Fiscal, as may be determined by our Company, in accordance with applicable laws. For further details, see "Risk Factors—Any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to prior approval of the Shareholders of our Company" on page 63.

The above requirement of funds are based on our current business plan as approved by our Board of Directors pursuant to their resolution dated July 24, 2024, internal management estimates based on the prevailing market conditions, and also based on quotations obtained from certain vendors. These funding requirements or deployments have not been appraised by any bank or financial institution. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as change in costs, including due to inflation or increase in the rate of taxation or change in the rate of currency exchange, revision in quotations at the time of actual expenditure, change in financial and market conditions, our management's analysis of economic trends and our business requirements, changes in technology, ability to identify and consummate new business initiatives, fund requirements in the operations of our Material Subsidiaries, inorganic growth opportunities, competitive landscape as well as general factors affecting our results of operations, financial condition, business and strategy and interest/exchange rate fluctuations or other external factors, which may not be within the control of our management. This may entail rescheduling (including preponing the deployment of Net Proceeds) and revising the funding requirement for a particular Object or increasing or

decreasing the amounts earmarked towards any of the aforementioned Objects at the discretion of our management, subject to compliance with applicable law.

In case of a shortfall in meeting the aforementioned Objects, we may explore a range of alternate funding options including utilizing our internal accruals and availing future debt from lenders. We believe that such alternate funding arrangements would be available to fund any such shortfalls. For further details, see “*Risk Factors – 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’ approvals*” on page 67.

Means of finance

The fund requirements for the Objects are proposed to be met from the Net Proceeds and our internal accruals. Accordingly, we confirm that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue as required under Paragraph 9(C)(1) of Part A of Schedule VIII and Regulation 7(1)(e) the SEBI ICDR Regulations and existing identifiable internal accruals. In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals.

Details of the Objects

1. Funding of capital expenditure requirements of our Company towards purchase of machinery and equipment

The glass lined equipment market in India was estimated to be worth ₹ 11.5 billion in Fiscal2024 (*Source: F&S Report*). The market is expected to grow at a compound annual growth rate of 10.1% and generate ₹18.6 billion in revenue during the forecast period (*Source: F&S Report*). The industry is expected to grow significantly due to the rapid expansion of the pharmaceutical and chemical sectors (*Source: F&S Report*). Accordingly, to cater to the growing demand from our existing customers and to meet requirements of new customers, we intend to equip our SGL Unit at Kazipally, Telangana with a wide range of advanced and diverse machineries and equipment.

We have in the past invested significant amounts towards capital expenditure in order to expand our manufacturing capabilities. Our capital expenditure as a percentage of total revenue from operations in each of Fiscal 2024, Fiscal 2023 and Fiscal 2022 was as follows:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ in million	% of total revenue from operations	₹ in million	% of total revenue from operations	₹ in million	% of total revenue from operations
Capital expenditure	372.50	6.85%	300.76	6.04%	118.94	4.95%

As part of our growth strategy, we intend to continue to invest in creation of additional capacities, both for our existing products as well as for creation of new products. Our Board in its meeting held on July 24, 2024 approved an amount of ₹ 100.00 million for the purpose of funding the proposed capital expenditure as stated herein above from the Net Proceeds. Our Company has received quotations from various vendors for the proposed capital expenditure and is yet to place any orders or enter into definitive agreements for purchase of machinery / equipment. Our total estimated cost of purchase of machinery / equipment as estimated by our management and based on the valid quotations received from various vendors is ₹159.26 million. Accordingly, we intend to utilise ₹ 100.00 million out of the Net Proceeds for the purchase of machinery / equipment, and the remaining expenses shall be met from our internal accruals. No second hand or used machinery / equipment are proposed to be purchased out of the Net Proceeds. An indicative list of such machinery / equipment that we intend to purchase, along with details of the quotations we have received in this respect is set forth below:

Sr. No.	Name of the Machinery/ Equipment	Quantity	Total Estimated Cost* (in ₹ million) ⁽¹⁾	Potential Vendor	Date of Quotation	Validity
1.	Robotic welding solution of nozzle welding	2	51.92	Advantage Plus	June 19, 2024	November 30, 2024
2.	Hydraulic honing machine including glass and metal parts	2	4.26	Tulsi Industries	June 17, 2024	180 days
3.	Nozzle trimming station	1	3.05	Innovic Technology	June 19, 2024	180 days
4.	Sheet metal fiber laser cutting machine	2	18.88	Sai Arc India Private Limited	June 19, 2024	180 days
5.	Double girder gantry crane	1	3.95	Skyline Cranes and Hoists	May 4, 2024	180 days
6.	Lathe machine with standard accessories	3	3.39	Krishna Machine Manufacturers	May 16, 2024	6 months
7.	OLTC Transformer	1	5.66	Star Gazer Transformers Private Limited	May 18, 2024	6 months
8.	PCC Panel & Busduct	1	3.24	Vidyut Technologies (India) Private Limited	May 16, 2024	6 months
9.	Welding Machines	5	0.52	S R Advantech Systems Private Limited	June 17, 2024	6 months
10.	25KL (1600KW) - Heating System	1	30.47	Furnatemp Metatek India Private Limited	June 15, 2024	180 days
11.	Double girder EOT crane	4	18.88	Skyline Cranes and Hoists	June 19, 2024	180 days
12.	Dust Collector Modification (Filter Cartridge type dust)	1	3.31	Synco Industries Limited	June 21, 2024	180 days

Sr. No.	Name of the Machinery/ Equipment	Quantity	Total Estimated Cost* (in ₹ million) ⁽¹⁾	Potential Vendor	Date of Quotation	Validity
	collector with 60 HP motor)					
13.	Mig Welding Machine	5	4.69	Fronius India Private Limited	May 17, 2024	November 30, 2024
14.	Warrp make 5 tons slide type rotator	3	0.91	Hitech Industrial Implements	June 21, 2024	6 months
15.	Warrp make 10 tons slide type rotator	3	1.11	Hitech Industrial Implements	June 21, 2024	6 months
16.	Warrp make 20 tons slide type rotator	3	1.23	Hitech Industrial Implements	June 21, 2024	6 months
17.	Warrp make column & boom 5 x 5 mtr , manual swivel column	2	2.78	Hitech Industrial Implements	June 21, 2024	6 months
18.	Warpp make model autoweld 1001 i 1000 amps inverter based SAW welding machine power source suitable for column and boom	2	1.01	Hitech Industrial Implements	June 21, 2024	6 months
Total			159.26			

Notes:

1. The amount included in the quotation may be subject to price revisions, basis, inter alia, prevailing market conditions, price of raw materials, increase in taxes/duties levied by governmental authorities. In case of an increase in quoted amount due to a price revision, our Company will bear the difference out of internal accruals.

* Including applicable GST

All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring Prospectus. However, 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 is based on the present estimates of our management. As on the date of this Draft Red Herring Prospectus, our Company has not deployed any fund towards the purchase of these manufacturing equipment. Additionally, there may be revision in the final amounts payable towards these quotations pursuant to any taxes or levies payable on such item.

Our Promoter, Directors and Key Managerial Personnel do not have any interest in the entity from whom we have obtained quotations in relation to such proposed purchase.

2. Repayment or prepayment, in full or in part, of all or a portion of certain outstanding borrowings availed by our Company and investment in our wholly owned Material Subsidiary, S2 Engineering Industry Private Limited, for repayment or prepayment, in full or in part, of all or a portion of certain outstanding borrowings availed by S2 Engineering Industry Private Limited, from banks and financial institutions

Our Company and our Material Subsidiary has entered into various financing arrangements from time to time, with various lenders. The financing arrangements availed by our Company and our Material Subsidiary include

inter alia term loans and working capital facilities. For further details, please see section entitled “*Financial Indebtedness*” beginning on page 406. As of May 31, 2024, our total outstanding borrowings amounted to ₹ 1,816.47 million, on a consolidated basis.

Our Company proposes to utilise an estimated amount of up to ₹ 1,300.00 million from the Net Proceeds towards pre-payment or scheduled repayment of all or a portion of the outstanding borrowings availed by our Company. We also intend to utilise a portion of our Net Proceeds 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 wholly owned Material Subsidiary, S2 Engineering Industry Private Limited, for repayment or prepayment, in full or in part, of all or a portion of certain outstanding borrowings availed by S2 Engineering Industry Private Limited, from banks and financial institutions. The actual mode of such deployment has not been finalised as on the date of this Draft Red Herring Prospectus.

We may repay or refinance some loans set out in the tables below, prior to filing of the Red Herring Prospectus. In such a situation, we may utilise the Net Proceeds for part or full repayment of any such additional loan or loans obtained to refinance any of our existing loans.

We may choose to repay or pre-pay certain borrowings availed by us, other than those identified in the table below, which may include additional borrowings we may avail after the filing of this Draft Red Herring Prospectus. Given the nature of these borrowings and the terms of repayment/pre-payment, the aggregate outstanding borrowing amounts may vary from time to time. In light of the above, at the time of filing the Red Herring Prospectus, the tables below shall be suitably updated to reflect the revised amounts or loans as the case may be which have been availed by us. In the event our Board or our Material Subsidiary’s board of directors deem appropriate, the amount allocated for estimated schedule of deployment of Net Proceeds in a particular fiscal may be repaid/ pre-paid in part or full by us in the subsequent fiscal. The selection of borrowings proposed to be repaid/prepaid by us shall be based on various factors including (i) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil such requirements, (ii) levy of any prepayment penalties and the quantum thereof, (iii) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan, (iv) receipt of consents for prepayment or waiver from any conditions attached to such prepayment from our lenders and (v) provisions of any law, rules, regulations governing such borrowings. Further, our Company has obtained written consents from our lenders for undertaking the Offer. We believe that such repayment or prepayment will help reduce our outstanding indebtedness, on a consolidated basis and our debt-equity ratio and enable utilization of our internal accruals for further investment in business growth. We may avail further loans after the date of this Draft Red Herring Prospectus and/or draw down further funds under existing loans. In addition, we believe that the strength of our balance sheet and our leverage capacity will further improve, which shall enable us to raise further capital in the future at competitive rates to fund potential business development opportunities and plans to grow and expand our business in the coming years.

The following table sets forth details of certain borrowings availed by our Company, which are outstanding as on May 31, 2024 out of which our Company may repay/prepay, all or a portion of, any or all of the borrowings, from the Net Proceeds:

S. No.	Name of the lender	Nature of borrowing	Date of sanction	Amount sanctioned as at May 31, 2024 (in ₹ million)	Amount outstanding as at May 31, 2024 (in ₹ million)	Applicable rate of interest as at May 31, 2024	Tenor	Repayment Schedule	Purpose	Prepayment penalty/ conditions
Loans availed by our Company										
1	ICICI Bank Limited	Cash Credit Facility, and Working Capital Demand Loan (Sub-limit of Cash Credit)	May 17, 2024	330.00	195.63	Cash Credit - Repo+2.05% p.a. Working Capital Demand Loan- 8.30% p.a.	12 months until May 13, 2025	On demand or upon completion of tenor.	Working Capital requirement	Prepayment premium as stipulated by the bank
2	ICICI Bank Limited	Term Loan	May 15, 2024	50.00	49.17	Repo Rate + 2.75% p.a.	5 Years	60 equal monthly instalments.	Purchase of commercial building for own office usage located at Entire 10th Floor in PNR High Nest SY No: 132, Hyderabad Nagar, Kukatpally, Hyderabad 500072.	Prepayment premium of 1.00% on principal amount of the loan being prepaid subject to the borrower giving at least 15 days prior irrevocable written notice of the same to ICICI Bank Limited.

S. No.	Name of the lender	Nature of borrowing	Date of sanction	Amount sanctioned as at May 31, 2024 (in ₹ million)	Amount outstanding as at May 31, 2024 (in ₹ million)	Applicable rate of interest as at May 31, 2024	Tenor	Repayment Schedule	Purpose	Prepayment penalty/ conditions
3	RBL Bank Limited	Cash Credit (Sub limit of Letter of Credit) and Working Capital Demand Loan (Sub limit of Letter of Credit)	November 23, 2023	70.00	56.66	Cash Credit - 3M MCLR p.a. Working Capital Demand Loan – 8.45% p.a.	Cash Credit – 12 months Working Capital Demand Loan – 6 months	Cash Credit - Repayable on demand Working Capital Demand Loan - Bullet on Maturity	Working Capital requirement	Nil
4	The Hongkong and Shanghai Banking Corporation Limited, India	Overdraft and Working Capital Demand Loan	April 6, 2023,	150.00	111.48	Overdraft - 3 Months T-Bill + 2.09 (Spread) Working Capital Demand Loan – 8.48% p.a.	Overdraft – Repayable on demand Working Capital Demand Loan - 90 days with 2 days Cooling period	Repayable on demand.	Working Capital requirement	Such rate as may be determined by the bank.
5	HDFC Bank Limited	Cash Credit	August 20, 2023	250.00	187.83	3months T-Bill + 1.25% p.a.	On Demand	On Demand	Working Capital requirement	Nil
Loans availed by our Material Subsidiary										
6	RBL Bank Limited	Cash Credit and Working Capital Demand Loan (Sub limit of Letter of Credit)	March 30, 2024	200.00	150.16	Cash Credit - 3M MCLR p.a.	12 months	On Demand	Working Capital Requirements	Nil

S. No.	Name of the lender	Nature of borrowing	Date of sanction	Amount sanctioned as at May 31, 2024 (in ₹ million)	Amount outstanding as at May 31, 2024 (in ₹ million)	Applicable rate of interest as at May 31, 2024	Tenor	Repayment Schedule	Purpose	Prepayment penalty/ conditions
7	HDFC Bank Limited	Cash Credit	April 04, 2024	250.00	159.39	3months T Bill + 1.36% p.a.	12 months	On Demand	Working Capital Requirements	Nil
8	The Hongkong and Shanghai Banking Corporation Limited, India	Working Capital Demand Loan	April 6, 2023	200.00	185.63	Overdraft - 3 Months T-Bill + 2.09 (Spread) Working Capital Demand Loan – 8.48% p.a.	Overdraft – Repayable on demand Working Capital Demand Loan - 90 days with 2 days Cooling period.	Repayable on demand or Completion of tenor	Working Capital Requirements	Such rate as may be determined by the bank
9	ICICI Bank Limited	Cash Credit	November 9, 2023	340.00	85.13	I-MCLR 6M + 0.46% p.a.	12 Months	On Demand	Working Capital Requirements	Prepayment Premium as stipulated by the banks
10	Axis Bank Limited	Cash Credit	September 27, 2023	210.00	180.39	Repo+2.00% p.a.	12 Months	On Demand	Working Capital Requirements	Prepayment within 6 months of availing the facility - not allowed, 6-12 months - 4% + applicable

S. No.	Name of the lender	Nature of borrowing	Date of sanction	Amount sanctioned as at May 31, 2024 (in ₹ million)	Amount outstanding as at May 31, 2024 (in ₹ million)	Applicable rate of interest as at May 31, 2024	Tenor	Repayment Schedule	Purpose	Prepayment penalty/ conditions
										taxes 12-24 months- 3% + applicable taxes, >24 months - 2% + applicable taxes
Total				2,050.00	1,361.47					

* In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, our Company has obtained a certificate dated July 24, 2024 issued by our Statutory Auditor, the utilisation of the proceeds of the loans, as indicated above has been towards the purpose availed for, as per the sanction letters / loan agreements of the respective loans.
For details of security provided for the abovementioned borrowings availed by our Company/Material Subsidiary, see "Financial Indebtedness" on page 406.

In the event that there are any prepayment or repayment penalties required to be paid under the terms of the relevant financing arrangements, the amount of such prepayment or repayment penalties shall be paid by us out of our internal accruals.

3. Investment in our wholly owned Material Subsidiary, S2 Engineering Industry Private Limited, for funding its capital expenditure requirements towards purchase of machinery and equipment

In line with our growth strategy, our Material Subsidiary, proposes to equip its manufacturing facilities (including any manufacturing facility that would be operational as at the date of utilisation of such Net Proceeds) with a wide range of advanced and diverse machineries and equipment. We intend to utilise a portion of our Net Proceeds aggregating to ₹ 300.00 million 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 and as approved by our Board pursuant to its resolution dated July 24, 2024. The actual mode of such deployment has not been finalised as on the date of this Draft Red Herring Prospectus. Pursuant to such investment, our Material Subsidiary intends to utilise the portion of Net Proceeds for funding its capital expenditure requirements towards purchase of machinery and equipment. The machinery and equipment may be installed in either the existing manufacturing facilities of our Material Subsidiary or any other manufacturing facility that would be operational as at the date of utilisation of such Net Proceeds including its under construction manufacturing facility, S2 Unit 5, which is currently being constructed by Excel Wovensacks Private Limited (“EWPL”), pursuant to the lease agreement dated February 29, 2024 read with the addendum to the lease agreement dated July 18, 2024, pursuant to which EWPL has agreed to construct a factory shed, administrative building, canteen, security office, etc.. The lease deed is valid for a period of five years.

The board of directors of our Material Subsidiary in their meeting held on July 24, 2024, approved an amount of ₹ 300.00 million for the purpose of funding the proposed expenditure as stated herein above from the Net Proceeds. S2 Engineering Industry Private Limited has received quotations from various vendors for the proposed capital expenditure and is yet to place any orders or enter into definitive agreements for purchase of manufacturing equipment. No second hand or used equipment are proposed to be purchased out of the Net Proceeds. As on the date of this Draft Red Herring Prospectus, our Material Subsidiary has not deployed any fund towards the purchase of these manufacturing equipment.

The total estimated cost of purchase of equipment as per the quotations received from various vendors is ₹ 389.21 million, and S2 Engineering Industry Private Limited intends to utilise ₹ 300.00 million for the purchase of manufacturing equipment, and the remaining expenses shall be met from its internal accruals. An indicative list of such manufacturing equipment that S2 Engineering Industry Private Limited intends to purchase, along with details of the quotations we have received in this respect is set forth below:

Sr. No.	Name of the Machinery/ Equipment	Quantity	Total Estimated Cost (in ₹ million) ⁽¹⁾	Potential Vendor	Date of Quotation	Validity
1.	Universal profile bending machine model 307 hv	1	10.45 [#]	Comac S.R.L.	May 31, 2024	6 months
2.	Hydraulic dishing press series ppm-600/6,5	2	106.63 [#]	Faccin S.P.A	January 11, 2024	December 31, 2024
3.	Automatic flanging machine type bf-25/5,5	1	40.95 [#]	Faccin S.P.A	January 11, 2024	December 31, 2024
4.	Electronic 9 roll high precision plate straightening machine model r9-2100x30	1	48.64 [#]	Faccin S.P.A	June 4, 2024	December 31, 2024
5.	Wide belt grinding machine RCS-L-U/160 for SS-plates up to 1600 mm	2	77.38 [#]	Imeas s.p.a	May 31, 2024	180 days

Sr. No.	Name of the Machinery/ Equipment	Quantity	Total Estimated Cost (in ₹ million) ⁽¹⁾	Potential Vendor	Date of Quotation	Validity
6.	Dish and shell surface finishing + cutting plasma robotic cell 500/3000 mm model pulimetal 245 4N 2SP CRU CP	1	53.10 [#]	Pulimetal Cittadini Srl	June 25, 2024	6 months
7.	Three roll linear guideway type plate bending machine	1	6.96*	Himalaya Machinery Private Limited	June 1, 2024	6 months
8.	PL600RY_4000 ABC turn-mill centre with y-axis	1	28.04*	Bharat Fritz Werner Limited	May 31, 2024	6 months
9.	ESAB combirex CS 4500 x 8000, plasma profile cutting machine	1	12.40*	ESAB India Limited	June 21, 2024	December 22, 2024
10.	CNC drilling machine	1	4.66*	Pro Welding and Cutting Systems Private Limited	June 27, 2024	March 24, 2025
Total			389.21			

Notes:

1. The amount included in the quotation may be subject to price revisions, basis, inter alia, prevailing market conditions, price of raw materials, increase in taxes/duties levied by governmental authorities. In case of an increase in quoted amount due to a price revision, our Company will bear the difference out of internal accrual.

* Including applicable GST

[#]Quotation in Euro converted to INR basis conversion rate on June 30, 2024, being, ₹ 89.25 per Euro, not inclusive of applicable taxes, customs and freight charges.

All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring Prospectus. However, S2 Engineering Industry Private Limited has 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 is based on the present estimates of the management of S2 Engineering Industry Private Limited. S2 Engineering Industry Private Limited shall have the flexibility to deploy such equipment at any of its existing manufacturing facilities or any other manufacturing facility that would be operational as at the date of utilisation of such Net Proceeds including its under construction manufacturing facility, according to the business requirements of such facilities and based on the estimates of our management. Additionally, there may be revision in the final amounts payable towards these quotations pursuant to any taxes or levies payable on such item.

Our Promoter, Directors and Key Managerial Personnel do not have any interest in the entity from whom our Material Subsidiary has obtained quotations in relation to such proposed purchase.

4. Funding inorganic growth through strategic investments and/or acquisitions

Our Company proposes to deploy Net Proceeds aggregating up to ₹ 200.00 million towards unidentified inorganic strategic investments and/or acquisitions, subject to such amount not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. Further, the amount to be utilised towards unidentified inorganic strategic investments and/or acquisitions and general corporate purposes shall not exceed 35% of the Gross Proceeds, in accordance with the SEBI ICDR Regulations.

We believe that we have benefited significantly from the strategic investments and/or acquisitions undertaken by us in the past. The table below summarizes the key acquisitions that we have undertaken in the past, on a consolidated basis:

Name of the entity	Details of acquisition	Fiscal	Consideration (in ₹ million)	Acquisition rationale
C.P.K. Engineers Private Limited	CPK Engineers Equipment Private Limited, one of our Subsidiaries, pursuant to a business transfer agreement dated May 8, 2024, entered with C.P.K. Engineers Private Limited, acquired their business of, manufacturing agitated nutsche filter dryer, nickel alloy equipment, reactors, columns, heat exchangers, storage tanks, receivers and any other related equipment used in pharmaceutical or chemical industries, along with their business assets and their employees, as a going concern on a slump sale basis.	2025	104.84	To acquire new customer base and expand our product portfolio
M/s Higenic Flora Polymers	Standard Flora Private Limited, one of our Subsidiaries, pursuant to a business transfer agreement dated May 24, 2023, entered with M/s Higenic Flora Polymers, a partnership firm, acquired its entire business undertaking of manufacturing, supply, installation, repair and service of PTFE pipes, PTFE chemical, pharma and food processing industry with all its business assets, business employees and key employees, as a going concern on a slump sale basis.	2024	120.00	To diversify our product offering
M/s Yashasve Glass Lining Industries	Standard Flora Private Limited, one of our Subsidiaries, pursuant to a business transfer agreement dated May 24, 2023, entered with M/s Yashasve Glass Lining Industries, a partnership firm, acquired its entire business undertaking of manufacturing, supply, installation, repair and service of PTFE pipes, PTFE fittings and equipment fittings, instruments and accessories thereof, in chemical, pharma and food processing industry with all its business assets, business employees and key employees, as a going concern on a slump sale basis.	2024	150.00	To diversify our product offering
M/s S2 Engineering Services	Our Material Subsidiary, entered an agreement dated October 25, 2021, with a partnership firm, M/s S2 Engineering Services, for transfer of	2022	200.00	To diversify our product offering, enlarge our customer base and

	its business of manufacturing, supply, sale, servicing, and maintenance of, inter alia, dryers, filters, heat exchangers/condensers, reactors, distillation columns, evaporators, single fluid heating and cooling systems, blenders and mixers, on a slump sale basis			increase our market share
M/s Stanpumps Engineering Industries	Our Material Subsidiary, entered an agreement dated October 25, 2021, with a partnership firm, M/s Stanpumps Engineering Industries, for transfer of its business of manufacturing, supply, sale, servicing, and maintenance of, <i>inter alia</i> , dry multistage lobe claw, dry multistage claw, single stage oil sealed vane pump, mechanical booster, water ring vacuum pump with booster, condenser and receiver, on a slump sale basis.	2022	65.00	To diversify our product offering, enlarge our customer base and increase our market share

For further details on the acquisitions mentioned above, see “*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, if any, in the last ten years*” on page 277.

Rationale for acquisitions in future

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

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

Our acquisition strategy is primarily driven by our Board and the typical framework and process followed by us for acquisitions involves identifying the strategic acquisitions based on the rationale set out above, entering into requisite non-disclosure agreements and conducting diligence of the target. On satisfactory conclusion of the diligence exercise, we enter into definitive agreements to acquire the target based on the approval of our Board and the shareholders, if required. As on the date of this Draft Red Herring Prospectus, we have not entered into any definitive agreements towards any future acquisitions or strategic initiatives for the object set out above.

We will from time to time undertake potential acquisitions and/ or investments in line with our business objectives and overall expansion strategies, with a view to augment our growth by acquiring companies with strong supply/ distribution capabilities, expand our product offerings and portfolios, enhance our geographical presence and strengthen our existing product offerings. Accordingly, we believe that acquisitions and investments made by our Company in furtherance of the factors set out above, will fit in our strategic business objectives and growth strategies.

We intend to utilise the above-stated portion of the Net Proceeds towards our strategic acquisitions and/or investments which may be undertaken over the course of next two Fiscals. The proposed inorganic acquisitions shall be undertaken in accordance with the applicable laws, including the Companies Act, FEMA and the regulations notified thereunder, as the case may be.

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

5. General corporate purposes

The general corporate purposes for which our Company proposes to utilise Net Proceeds include, but are not restricted to strengthening marketing capabilities, meeting ongoing general corporate exigencies and contingencies; meeting our business requirements, expenses incurred in ordinary course of business, payment of commission and/or fees to consultants, acquisition of fixed assets, business development initiatives, employee welfare activities, other expenses including salaries and wages, administration, insurance, repairs and maintenance, payment of taxes and duties and any other purpose, as may be approved by the Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act. The quantum of utilization of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company and other relevant considerations, from time to time. Our Company's management, in accordance with the policies of our Board, shall 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.

Offer expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The Offer related expenses primarily include fees payable to the BRLMs and legal counsel, fees payable to the Auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs and CDPs, SCSBs' fees, Escrow Collection Bank fees, Sponsor Banks' fees, the Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Other than the listing fees for the Offer which will be borne solely by our Company, all fees, costs and expenses required to be paid in respect of the Offer will be shared among 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 Offered Shares sold by the Selling Shareholders in the Offer for Sale, upon the successful completion of the Offer, in compliance with applicable law. All proportional Offer-related fees, costs and expenses to be borne by the Selling Shareholders and shall be deducted from their portion of the Offer proceeds and only the balance amount will be paid to the Selling Shareholders.

It is clarified that, in the event that the Offer is withdrawn, abandoned or terminated for any reason whatsoever, the expenses incurred in relation to the proposed Offer will also be shared among the 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 Offered Shares sold by the Selling Shareholders in the Offer for Sale

The estimated Offer related expenses are set out below.

Activity	Estimated expenses ⁽¹⁾	As a percentage of the total estimated Offer expenses ⁽¹⁾	As a percentage of the total Offer size ⁽¹⁾
	(₹ million)	(%)	(%)
BRLMs fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Selling commission/processing fee for SCSBs, Sponsor Banks and fee payable to the Sponsor Banks for Bids made by RIBs, brokerage and selling commission and bidding/uploading charges for members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Others			
(i) Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
(ii) Printing and stationery expenses	[●]	[●]	[●]
(iii) Advertising and marketing expenses	[●]	[●]	[●]
(iv) Fees payable to legal counsels	[●]	[●]	[●]
(v) Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

⁽¹⁾ Offer expenses include applicable taxes, where applicable. Offer expenses will be finalised on determination of Offer Price and incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change.

⁽²⁾ Selling commission payable to the SCSBs on the portion for RIBs, Eligible Employees and Non-Institutional Bidders which are directly procured by the SCSBs, would be as follows:

Portion for RIBs	[●]% of the Amount Allotted* (plus applicable taxes)
Portion for Eligible Employees	[●]% 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 SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE or NSE. No uploading/processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them. Processing fees payable to the SCSBs on the portion for Retail Individual Bidders, Eligible Employees and Non-Institutional Bidders which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/CRTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

Portion for Non-Institutional Bidders	₹ [●] per valid application (plus applicable taxes)
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Processing fees payable to the SCSBs for capturing Syndicate Member/Sub-syndicate (Broker)/Sub-broker code on the ASBA Form for Non-Institutional Bidders and QIBs with Bids above ₹ 0.50 million would be ₹ [●] plus applicable taxes, per valid application.

⁽³⁾ Selling commission on the portion for UPI Bidders and 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 UPI Bidders	[●]% 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.

⁽⁴⁾ The selling commission payable to the Syndicate / sub-Syndicate Members will be determined:

For UPI Bidders and NIBs (up to ₹ 0.50 million) 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.

For NIBs (Bids above ₹ 0.50 million) on the basis of the Syndicate ASBA Form bearing SM Code and the sub-Syndicate code of the application form submitted to SCSBs for blocking of the fund and uploading on the Stock Exchanges' platform by SCSBs. 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 Syndicate / sub-Syndicate Members and not the SCSB.

⁽⁵⁾ Uploading Charges:

payable to members of the Syndicate (including their sub-Syndicate Members), on the applications made using 3-in-1 accounts, would be: ₹ [●] plus applicable taxes, per valid application bid by the Syndicate member (including their sub-Syndicate Members),

Bid uploading charges payable to the SCSBs on the portion of QIB and Non-Institutional Bidders (excluding UPI Bids) which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking and uploading would be: ₹ [●] per valid application (plus applicable taxes)

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.

Selling commission/ uploading charges payable to the Registered Brokers on the portion for UPI Bidders 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 UPI Bidders*	₹ [•] 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 and Non-Institutional Bidders (for an amount more than ₹ 0.20 million and up to ₹ 0.50 million) using the UPI Mechanism would be as under:

Members of the Syndicate / RTAs / CDPs (uploading charges)	₹ [•] per valid application (plus applicable taxes)
Sponsor Banks (Processing fee)	₹ [•] 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 02, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and such payment of processing fees to the SCSBs shall be made in compliance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

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). Accordingly, Syndicate / Sub-Syndicate Members shall not be able to accept Bid Cum Application Form above ₹ 500,000 and the same Bid Cum Application Form needs to be submitted to SCSBs for blocking of fund and uploading on the exchange bidding platform. To identify bids submitted by Syndicate / Sub-Syndicate Members to SCSB, a special Bid Cum Application Form with a heading / watermark, 'Syndicate ASBA' may be used by Syndicate / Sub-Syndicate Member along with SM code and Broker code mentioned on the Bid Cum Application Form to be eligible for brokerage on Allotment. However, such special forms, if used for RIB Bids and NIB Bids up to ₹ 500,000 will not be eligible for brokerage.

Interim use of the Net Proceeds

Our Company, in accordance with the applicable law, policies established by our Board from time to time and in order to attain the Objects set out above, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described in this section, our Company may temporarily invest the Net Proceeds in deposits in one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, as may be approved by our Board. In accordance with Section 27 of the Companies Act, our Company confirms that, other than as specified in this section for the purposes of the Objects, it shall not use the Net Proceeds for buying, trading or otherwise dealing in equity securities or any equity linked securities.

Appraising entity

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

Bridge financing facilities

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

Monitoring of utilization of funds

Our Company will appoint a monitoring agency to monitor utilization of proceeds from the Fresh Issue, including the proceeds proposed to be utilised towards general corporate purposes, prior to filing of the Red Herring Prospectus with the RoC, in accordance with Regulation 41 of the SEBI ICDR Regulations. Our Company undertakes to place the Gross Proceeds in a separate bank account which shall be monitored by the

Monitoring Agency for utilization of the Gross Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose and continue to disclose the utilization of the Gross Proceeds, including interim use, under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, specifying the purposes for which the Gross Proceeds have been utilized. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Gross Proceeds that have not been utilized, if any, of such currently unutilized Gross Proceeds. Further, our Company, on a quarterly basis, shall include the deployment of Gross Proceeds under various heads, as applicable, in the notes to our quarterly results.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds, which shall discuss, monitor and approve the use of the Gross Proceeds along with our Board. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Gross Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Gross Proceeds have been utilized in full. The statement prepared on an annual basis for utilization of the Gross Proceeds shall be certified by the Auditors.

Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the proceeds of the Fresh Issue from the Objects; and (ii) details of category wise variations in the actual utilization of the proceeds of the Fresh Issue from the Objects. This information will also be published on our website.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act and Regulation 59 and Schedule XX of the SEBI ICDR Regulations, our Company shall not vary the Objects, without our Company being authorized to do so by its Shareholders by way of a special resolution and our Company shall include the requisite explanation in the director's report in relation to such variation. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("Notice") shall specify the prescribed details and be published in accordance with the Companies Act. The Notice shall simultaneously be published in the newspapers, one in English and one in Telugu, the vernacular language of the jurisdiction where our Registered Office is situated. Pursuant to the Companies Act, the Promoter, as at the time of such proposed variation, will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the Objects, subject to the provisions of the Companies Act and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with our Articles of Association, the provisions of the Companies Act and the SEBI ICDR Regulations.

Other confirmations

Except to the extent of any proceeds received pursuant to the sale of Equity Shares proposed to be sold by the Selling Shareholders in the Offer for Sale, neither our Promoter, nor members of our Promoter Group, Directors, KMPs, Senior Management, or Group Companies will receive any portion of the Offer Proceeds and there are no material existing or anticipated transactions in relation to utilization of the Offer Proceeds with our Promoter, members of our Promoter Group, Directors, KMPs, Senior Management, or Group Companies. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the objects of the Fresh Issue as set out above.

Further, pursuant to the Offer, the Net Proceeds received by our Company shall only be utilised for objects identified by our Company and for general corporate purposes and none of our Promoter, members of our Promoter Group, Group Companies and associates of our Company, as applicable, shall receive any part of the Net Proceeds, directly or indirectly.

BASIS FOR OFFER PRICE

The Price Band and the Offer Price will be determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and the quantitative and qualitative factors as described below and is justified in view of these parameters. The face value of the Equity Shares is ₹ 10 each and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value. Investors should also refer to “Risk Factors”, “Our Business”, “Restated Consolidated Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 42, 244, 326 and 410, respectively, to have an informed view before making an investment decision.

Qualitative factors

We believe the following business strengths allow us to successfully compete in the industry:

- One of the top five specialised engineering equipment manufacturers for pharmaceutical and chemical sectors in India with products across entire value chain;
- Customized and innovative product offering across the entire pharmaceutical and chemical manufacturing value chain;
- Strategically located manufacturing facilities with advanced technological capabilities;
- Long term relationships with marquee clientele across sectors;
- Consistent track record of profitable growth; and
- Experienced promoters and management team

For details, please see the section entitled “Our Business – Our Strengths” on page 248.

Quantitative factors

Some of the information presented below relating to our Company is derived from the Restated Consolidated Financial Information. For details, please refer to the section titled “Restated Consolidated Financial Information” on page 326.

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

1. Basic and Diluted Earnings per Share

Fiscal / period ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2024	3.52	3.52	3
March 31, 2023	3.49	3.49	2
March 31, 2022	2.22	2.22	1
Weighted Average	3.29	3.29	

Notes:

- i. The face value of each Equity Share is ₹ 10.
- ii. EPS has been calculated in accordance with the Indian Accounting Standard 33 – “Earnings per share”.
- iii. The Company has pursuant to the Board resolution dated June 3, 2024 allotted 163,471,068 bonus Equity Shares (“Bonus Shares”) in the ratio of Nine Equity Shares for one Equity Share held by the Shareholders. Basic EPS and Diluted EPS for all the period / year have been considered post the impact issue of Bonus Equity Shares in accordance with Ind AS 33 - Earnings per share notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).
- iv. Basic EPS= Restated profit for the year attributable to equity shareholders of the Company divided by weighted average number of equity shares outstanding during the year.
- v. Diluted EPS= Restated profit for the year attributable to equity shareholders of the Company divided by weighted average number of equity shares outstanding during the year adjusted for the effects of all dilutive potential equity shares.

2. Price/Earning (“P/E”) Ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at Floor Price (no. of times)*	P/E at Cap Price (no. of times)*
Based on basic EPS of ₹ [●] as per the Restated Consolidated Financial Information for the financial year ended March 31, 2024	[●]	[●]

Particulars	P/E at Floor Price (no. of times)*	P/E at Cap Price (no. of times)*
Based on diluted EPS of ₹ [●] as per the Restated Consolidated Financial Information for the financial year ended March 31, 2024	[●]	[●]

*To be computed after finalization of the Price Band

3. Industry Peer Group P/E ratio

Particulars	P/E ratio
Highest	86.63
Lowest	36.05
Average	59.06

Notes:

- 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.
- P/E figures for the peer are computed based on closing market price as on July 18, 2024 on NSE, divided by Diluted EPS (on consolidated basis) based on the financial results declared by the peers for the Financial Year ending March 31, 2024 submitted to stock exchanges.

4. Return on Net Worth ("RoNW")

Fiscal ended	RoNW (%)	Weight
March 31, 2024	20.74%	3
March 31, 2023	47.56%	2
March 31, 2022	54.89%	1
Weighted Average	35.37%	

Notes:

- Return on Net Worth (%) = PAT attributable to owners / Average Net worth
- Net Worth = Aggregate value of equity share capital and other equity (excluding the share of Non-Controlling Interest) created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses but does not include reserves created out of revaluation of assets and write-back of depreciation.

5. Net Asset Value (NAV) per Equity Share on a consolidated basis

NAV	Consolidated (₹)
As on March 31, 2024	24.55
After the Offer	At the Floor Price: [●] At the Cap Price: [●]
At Offer Price	[●]

Notes:

- Offer Price per Equity Share will be determined on conclusion of the Book Building Process.
- Net asset value per share = Net worth (excluding Non-Controlling Interest) as restated / weighted average number of equity shares outstanding at the end of the year adjusted for the issue of Bonus Shares for all year, in accordance with principles of Ind AS 33
- The figures disclosed above are based on the Restated Consolidated Financial Information of the Company.

6. Comparison of accounting ratios with listed industry peers

Following is the comparison with our peer group companies listed in India and engaged in the same line of business as our Company:

Name of the Company	Total Income (₹ in million)	Face Value (₹)	P/E	EPS (Diluted) (₹)	EPS (Basic) (₹)	Return on Net Worth (%)	NAV per share (₹)
Standard Glass Lining Technology	5,496.81	10.00	[●]	3.52	3.52	20.74%	24.55
GMM Pfaunder Ltd	34,665.00	2.00	36.05	39.79	39.80	20.23%	215.22

Name of the Company	Total Income (₹ in million)	Face Value (₹)	P/E	EPS (Diluted) (₹)	EPS (Basic) (₹)	Return on Net Worth (%)	NAV per share (₹)
HLE Glascoat Ltd	9,767.36	2.00	68.04	6.52	6.52	7.99%	61.06
Thermax Ltd	95,560.30	2.00	86.63	57.28	57.30	15.53%	394.10
Praj Industries	35,097.77	2.00	45.53	15.42	15.42	24.09%	69.36

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the annual reports/financial statements as available of the respective company for the year ended March 31, 2024 submitted to stock exchanges.

Notes:

- (1) P/E Ratio has been computed based on the closing market price of equity shares on NSE on July 18, 2024 -, divided by the Diluted EPS.
- (2) Return on Net Worth (%) = Net profit after tax (attributable to owners) / Average Net worth
- (3) Net Worth = Aggregate value of equity share capital and other equity created out of the profits (excluding Non- Controlling Interest), securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses but does not include reserves created out of revaluation of assets and write-back of depreciation.
- (4) Net asset value per share = Net worth (excluding Non-Controlling Interest) as restated / weighted average number of equity shares outstanding on a fully diluted basis at the end of the year adjusted for the issue of Bonus Equity Shares for all year, in accordance with principles of Ind AS 33

7. Key Performance Indicators (KPIs) and Accounting Ratios

The KPIs disclosed below have been used historically by our Company to understand and analyze its business performance, which in result, help us in analyzing the growth of business in comparison to our peers. Our Company considers that the KPIs set forth below are the ones that may have a bearing for arriving at the basis for the Offer Price. The KPIs disclosed below have been approved and confirmed by a resolution of our Audit Committee dated July 24, 2024. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Draft Red Herring Prospectus. Further, the KPIs disclosed herein have been certified by Niranjana & Narayan, Chartered Accountants, pursuant to a certificate dated July 24, 2024.

We have described and defined the KPIs, as applicable, in “Definitions and Abbreviations – Financial and operational Key Performance Indicators” on page 17. For details of our other operating metrics disclosed elsewhere in this Draft Red Herring Prospectus, please refer to the sections titled “Our Business”, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 244 and 410, respectively.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company) for a period of one year after the date of listing of the Equity Shares on the Stock Exchanges or for such other duration as may be required under the SEBI ICDR Regulations.

The list of our KPIs along with brief explanation of the relevance of the KPI for our business operations are set forth below:

S. no.	KPI	Explanation
1	Revenue from operations	Revenue from Operations is used by the management to track the revenue profile of the business and in turn helps assess the overall financial performance of the Company and size of the business.
2	Growth in revenue from operations (%)	Growth in revenue from operations provides information regarding the growth of the business for the respective period.
3	EBITDA	EBITDA provides information regarding the operational profitability of the business.
4	EBITDA Margin	EBITDA margin is an indicator of the operational efficiency of the business in comparison to the revenue from operations.
5	Profit for the Year / Period	Profit after tax provides information regarding the overall profitability of the business.
6	PAT Margin	Tracking PAT margin assists in tracking the margin profile of the business of the Company and allows comparison of results over multiple periods.
7	ROE	Return on Equity provides how efficiently the Company generates profits from shareholders' funds.
8	ROCE	Return on Capital Employed provides how efficiently the Company generates earnings from the capital employed in the business.
9	ROA	Represents the ratio of return on average assets which is profit after tax (PAT) to average loan assets for the relevant fiscal year. It is used to assess the return on the total assets of the company.
10	Debt to Equity Ratio	Debt to equity ratio is a metric that measures the degree to which the Company is financing its operation with debt compared to its own equity.
11	Net Debt to Equity Ratio	Debt to equity ratio is a metric that measures the degree to which the Company is financing its operation with net debt compared to its own equity.
12	Fixed Asset Turnover	This formula helps the Company assess how efficiently sales are being generated from existing fixed assets over multiple periods.
13	Adjusted ROCE	Adjusted Return on Capital Employed provides how efficiently the Company generates earnings from the capital employed in the business excluding cash and cash equivalents and Bank balances other than cash and cash equivalents and Fixed Deposits excluding Margin Money.

Details of KPIs as at/ for the financial years ended March 31 2024, March 31, 2023 and March 31, 2022

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from Operations (₹ in millions)	5,436.69	4,975.88	2,401.87
YoY Growth Rate (%)	9.26%	107.17%	-
2Y CAGR (%)	50.45%	-	-
EBITDA ⁽¹⁾ (₹ in millions)	1,009.19	882.56	417.79
EBITDA Margin (%) ⁽²⁾	18.36%	17.65%	17.30%
PAT ⁽³⁾ (₹ in millions)	600.11	534.24	251.45
YoY Growth Rate (%)	12.33%	112.46%	-
PAT Margin (%) ⁽⁴⁾	10.92%	10.68%	10.41%
ROCE (%) ⁽⁵⁾	25.49%	43.43%	42.03%
ROE (%) ⁽⁶⁾	20.74%	47.56%	54.89%
RoA (%) ⁽⁷⁾	11.85%	16.54%	13.23%
Total Debt to Equity ⁽⁸⁾	0.32	0.53	1.01
Net Debt to Equity ⁽⁹⁾	0.19	0.49	1.01
Net Fixed Asset Turnover Ratio ⁽¹⁰⁾	6.08	7.60	6.26
Adjusted ROCE (%) ⁽¹¹⁾	29.70%	43.86%	42.03%

Notes:

⁽¹⁾ EBITDA is calculated as profit before tax expenses plus finance costs and depreciation and amortization expense and impairment of property, plant and equipment.

⁽²⁾ EBITDA Margin has been calculated as EBITDA divided by Total Income

⁽³⁾ PAT refers to Restated Profit for the year

⁽⁴⁾ PAT margin refers to PAT divided by Total Income

- (5) ROCE calculated as Profit before tax add finance cost divided by Average Capital employed. Capital employed refers to Total Equity plus total borrowings and lease liabilities (long term and short term) excluding cash and cash equivalents and Bank balances other than cash and cash equivalent
- (6) Return on Equity has been calculated as net income (owners share) divided by Average Net Worth
Net Worth = Aggregate value of equity share capital and other equity (excluding non-controlling interest) created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses but does not include reserves created out of revaluation of assets and write-back of depreciation.
- (7) RoA is calculated as PAT divided by Average Total Assets
- (8) Debt to equity ratio has been calculated as total borrowings and lease liabilities (including current maturities of long-term debt and lease liabilities) divided by Net Worth (excluding non-controlling interest)
- (9) Net debt/ Equity refers to Total borrowings and lease liabilities including current maturities of long-term debt and lease liabilities) less cash and cash equivalents and Bank balances other than cash and cash equivalents divided by Net Worth (excluding non-controlling interest)
- (10) Net Fixed asset turnover ratio calculated as Revenue from Operations/ Average Net Fixed Assets. Net Fixed assets includes Property, plant and equipment, Capital work-in-progress, Other intangible assets, goodwill, right of use assets and Intangible assets under development
- (11) Adjusted ROCE calculated as Profit before tax add finance cost divided by Average Capital employed. Capital employed refers to Total Equity plus total borrowings and lease liabilities (long term and short term) excluding cash and cash equivalents and Bank balances other than cash and cash equivalents and Fixed Deposits excluding Margin Money.

8. Comparison of KPIs of our Company and listed peers

While the Company's listed peers (GMM Pfadler Ltd, HLE Glascoat Ltd, Thermax Ltd and Praj Industries) may have similar service offerings, the Company's business may be different in terms of differing scale, business models, product verticals serviced or focus areas or geographical presence. The following table provides a comparison of the KPIs of the Company with its listed peers (GMM Pfadler Ltd, HLE Glascoat Ltd, Thermax Ltd and Praj Industries):

(A) Comparison for the fiscal years 2024, 2023 and 2022

Particulars	Standard Glass Lining Technology			GMM Pfadler Ltd			HLE Glascoat Ltd			Thermax Ltd			Praj Industries		
	FY 2022	FY 2023	FY 2024	FY 2022	FY 2023	FY 2024	FY 2022	FY 2023	FY 2024	FY 2022	FY 2023	FY 2024	FY 2022	FY 2023	FY 2024
Revenue from Operations	2,401.87	4,975.88	5,436.69	25,405.70	31,775.50	34,464.80	6,522.18	9,320.23	9,679.20	61,283.30	80,898.10	93,234.60	23,432.74	35,280.38	34,662.78
YoY Growth Rate (%)	-	107.17%	9.26%	-	25.07%	8.46%	-	42.90%	3.85%	-	32.01%	15.25%	-	50.56%	-1.75%
2Y CAGR (%)	-	-	50.45%	-	-	16.47%	-	-	21.82%	-	-	23.34%	-	-	21.62%
EBITDA	417.79	882.56	1,009.19	2,906.00	4,810.10	4,968.20	1,176.29	1,450.73	1,208.77	5,483.80	7,577.40	10,299.60	2,299.74	3,536.01	4,313.05
EBITDA Margin (%)	17.30%	17.65%	18.36%	11.41%	14.90%	14.33%	17.82%	15.43%	12.38%	8.77%	9.18%	10.78%	9.71%	9.92%	12.29%
PAT	251.45	534.24	600.11	753.60	2,103.70	1,741.00	582	698.15	408.89	3,123.10	4,507.00	6,431.90	1,502.39	2,398.18	2,833.91
YoY Growth Rate (%)	-	112.46%	12.33%	-	179.2%	-17.2%	-	19.89%	-41.43%	-	44.31%	42.71%	-	59.62%	18.17%
PAT Margin (%)	10.41%	10.68%	10.92%	2.96%	6.51%	5.02%	8.82%	7.43%	4.19%	4.99%	5.46%	6.73%	6.35%	6.73%	8.07%
ROCE(%)	42.03%	43.43%	25.49%	17.18%	28.26%	23.74%	30.40%	24.51%	12.68%	19.15%	19.79%	23.02%	28.23%	36.80%	35.10%
ROE (%)	54.89%	47.56%	20.74%	18.22%	24.63%	20.23%	29.97%	24.06%	7.99%	9.26%	12.24%	15.53%	17.50%	24.06%	24.09%
RoA (%)	13.23%	16.54%	11.85%	2.93%	6.91%	5.34%	10.24%	8.44%	3.90%	4.47%	5.53%	6.77%	7.88%	9.92%	10.28%
Total Debt to Equity	1.01	0.53	0.32	1.21	1.21	0.94	0.86	0.79	0.93	0.11	0.21	0.29	0.02	0.04	0.13
Net Debt to Equity	1.01	0.49	0.19	0.58	0.90	0.58	0.70	0.82	0.93	(0.17)	(0.08)	0.07	(0.15)	(0.10)	(0.03)
Net Fixed Asset Turnover Ratio	6.26	7.60	6.08	2.46	2.82	2.76	3.29	3.14	2.20	4.89	5.54	4.53	8.60	12.07	8.37
Adjusted ROCE	42.03%	43.86%	29.70%	18.02%	29.45%	24.43%	NA	NA	NA	21.23%	22.96%	25.47%	28.97%	38.05%	36.30%

9. Weighted average cost of acquisition ("WACA"), floor price and cap price

- (a) Price per share of the Company based on primary/ new issue of Equity Shares or convertible securities (excluding Equity Shares issued pursuant to a bonus issue) during the 18 months preceding the date of this certificate, where such issuance is equal to or more than 5% of the fully diluted paid up share capital of the Company in a single transaction or multiple transactions combined together over a span of rolling 30 days

Name of the Shareholder	Date of Acquisition	No. of Equity Shares	Price per Equity Share (₹)	Total Cost(₹)	Consideration	Type
Suryadevara Venkateshwara Rao	March 24, 2023	4,354	689	2,999,906.00	Cash	Allotment
Suryadevara Lakshmi Devi	March 24, 2023	13,062	689	8,999,718.00	Cash	Allotment
Suryadevara Neeraja	March 24, 2023	13,062	689	8,999,718.00	Cash	Allotment
Pallerla Srinivasa Reddy	March 24, 2023	45,000	689	31,005,000.00	Cash	Allotment
Suryadevara Sreenath	March 24, 2023	13,062	689	8,999,718.00	Cash	Allotment
Potukanuma Reddi Pallavi	March 24, 2023	33,957	689	23,396,373.00	Cash	Allotment
Kancharla Pranav	March 24, 2023	4,354	689	2,999,906.00	Cash	Allotment
Kancharla Pragnan	March 24, 2023	2,902	689	1,999,478.00	Cash	Allotment
Addala Surya Kumari	March 24, 2023	3,629	689	2,500,381.00	Cash	Allotment
Bhimireddy Satyanarayana Reddy	March 24, 2023	7,256	689	4,999,384.00	Cash	Allotment
Bellam Sriharsha	March 24, 2023	1,452	689	1,000,428.00	Cash	Allotment
Kaliki Surekha	March 24, 2023	2,903	689	2,000,167.00	Cash	Allotment
Cherukumalli Tirupathi Rao	March 24, 2023	7,295	689	5,026,255.00	Cash	Allotment
Cherukumalli Vinutna	March 24, 2023	7,257	689	5,000,073.00	Cash	Allotment
Geeta Arvind Sheth	March 24, 2023	3,628	689	2,499,692.00	Cash	Allotment
Arvindkumar B Sheth	March 24, 2023	3,628	689	2,499,692.00	Cash	Allotment
Rammohan Rao Lagadapati	March 24, 2023	1,451	689	999,739.00	Cash	Allotment
Madhusudhan Reddy Golamari	March 24, 2023	870	689	599,430.00	Cash	Allotment
Venkat reddy Kotamreddy	March 24, 2023	1,451	689	999,739.00	Cash	Allotment
Asha Rani Mandada	March 24, 2023	22,000	689	15,158,000.00	Cash	Allotment
Venkata Chaitanya Gopineedi	March 24, 2023	4,000	689	2,756,000.00	Cash	Allotment
Sudeepthi Gopineedi	March 24, 2023	3,629	689	2,500,381.00	Cash	Allotment
Rajeswara Rao Gopineedi	March 24, 2023	3,000	689	2,067,000.00	Cash	Allotment
Shirish Nilakantharao Damnekhar	March 24, 2023	13,063	689	9,000,407.00	Cash	Allotment
Swarali Dhamnekhar	March 24, 2023	726	689	500,214.00	Cash	Allotment
Sunidhi Dhamnekhar	March 24, 2023	726	689	500,214.00	Cash	Allotment
Venkateswara Rao Mandava	March 24, 2023	1,451	689	999,739.00	Cash	Allotment
Duthala Sahithi	March 24, 2023	15,000	689	10,335,000.00	Cash	Allotment
Girish Jain	March 24, 2023	18,287	689	12,599,743.00	Cash	Allotment
Bhaskar Rao Eloori	March 24, 2023	2,902	689	1,999,478.00	Cash	Allotment
V B P Sindhura Dosapati	March 24, 2023	1,451	689	999,739.00	Cash	Allotment
Varun Yalamanchi	March 24, 2023	1,451	689	999,739.00	Cash	Allotment
Vandana Yalamanchi	March 24, 2023	1,451	689	999,739.00	Cash	Allotment
Sudhakara Reddy Siddareddy	March 24, 2023	4,355	689	3,000,595.00	Cash	Allotment
Harish Reddy Siddareddy	March 24, 2023	3,339	689	2,300,571.00	Cash	Allotment
Haritha Venkata Cheemala	March 24, 2023	2,903	689	2,000,167.00	Cash	Allotment
Sangeetha Suresh	March 24, 2023	1,452	689	1,000,428.00	Cash	Allotment
Anuradha Chitturi	March 24, 2023	150	689	103,350.00	Cash	Allotment
Pentyla Lakshmitayaru	March 24, 2023	2,000	689	1,378,000.00	Cash	Allotment
Malempati Suneetha	March 24, 2023	2,323	689	1,600,547.00	Cash	Allotment
Hina Yaqoob Ali	March 24, 2023	7,257	689	5,000,073.00	Cash	Allotment
M/s Optima Holdings	March 24, 2023	14,543	689	10,020,127.00	Cash	Allotment
M/s Horizon Securities and Holdings	March 24, 2023	30,104	689	20,741,656.00	Cash	Allotment

M/s Quantum Holdings	March 24, 2023	30,104	689	20,741,656.00	Cash	Allotment
M/s Nextgen Unity	March 24, 2023	1,455	689	1,002,495.00	Cash	Allotment
M/s Synergen Solutions	March 24, 2023	3,636	689	2,505,204.00	Cash	Allotment
Chanchal Jain	March 24, 2023	14,513	689	9,999,457.00	Cash	Allotment
Asokdas M Damodaran	March 24, 2023	7,200	689	4,960,800.00	Cash	Allotment
Bharanwala Shailesh S	March 24, 2023	4,355	689	3,000,595.00	Cash	Allotment
Loya Manisha	March 24, 2023	14,513	689	9,999,457.00	Cash	Allotment
Chandra Mouliswar Reddy Gangavaram	March 24, 2023	36,284	689	24,999,676.00	Cash	Allotment
Boyapati Sivaram	March 24, 2023	18,287	689	12,599,743.00	Cash	Allotment
Smita Girish Sawarkar	March 24, 2023	1,451	689	999,739.00	Cash	Allotment
Nannapaneni Radhika	March 24, 2023	10,160	689	7,000,240.00	Cash	Allotment
Polina Yashoda	March 24, 2023	14,513	689	9,999,457.00	Cash	Allotment
Madanagopalaswamy Gopineedi	May 26, 2023	5,000	689	3,445,000.00	Cash	Allotment
Lakshmi Bharathi Gopineedi	May 26, 2023	5,000	689	3,445,000.00	Cash	Allotment
Sowjanya Manne	May 26, 2023	750	689	516,750.00	Cash	Allotment
M/s Futuretech Solutions	May 26, 2023	2,909	689	2,004,301.00	Cash	Allotment
M/s Catalyst Advisors	May 26, 2023	1,455	689	1,002,495.00	Cash	Allotment
M/s Nexus Consulting	May 26, 2023	4,363	689	3,006,107.00	Cash	Allotment
M/s Vibrant Solutions	May 26, 2023	4,363	689	3,006,107.00	Cash	Allotment
M/s Alliance Holding	May 26, 2023	11,635	689	8,016,515.00	Cash	Allotment
M/s Visionary Consulting	May 26, 2023	58,172	689	40,080,508.00	Cash	Allotment
M/s Stellar Ventures	May 26, 2023	14,543	689	10,020,127.00	Cash	Allotment
M/s Innovate Holdings	May 26, 2023	13,235	689	9,118,915.00	Cash	Allotment
M/S Blue Ribbon Management	May 26, 2023	18,325	689	12,625,925.00	Cash	Allotment
M/s Apex Consulting	May 26, 2023	7,272	689	5,010,408.00	Cash	Allotment
M/S Autonomy Soutions	May 26, 2023	7,272	689	5,010,408.00	Cash	Allotment
Nannapaneni Radhika	May 26, 2023	3050	689	2,101,450.00	Cash	Allotment
Asahi Glassplant INC.	November 16, 2023	6,96,600	802	558,673,200.00	Cash	Allotment
GL Hakko Co., Ltd	November 16, 2023	3,48,300	802	279,336,600.00	Cash	Allotment
Monoform Management Support Co., Ltd	December 22, 2023	10,44,900	802	838,009,800.00	Cash	Allotment
Krishna Prasad Chigurupati	March 30, 2024	1,04,166	1152	119,999,232.00	Cash	Allotment
M/S. Sparkline Engineering	March 30, 2024	17,926	1152	20,650,752.00	Cash	Allotment
Pathuri Nirosha	March 30, 2024	5,209	1152	6,000,768.00	Cash	Allotment
Shobana Savithri Ramu	March 30, 2024	4,400	1152	5,068,800.00	Cash	Allotment
Total		28,63,452		2,270,043,391.00		
Weighted Average Cost of Acquisition				792.76		

(b) Price per share of Company based on secondary sale or acquisition of Equity Share or convertible securities, where any of the Promoters, members of the Promoter Group, the Selling Shareholders or Shareholders having the right to nominate director(s) to the Board 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 in a single transaction or multiple transactions combined together over a span of rolling 30 days

Not Applicable. There are no secondary sale or acquisition of Equity Share or convertible securities, where any of the Promoters, members of the Promoter Group, the Selling Shareholders or Shareholders having the right to nominate director(s) to the Board 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 in a single transaction or multiple transactions combined together over a span of rolling 30 days.

“Primary transactions” refers to a primary issue of Equity Shares or securities convertible into Equity Shares (“Equity Securities”) if any. “Secondary transactions” refers to any secondary sale or acquisition of Equity Securities (excluding gifts, if any).

The Floor Price is [●] times and the Cap Price is [●] times the weighted average cost of acquisition at which the Equity Shares were issued by our Company, or acquired or sold by our Promoters or members of our Promoter Group or Selling Shareholders or shareholder(s) having the right to nominate director(s) on the Board* in the last 18 months or three years preceding the date of this Draft Red Herring Prospectus are disclosed below:

Past Transactions	Weighted average cost of acquisition (in ₹)	Floor Price (in ₹)	Cap Price (in ₹)
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity/ convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this certificate, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	792.76	[●]	[●]
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares (equity/convertible securities), where promoter / promoter group entities or Selling Shareholders or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this certificate, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	Not Applicable	[●]	[●]
If there were no primary or secondary transactions of equity shares of the Company during the 18 months preceding the date of filing of this certificate, where either issuance or acquisition/ sale is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), the information has been disclosed for price per share of the Company based on the last five secondary transactions where promoter /promoter group entities or Selling Shareholders or shareholder(s) having the right to nominate director(s) on the Board, are a party to the transaction, during the last three years	Not Applicable		

Past Transactions	Weighted average cost of acquisition (in ₹)	Floor Price (in ₹)	Cap Price (in ₹)
preceding to the date of filing of this certificate irrespective of the size of the transaction			
(a) Based on primary transactions			
(b) Based on secondary transactions			

10. Justification for Basis of Offer price*

The following provides an explanation to the Cap Price being [●] times of the weighted average cost of acquisition of Equity Securities that were issued by our Company or acquired or sold by our Promoters, members of our Promoter Group, the Investor Selling Shareholders or other shareholders with rights to nominate directors or other rights by way of primary transactions or secondary transactions in the 18 months or three years preceding the date of this Draft Red Herring Prospectus

[●]

The following provides an explanation to the Cap Price being [●] times of the weighted average cost of acquisition of Equity Securities that were issued by our Company or acquired or sold by our Promoters, members of our Promoter Group, the Investor Selling Shareholders or other shareholders with rights to nominate directors or other rights by way of primary transactions or secondary transactions in the 18 months or three years preceding the date of this Draft Red Herring Prospectus compared to our Company's KPI and financial ratios for the and for the Financial Years 2024, 2023 and 2022

[●]

The following provides an explanation to the Cap Price being [●] times of weighted average cost of acquisition of Equity Securities that were issued by our Company or acquired by our Promoters, members of our Promoter Group, the Investor Selling Shareholders or other shareholders with rights to nominate directors or other rights in the 18 months or three years preceding the date of this Draft Red Herring Prospectus in view of external factors, if any

[●]

*To be updated upon finalization of the Price Band.

11. The Offer Price is [●] times of the face value of the Equity Shares.

The Offer Price of ₹ [●] has been determined by our Company in consultation with the BRLMs, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process, and is justified in view of the above qualitative and quantitative parameters. Investors should read the abovementioned information along with "Risk Factors", "Our Business", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 42, 326, 244 and 410, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in "Risk Factors" on page 42 and you may lose all or a part of your investment.

The trading price of the Equity Shares could decline due to the factors mentioned in the section entitled "Risk Factors" on page 42 and any other factors that may arise in the future and you may lose all or part of your investments.

The Offer Price of ₹ [●] has been determined by our Company, in consultation with the BRLMs, on the basis of the demand from investors for the Equity Shares through the Book Building Process. Our Company, in consultation with the BRLMs, is justified of the Offer Price in view of the above qualitative and quantitative parameters. Investors should read the abovementioned information along with the sections entitled "Risk Factors", "Our Business" and "Financial Information" on pages 42, 244 and 326, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the section entitled "Risk Factors" or any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

To,
The Board of Directors
Standard Glass Lining Technology Limited
D.12, Phase 1,
IDA, Jeedimetla,
Hyderabad - 500055

Sub: Statement of possible special tax benefits available to Standard Glass Lining Technology Limited, its shareholders and the Company's 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 Standard Glass Lining Technology Limited ("**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 but does not include amendments proposed by The Finance (No.2) Bill, 2024 which is yet to become a law, and as applicable to the assessment year 2025-26 relevant to the financial year 2024-25, available to the Company, its shareholders and to its Material Subsidiary identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended being S2 Engineering Industry Private Limited ("**Material Subsidiary**"). 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 statute. Hence, the ability of 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, being S2 Engineering Industry Private Limited ("**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 paragraph (9)(L) of Part A of Schedule VI of the SEBI ICDR Regulations. While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, 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 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 Offer and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this statement. Also, any tax information included in this written communication was not intended or written to be used and it cannot be used by the Company or the investor for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.

5. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
6. 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 on 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 the 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 the Board of Directors and issued at specific request of the Company. The enclosed 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 Offer, 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 No. 105047W

Jiger Saiya

Partner

Membership No: 116349

UDIN: 24116349BKFZIU2980

Place: Mumbai

Date: July 24, 2024

Enclosure: Annexure A

Annexure A

Statement of possible special tax benefits available to Standard Glass Lining Technology Limited ('the Company'), its Shareholders and the Company's Material Subsidiary

Direct Taxation

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 (but does not include amendments proposed by The Finance (No.2) Bill, 2024 which is yet to become a law) read with the relevant rules, circulars and notifications applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26, presently in force.

1. Special Income tax benefits available to the Company and its Material Subsidiary (S2 Engineering Industry Private Limited) in India under the Income-tax Act, 1961 ('Act')

- Section 115BAA of the Act, as inserted *vide* The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a corporate tax rate of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions/exemptions or set-off of losses and depreciation provided under clause (ii) and clause (iii) of sub-section (2) of section 115BAA of the Act and claiming depreciation determined in the prescribed manner. In case a company opts for paying tax as per section 115BAA, provisions of section 115JB, i.e., Minimum Alternate Tax ('MAT') would not be applicable on exercise of the option under section 115BAA, as specified under sub-section (5A) of Section 115JB of the Act, and unutilized MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.
- The Company has evaluated and decided to opt for the lower corporate tax rate of 22 percent (plus applicable surcharge and cess) with effect from the Financial Year 2021-22 relevant to the Assessment Year 2022-23 under section 115BAA of the Act. Such option has been exercised by the Company while filing its return for the Financial Year 2021-22 relevant to the Assessment Year 2022-23 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.
- Further, Material Subsidiary has also evaluated and decided to opt for lower corporate tax rate of 22 percent (plus applicable surcharge and cess) with effect from the Financial Year 2021-22 relevant to the Assessment Year 2022-23 under section 115BAA of the Act. Such option has been exercised by the Material Subsidiary while filing its return for the Financial Year 2021-22 relevant to the Assessment Year 2022-23 within the due date prescribed under sub-section (1) of section 139 of the Act. Since the Material Subsidiary has opted for lower corporate tax rate, MAT tax credit (if any) is no longer available for set-off or carry forward in future years.
- Subject to the fulfilment of prescribed conditions, for the year, the Company 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.

- 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. However, in relation to Material Subsidiary, in absence of any investment, it cannot avail benefit under Section 80M of the Act.

2. Special direct tax benefits available to the Shareholders of Company under the Act

- There are no special tax benefits available to the shareholders of Company for investing in the shares of the Company. However, such shareholders shall be liable to concessional tax rates on certain incomes (arising from sale of equity shares of the Company).
- Section 112A of the Act provides for concessional rate of tax on transfer of equity shares with effect from April 1, 2019 (i.e. Assessment Year 2019-20) subject to conditions. Any income, exceeding INR 1,00,000 arising from the transfer of a long-term capital asset (i.e. capital asset held for the period of 12 months or more) being an Equity Share in an Indian company or a unit of an equity-oriented fund wherein Securities Transaction Tax (“STT”) is paid on both acquisition and transfer, income tax is charged at a rate of 10% without giving effect to indexation.
- Section 111A of the Act provides for concessional rate of tax @ 15% in respect of short-term capital gains (provided the short-term capital gains exceed the basic threshold limit of exemption, where applicable) arising from the transfer of a short-term capital asset (i.e. capital asset held for the period of less than 12 months) being an Equity Share in a company or a unit of an equity-oriented fund wherein STT is paid on both acquisition and transfer.
- Separately, any dividend income received by the resident shareholders would be subject to tax deduction at source by the company under section 194 @ 10%, subject to compliance of other conditions. However, in case of individual shareholders, this would apply only if dividend income exceeds INR 5,000. Further, dividend income shall be taxable in the hands of the shareholders at the rates as applicable in their case.
- 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 shareholder has fiscal domicile.

Indirect Taxation

This statement of possible special indirect tax benefits is required as per paragraph (9)(L) of Part A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

Outlined below are the possible tax benefits available to the Company and its shareholders under the indirect tax laws in force in India. This Statement is as per the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017/ the applicable State Goods and Services Tax Act, 2017 / the respective Union Territory Goods and Services Tax Act, 2017 and the Goods and Services Tax (Compensation to States) Act, 2017 (“GST Acts”), the Customs Act, 1962 (“Customs Act”) and the Customs Tariff Act, 1975 (“Tariff Act”), as amended by the Finance Act 2024 (but does not include amendments proposed by The Finance (No.2) Bill, 2024 which is yet to become a law) including the relevant rules, notifications and circulars issued there under, applicable for the Financial Year 2023-24 and Foreign Trade Policy, 2023, presently in force in India.

I. Special Indirect Tax Benefits available to the Company and its Material Subsidiary (S2 Engineering Industry Private Limited) under the various Indirect Tax Laws.

- (i) The Company has two active GSTIN's operating in the state of Telangana and its material subsidiary is having two active GSTIN's operating in the states of Telangana and Andhra Pradesh.
- (ii) The Company and its material subsidiary are availing the benefit of Input Tax Credit (ITC) on the GST paid on procurements subject to fulfilment of prescribed conditions under the GST Laws.
- (iii) We understand that the Company has earnings in foreign exchange. For cross-border transactions that entail inward remittance of foreign currency, there are specific benefits which have been provided under Indirect tax laws/regulations subject to fulfillment of prescribed conditions.
- (iv) The Company and its material subsidiary have operations with respect to Export of Goods and Supplies to SEZ customers which are considered as Zero-rated supply as per Section 16 of the IGST Act, 2017. The Company would have the benefit of making zero rated supplies without payment of tax under a LUT and claim refund of unutilized ITC for making such supplies in accordance with Section 54 of the CGST Act, 2017 subject to fulfilment of prescribed conditions under the GST Laws. Also, the company has an option to make zero rated supplies with payment of IGST and later claim refund of the tax paid subject to fulfilment of prescribed conditions under the GST Laws. Currently, the company is availing the benefit under the option of making these supplies without payment of IGST under LUT.
- (v) The said goods are also supplied by the Company and its material subsidiary in the domestic market, which attracts GST at the prescribed rates. Further, the Company and its material subsidiary also provide the services in the nature of Job Work which attracts GST at prescribed rates.
- (vi) The Company and its material subsidiary are also supplying goods to Advance Authorization ('AA') or Export Promotion for Capital Goods ('EPCG') License Holders & Export Oriented Units ('EOU') termed as Deemed Exports under GST. The Company is paying tax on such supplies and claiming refund of such taxes paid as eligible subject to fulfillment of prescribed conditions.
- (vii) The Company has availed certain benefits on payment of tax on supply of goods to merchant exporters under concessional rates of GST subject to fulfillment of prescribed conditions.
- (viii) Additionally, the Company has availed the benefit of RODTEP or Duty Drawback based on the notified rates or All-Industry Rates respectively as specified in the Foreign Trade Policy on exports subject to fulfilment of prescribed conditions.
- (ix) Apart from the above, no other special Indirect tax benefits are available to the Company under the Indirect Tax Regulations in India.

II. Special indirect tax benefits available to the Company and its Material Subsidiary (S2 Engineering Industry Private Limited) in India under Indian Customs Act,1962 & the Foreign Trade Policy

- MOOWR scheme (Manufacture and Other Operations in Warehouse (No.2) Regulations, 2019) is a scheme in which a company can import goods (both inputs and capital goods) under customs duty deferment with no interest liability, where manufacturing process or other operations are carried on in relation to imported goods in a bonded warehouse. There is no investment threshold or export obligation.

- In the case of capital goods, the import duties both Basic Customs Duty (BCD)and Integrated Goods and Services Tax (IGST) stand deferred till they are cleared from the warehouse for home consumption or are exported. The capital goods can be cleared for home consumption as per Section 68 read with Section 61 of the Customs Act on payment of applicable duty without interest.
- The warehoused goods can also be exported after use, without payment of duty subject to fulfilment of conditions as per Section 69 of the Customs Act. The duty deferment is without any time limitation.
- The payment of duty on the finished goods is clarified in Paras 8 and 9 of the Circular No. 34/2019. Duty on the capital goods would be payable if the capital goods itself are cleared into the domestic market (home consumption). Thus, the duty on the imported capital goods does not get incorporated on the finished goods. Thus, no extra duty on finished goods cleared into DTA is payable on account of imported capital goods (on which duty has been deferred).
- On goods cleared for home consumption, GST will be due on the finished goods and a proportionate import duty on the raw material used will be due.
- Further, the Company has benefits that are available on import transactions through Advance Authorization ('AA') or Export Promotion for Capital Goods ('EPCG') Licenses under Foreign Trade Policy ('FTP') to avail exemptions or deferment of Customs Duties respectively subject to fulfilling the conditions as prescribed.

III. Special Indirect Tax Benefits available to the Shareholders of the Company

- The shareholders of the Company are not required to discharge any GST on transaction in securities of the Company. Securities are excluded from the definition of Goods as defined u/s 2(52) of the Central Goods and Services Tax Act, 2017 as well from the definition of Services as defined u/s 2(102) of the Central Goods and Services Tax Act, 2017. Accordingly, transactions in the security of the Company may not attract GST.
- Apart from above, the shareholders of the Company are not eligible to special tax benefits under the provisions of the Customs Tariff Act, 1975 and / or Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective Union Territory Goods and Services Tax Act, 2017 respective State Goods and Services Tax Act, 2017, the Goods and Services Tax (Compensation to States) Act, 2017 including the relevant rules, notifications and circulars issued there under.

Notes:

1. The benefits discussed above cover only possible special tax benefits available to the Company, its Shareholders and Material Subsidiary and do not cover any general tax benefits. The above Statement 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 shares.

For and on behalf of the Board of Directors of
Standard Glass Lining Technology Limited

Name: Pathuri Anjaneyulu

Designation: Chief Financial Officer

Place: Hyderabad

Date: July 24, 2024

SECTION VI: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Unless otherwise indicated, the industry-related information contained in this section is derived from the industry report titled “Assessing the Opportunity of Specialized Industrial Process Equipment in the Pharma, Chemicals and Food Processing Sector” dated July 22, 2024 prepared by Frost & Sullivan (India) Private Limited (“F&S” and such report, the “F&S Report”). We have 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 F&S in connection with the preparation of the F&S Report pursuant to an engagement letter dated April 8, 2024. A copy of the F&S Report is available on the website of our Company at <https://www.standardglr.com/investors/#f-s-industry-report>. This section discloses the complete F&S Report. For further details and risks in relation to commissioned reports, see “Risk Factors - Extracts of industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by Frost & Sullivan (India) Private Limited exclusively commissioned and paid for by us for such purpose. .” on page 71.

Overview of Global Economy

Following a significant uptick in global economic growth momentum in CY2021, the world economy slowed to 3.5% in CY2022, as the Russo-Ukrainian war severely hampered critical food and energy supply chains, pushing up prices to unprecedented levels across countries. These elevated and volatile commodity and energy prices led to a cost-of-living crisis around the globe, exacerbating food insecurity and further aggravating domestic inflation levels.

In CY2023, the global economy grew by a modest 3.1%, as high interest and inflation rates continue to weigh on economic activity. Moreover, growth remains uneven with Europe facing a marked slowdown due to dampened consumer demand and falling real wages. Economic growth in the Eurozone slowed from 2.4% in CY2022 to 0.5% in CY2023 in gross domestic product. Major factors contributing to the slowdown include slow growth in consumer expenditure due to high inflation, economic uncertainty, and high interest rates. The US, on the other hand, has defied expectations of a recession, as a resilient labor market, and high household spending and grew by 2.5%.

The global economy is expected to grow at 3.1% in CY2024 and slightly accelerate to 3.2% in both CY2025 and CY2026 before moderating to 3.1% in both CY2027 and CY2028. However, this outlook faces headwinds in the form of higher interest rates implemented by central banks to combat inflation and reduced government spending due to accumulated debt.

Review and Outlook of Global GDP and GDP Growth

Real GDP Growth by Select Regions & Countries – Historic and Forecast, Global, CY2018 – CY2028E

Exhibit 1.1: Real GDP Growth by Select Regions & Countries – Historic and Forecast, Global, CY2018 – CY2028E											
Country/Region	CY2018	CY2019	CY2020	CY2021	CY2022	CY2023	CY2024E	CY2025E	CY2026E	CY2027E	CY2028E
World	3.6%	2.8%	-2.8%	6.3%	3.5%	3.1%	3.1%	3.2%	3.2%	3.1%	3.1%
United States	2.9%	2.3%	-2.8%	5.9%	2.1%	2.5%	2.1%	1.9%	2.0%	2.1%	2.1%
China	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%	9.1%	7.2%	7.8%	6.8%	6.5%	6.5%	6.5%	6.5%
North America	2.8%	2.0%	-3.5%	5.8%	2.3%	2.3%	1.9%	1.7%	2.0%	2.1%	2.1%
Europe	2.3%	2.0%	-5.5%	6.0%	2.4%	0.5%	0.9%	1.7%	1.9%	1.7%	1.6%
Asia Pacific	5.3%	4.1%	-0.8%	6.9%	4.1%	4.4%	4.1%	4.2%	4.2%	4.0%	3.9%
Middle East and Central Asia	2.8%	1.6%	-2.6%	4.3%	5.6%	2.0%	2.9%	4.2%	3.6%	3.8%	3.7%
Africa	3.4%	3.0%	-1.7%	4.8%	3.9%	3.3%	3.8%	4.1%	4.2%	4.3%	4.4%
Latin America	1.1%	0.2%	-7.0%	7.3%	4.1%	2.5%	1.9%	2.5%	2.5%	2.6%	2.5%

Source: IMF, Economic Outlook, Frost & Sullivan Analysis

In CY2023, India's real GDP growth clocked a robust 7.8% growth. On the other hand, the world's major economies such as the US, Europe, and China experienced a mixed scenario. The US economy displayed resilience in CY2023 with a 2.5% growth, driven by consumer spending and government investments. However,

growth in Europe remained sluggish at 0.5%, with Germany, a major player, grappling with near-recessionary conditions. China's economy experienced a 5.2% expansion in CY2023, driven primarily by the abandoning of the 'zero-Covid' policy at the end of CY2022 and the subsequent recovery of the industry and services sector from the second quarter of CY2023.

Emerging markets and Developing economies

Emerging markets and Developing countries are expected to witness divergent growth in 2024. China's economic recovery is expected to continue facing setbacks as falling domestic demand, deflationary concerns, a property market crisis, and soft external demand are likely to cause significant setbacks. The Association of Southeast Asian Nations (ASEAN) and India are expected to be growth bright spots, as robust domestic economic fundamentals, strong labor market conditions, and fiscal stability will contribute towards economic growth. Middle Eastern economies such as Saudi Arabia, the United Arab Emirates, and Qatar benefit from an expanding non-oil economy. However, regional upheavals are a cause of concern during the year. Latin American and African economies, in 2024, are likely to face structural obstacles such as elevated debt levels, lack of investment inflows, climate risks, food insecurity, and poor employment opportunities.

North America

Real GDP growth is expected to decelerate slightly in 2024, as spillover effects of interest rate hikes and cooling consumer and government spending will cause some headwinds. Government spending was a positive contributor to growth of USA economy in 2023, mainly due to federal non-defense spending associated with the infrastructure investment legislation passed in 2021 and 2022. However, this growth is likely to slow in 2024 and 2025 as infrastructural spending mutes. Easing inflation, coupled with a reversal in interest rate hikes, will support economic activity over the medium term. The labor market will continue to show resilience over the coming quarters; however, job cuts – particularly in the tech sector – are likely to cause some setbacks.

Europe

Following subdued economic growth in 2023, the growth trajectory is likely to continue being weak in H1 2024. Economic activity is expected to pick up at a slow pace in the second half of the year, as inflation abates, real wages witness an increase, and domestic demand rebounds. However, geopolitical tensions such as the Red Sea trade disruptions (in Q1 of CY2024) are likely to reignite concerns of supply bottlenecks that could dampen manufacturing activity and push up prices over the short term. Meanwhile, the UK – which slipped into a recession in 2023 – is likely to grow modestly starting H2 2024. Falling inflation and lower interest rates could create momentum during this period. France is expected to witness a similar growth trend, with private consumption likely to gain some footing starting Q3 2024, as inflation eases, and interest rates normalize. Germany's economy is expected to continue facing pressures in 2024, as an unstable global economic environment could weigh on the export-dependent country. A property market crisis, a lack of skilled workers, and a budget crisis, which had led to a shortage of funds for the German government, are some of the factors that are likely to restrict Germany's economic growth.

Asia Pacific

Emerging economies such as India, Indonesia, Vietnam, and the Philippines are expected to drive Asia Pacific region's economic growth momentum over the next few years. Strong foreign direct investment inflows, huge consumption markets, fiscal soundness, availability of skilled workers at competitive wages, and robust manufacturing value chains are factors likely to drive growth within these countries. Chinese economic growth, over short term, is likely to reel from a property market slowdown and high public debt levels.

Inflationary pressure eased in CY2023 – acted as a catalyst for global growth

After reaching a peak of 8.7% in CY2022, global inflation gradually eased to 6.9% in CY2023 and is projected to decline to 5.8% in CY2024. This anticipated decline is attributed to tighter monetary policies implemented by central banks, coupled with a decrease in international commodity prices.

Inflation Rate – Historic and Forecast, Global, CY2018 – CY2028E

Country/ Region	CY2018	CY2019	CY2020	CY2021	CY2022	CY2023	CY2024E	CY2025E	CY2026E	CY2027E	CY2028E
World	3.6%	3.5%	3.2%	4.7%	8.7%	6.9%	5.8%	4.6%	4.2%	3.9%	3.8%
United States	2.4%	1.8%	1.3%	4.7%	8.0%	4.1%	2.8%	2.5%	2.2%	2.1%	2.1%
China	1.9%	2.9%	2.5%	0.9%	1.9%	0.7%	1.7%	2.2%	2.2%	2.2%	2.2%
India	3.4%	4.8%	6.2%	5.5%	6.7%	5.5%	4.6%	4.1%	4.1%	4.0%	4.0%
North America	2.7%	2.0%	1.4%	4.7%	7.9%	4.2%	2.8%	2.5%	2.2%	2.1%	2.2%
Europe	2.2%	2.0%	1.1%	3.5%	9.9%	6.5%	4.1%	2.7%	2.5%	2.4%	2.3%
Asia Pacific	3.0%	3.4%	3.2%	3.0%	6.6%	5.2%	5.4%	4.8%	4.5%	4.2%	4.1%
Middle East	8.4%	6.4%	9.8%	12.2%	14.0%	13.9%	10.0%	7.9%	7.4%	7.1%	7.0%
Africa	11.3%	9.0%	10.6%	12.8%	14.3%	18.5%	17.3%	11.8%	9.5%	8.7%	7.9%

Source: IMF, Economic Outlook, Frost & Sullivan Analysis

The global economy has shown tremendous resilience in CY2023 despite the fastest monetary policy tightening cycle in four decades, severe banking sector stress, wars in Ukraine and Israel, etc. With disinflation and steady growth, the likelihood of an economic downturn has receded globally. Easing supply constraints, reduced labor shortages, cooling energy prices, and moderating demand growth have led to a notable easing of inflation pressures globally.

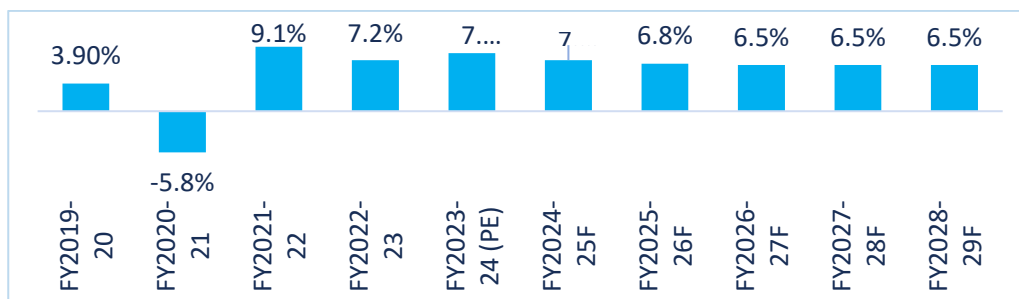
OVERVIEW OF INDIAN ECONOMY

India has emerged as the world's fastest-growing large economy for the past three years. In CY2019, the Indian government set a target of becoming a US\$5 Tn economy by FY2025. As a result of the COVID-19 pandemic, the government revised the original timeline by 18–24 months. India's economy is likely to surpass US\$4 Tn in FY2025 and further increase to US\$5 Tn by FY2028 or FY2029 to become the third largest economy by surpassing Germany and Japan. In India, Inflation has softened from 6.7% in CY2022 to 5.5% in CY2023. With rising consumer confidence, and improved business sentiments, inflation in India is expected to remain stable over the next five years at around 4.0%.

Review and Outlook of India's GDP and GDP Growth

Following the Covid-19-induced 5.8% GDP contraction in FY2020-21, the Indian economy posted a robust economic rebound of 9.1% in FY2021-22. The Indian government as part of its proactive fiscal and monetary policies introduced several stimulus measures such as loan moratoriums, credit guarantees, and direct cash transfers to support businesses and households during the year. These measures helped sustain domestic consumption and mitigate the economic impact of the pandemic in FY2021. Recovery within manufacturing and the services industry – particularly within segments such as Information Technology, healthcare, and e-commerce – provided further impetus.

Real GDP Growth, India, FY2019-20 – FY2028-29F (%)



Note: E-Estimates, PE – Provisional Estimates and F-Forecasts.

Source: India National Statistical Office, RBI, IMF

GDP growth fell to 7.2% in FY2022-23, mainly due to the Russia-Ukraine war and the resultant supply disruptions which led to a sharp increase in food and fuel prices. To curtail these high price pressures, the Reserve Bank of

India (RBI) adopted a restrictive monetary policy – with the repo rate hiked to 6.25% by the end of 2022. This dampened consumer spending and business confidence during the year. GDP growth is estimated to have fallen to 7.2% in FY2023, as elevated borrowing costs, challenging external conditions, and slower income growth weighed on momentum, particularly in H1 FY2023. GDP growth picked up pace in H2 FY2023, supported by modest easing of global commodity prices and recovery in consumer demand and business activity. Growth was also underpinned by the Indian government’s Capex push, which bolstered industrial activity across sectors such as infrastructure, construction, renewables, transport, and mobility.

India is projected to grow by 7.2% in FY2025, a bright spot in an otherwise subdued global economic environment. The focus on infrastructural development, expanding manufacturing and services sectors, resilient credit growth, robust private consumption, and a growing export potential will propel economic momentum during the year. This economic momentum is projected to continue, with India expected to remain the fastest-growing large economy over the next five years with India’s growth expected to be supported by stable domestic demand and private investments.

GDP growth is expected to thereafter normalize to 6.5% by FY2027-28. The government’s sustainability-driven growth agenda, greater manufacturing sector boost, ongoing structural reforms, and large middle-income and young population size are the notable medium-term growth drivers. Consistent public expenditure on building and upgrading infrastructure and connectivity, boosting the scalability and uptake of the digital economy, strengthening domestic green energy generation capabilities, and undertaking economic policies that foster inclusive social development will be at the forefront of India’s long-term economic vision.

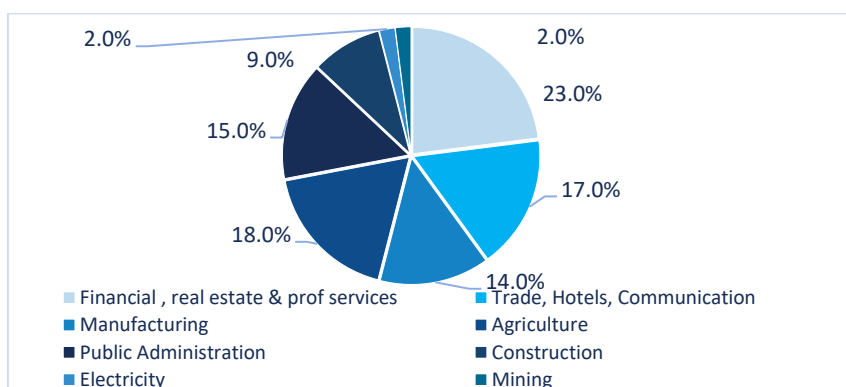
During the FY2025-2029 period, the Indian economy is expected to grow at an average rate of 6.7%, supported by a demographic dividend, increasing urban household income levels, technological advancements, and climate change mitigation policies. With the country’s robust growth outlook, India is poised to overtake Germany and Japan to become the 3rd largest economy globally before 2030.

Gross Value Added (GVA)

India's GVA is predicted to grow by 6.2% in the fiscal year FY2024–25, a significant decrease from the 7.2% growth in FY2023–24, according to the Centre for Monitoring Indian Economy (CMIE). This can be attributed to the notable deceleration in the growth of the industrial sector.

India’s manufacturing sector accounted for 17.0% -18.0% of the total Gross value added (GVA) over the past decade. It contributed 17.2% of the nation's Gross Value Added (GVA) in FY2014 and 18.4% in FY2018 due to the “Make in India” Initiative. Manufacturing sector contributed to ~14.0% of GVA in FY2023-24. The Production Linked Incentive (PLI) scheme, which was implemented in 2020 to stimulate manufacturing, has helped to preserve this strong market position.

Sectoral Share of GVA (%), India, FY2023-24



Source: MOSPI – Second Advanced estimates of National Income 2023-2024, at 2011-12 prices

Investment Trend in Infrastructure

According to World Bank data, India ranks second among developing countries in terms of several Public Private Partnerships and associated investments. The Public Private Partnership (PPP) has been an important source of investment in the infrastructure sector. Around 79 PPP projects were approved from 2015 to 2023 estimated to INR 2,272.7 Bn.

The construction sector is the sixth largest FDI recipient in India in 2022. Inflows in construction infrastructure activities during the period between April 2000 and December 2023 was to the tune of US\$ 33 Bn. The Government of India has taken various initiatives to fulfill the rising demand for infrastructure needs. Schemes such as the Smart City mission is aimed at improving the quality of life through technology-driven urban development.

Highlights of government funding and initiatives:

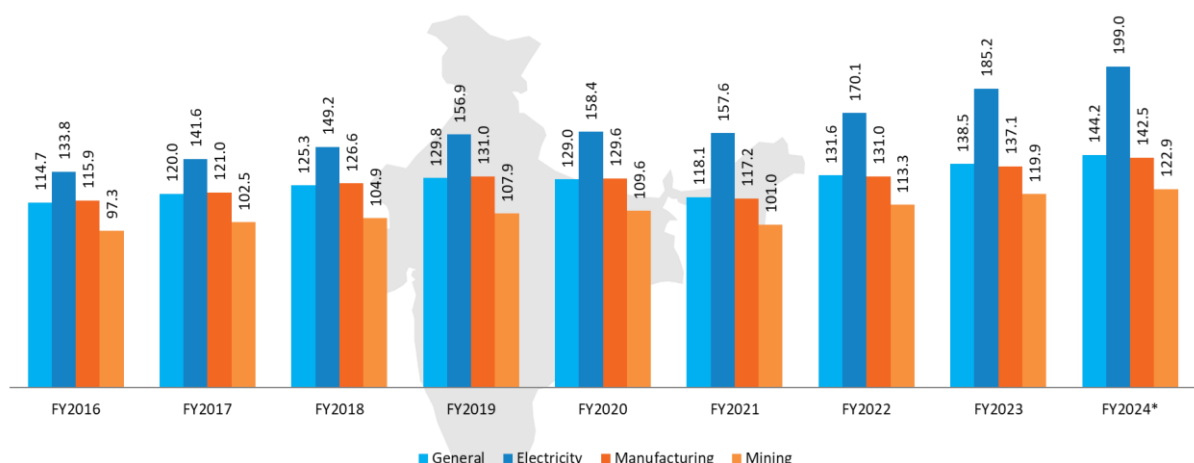
- Government of India in 2023, increased the capital investment outlay by 33% to INR 10 Tn
- Urban Infrastructure Development fund created to develop urban infrastructure in Tier 2 and Tier 3 cities, with a total capital outlay of INR 100 Bn.
- 35 multimodal logistics parks (MMLPS) to be developed for US\$6.1 Bn
- Investment budget of US\$1.4 Tn for Infrastructure under the National Infrastructure Pipeline (NIP). NIP currently has 8964 projects with a total investment of around INR 108 Tn
- National Monetization Pipeline (NMP) is formed to work on the principle of asset creation through monetization. Around INR 6 Tn have been the estimated monetization potential over the year 2020-25.

Major investment trends in Infrastructure are seen in Energy and Digital Infrastructure. Positive response from investors investing in Infrastructure has opened a lot of avenues. Infrastructure debt is becoming more attractive to investors due to good returns and its resilience towards global markets and economic headwinds.

Industrial Growth

Post-pandemic, industrial activity in the country started picking up from June 2021 and continued its momentum through FY2022 – FY2024 with industrial output recording a sharp growth across all the constituent sectors (General, electricity, manufacturing, and mining) in the last three consecutive years. IIP data that is updated till December 2023, indicates 3.9% growth for the manufacturing sector.

India - Index of Industrial Production (IIP) by sectors, FY2016 - FY2024*



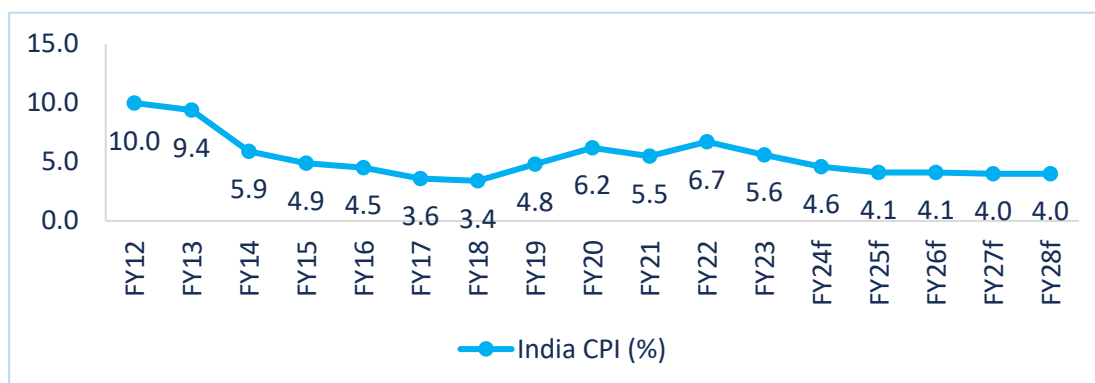
*IIP data updated up to December 2023

Source: MoSPI (Annual Estimates of GDP at constant price, 2011-12 series); RBI (Reserve Bank of India); Frost & Sullivan Analysis

The ongoing conflict between Russia and Ukraine has created uncertainty around the world, which has affected India's outbound shipments in 2023–2024, which decreased by 3.1 % to US\$437 Bn. Additionally, imports fell by more than 8.0% to US\$677.2 Bn.

Consumer Price Index

High food and fuel prices, on account of the Russia-Ukraine war, led to an elevated inflation rate of 6.7% in FY2022. While a restrictive monetary policy and minimizing supply chain disruptions contributed towards a moderate decrease in the consumer price index – with inflation estimated to have fallen to 5.6% in FY2023 – it remains significantly above the Reserve Bank of India’s 4.0% target. Consequently, in the February 2024 meeting, the Reserve Bank of India kept its key repo rate unchanged at 6.5%. Monetary policy is expected to continue remaining "actively disinflationary" over the short term to anchor inflation within the central bank’s target. Also, measures such as export restrictions on wheat, sugar, and rice, implementation of strict actions against hoarding, and the extension of low import duties on edible oils for an additional year will provide further support for price reductions.



Inflation (average consumer prices) (%) FY2012 – FY2028f

Note: e: Estimate, f: Forecast; Source: IMF Estimate-June 2020, IMF World Economic Outlook December 2023

Inflation is likely to continue its downward trajectory between FY2024- FY2028, averaging around 4.1% during this period, amid stabilizing food prices and easing core inflation. However, unpredictable retail prices, and uncertain crude oil market conditions exacerbated by recent geopolitical concerns such as the ongoing Red Sea crisis, supply chain disruptions, and fears of imported price pressures will likely cause some volatility to India’s inflation trend over the forecast period.

Conclusion

In the past decade, the Indian government had extensively focused on boosting domestic manufacturing capabilities. Initiatives like Make in India, Atmanirbhar Bharat, and Production Linked Incentive (PLI) schemes are playing an active role in establishing India as a manufacturing powerhouse, especially with the rising focus on China+1 strategies post-pandemic.

Continued policy support has started garnering positive results. For instance, since inception until November 2023, the PLI schemes brought in INR 1 Tn worth of investments, which further drove output of INR 8.1 Tn, and generated ~0.7 Mn direct and indirect jobs.

The government has also set a vision for the chemicals and petrochemicals sector. By 2034, the aim is to bolster domestic production capabilities, reduce import dependence, and attract foreign investments. The government plans to introduce production-linked incentives with 10-20% output incentives for the agrochemical sector and foster end-to-end manufacturing ecosystems through cluster development.

To conclude, with real GDP growth momentum forecast to remain above ~6.0% in the long-term, India is expected to continue being a global growth frontrunner and enter the league of the top 3 largest economies by 2030. Moreover, the 2019-2027 manufacturing value add is forecast to grow at a CAGR of 10.8% compared to China’s 6.9%, as the Chinese economy loses steam, and global firms prioritize diversification of sourcing and production

lines to reduce overdependency on China. Hence, India's PLI scheme, solid GDP growth, as well as demographic dividend advantages will help attract more manufacturing investments.

REVIEW AND OUTLOOK OF KEY END-USE INDUSTRIES UTILIZING SPECIALIZED INDUSTRIAL PROCESS EQUIPMENT

PHARMACEUTICALS INDUSTRY

Overview -India's Healthcare Market Dynamics

India's domestic healthcare market is growing rapidly and is projected to grow at a CAGR of 8% to 10% from FY2022-23 to FY2025-26. In addition to improving private insurance coverage and a greater willingness to spend on healthcare, government policies provide catalytic stimuli. These policies include the Ayushman Bharat Program, the Ayushman Bharat Health Infrastructure Mission, and the Pradhan Mantri Bhartiya Janaushadhi Pariyojana.

In FY2023, India a crucial supplier of generic drug, supplied almost 40% of the total U.S. generic drug (formulation) demand and approximately 25% of the total drug demand in the United Kingdom. This success can be attributed to the advanced capabilities in formulation manufacturing, the capability to meet global standards, and governmental support.

Challenges facing India's API and KSM (Key Starting Materials) / Drug Intermediates sector include high dependence on China for raw materials, inadequate infrastructure in select areas such as fermentation, and delays in land acquisition and environmental clearance. However, several factors, such as regulatory policies, provide stimulus to the API segment in India.

Indian Pharma Sector and Pharma Exports

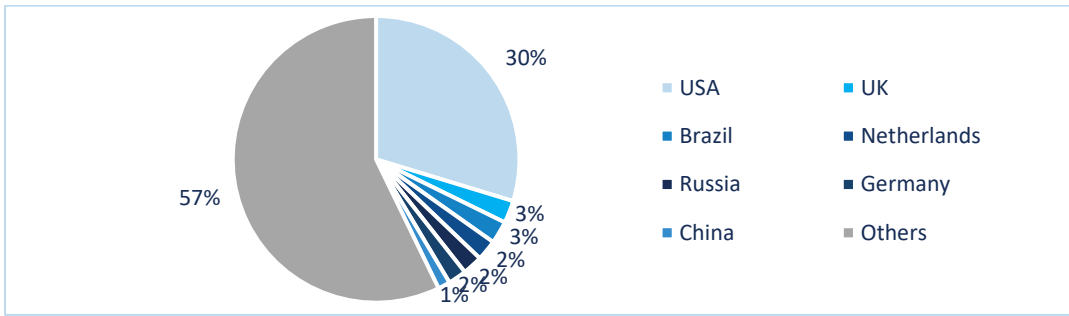
India has the highest number of FDA-approved plants for manufacturing APIs, accounting for 28% of the share in 2022, almost twice that of the U.S. and China. A high number of U.S. FDA-approved plants for API indicates the capability to serve regulated markets. India's cGMP regulations are aligned with global standards, thus making it easier for Indian manufacturers to export their drug products and substances to global destinations. Generic drugs, bulk drugs, vaccines, over-the-counter medications, contract research & manufacturing, biosimilars, APIs, and biologics are some of the key segments of the Indian pharma industry.

The Indian pharma industry is known for its affordable generic drugs. The country has the most number of manufacturing facilities producing generic drugs and complying with the U.S. Food and Drug Administration (USFDA). It supplies over 50% of the global demand for various vaccines and has a network of 3000 drug companies and 10,500 manufacturing units.

Hyderabad, Telangana is the "Pharma Hub" of India. In FY 2024, Hyderabad accounted for 40.0% of the total Indian bulk drug production and 50.0% of the bulk drug exports and is considered the 'Bulk Drug Capital of India'. The Indian pharmaceutical industry is ranked 3rd globally in terms of volume and 14th in terms of value and contributes a 1.72% of the country's GDP.

India exports to over 200 countries and a major share of the exports are being made to the following countries: U.S., UK, Brazil, Netherlands, and Russia. In FY2022-23, the U.S. dominated India's total pharma exports with a share of 31% followed by the UK, Brazil and the Netherlands. In FY2022-23, the Drug formulations and biologicals segment had around 72.5% largest share of exports followed by Bulk drugs and drug intermediates. The Indian pharma exports increased by 9.7% to US\$ 27.85 Bn in FY2023-24, from US\$ 25.39 Bn in FY2022-23.

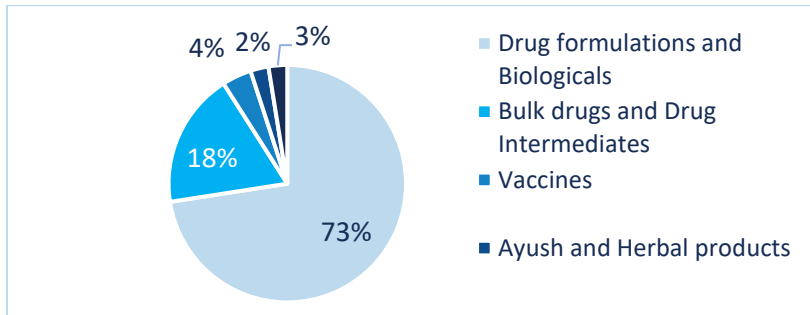
Value of drugs and pharmaceuticals exported from India in FY 2023, by leading countries



Source: India Department of Pharmaceuticals, Statista

Price competitiveness, market opportunities, and increasing demand for generic drugs in countries such as the U.S. are factors that are driving Indian pharma exports.

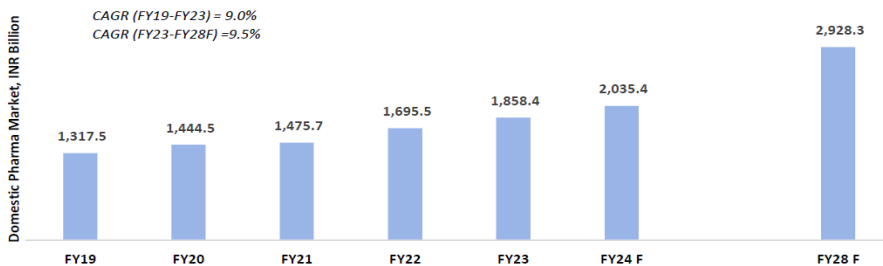
India Pharma Exports by Category (FY2022-23)



Source: IBEF, Pharmaceuticals Export Promotion Council

India’s domestic pharmaceutical market is among the fastest-growing pharmaceutical markets in the world, witnessing a value increase from INR 1,1317.5 Bn (USD 19.0 Bn) in FY19 to INR 2,928.3 Bn (USD 35.6 Bn) in FY28. With a contribution of nearly 1.72% to India's GDP, India’s pharma market registered a 9.0% CAGR in the last five years and is projected to growth at a rate of 9.5% over the next five years.

Domestic Pharma Market, India, FY19-FY28F



Source: Pharmarack, Frost & Sullivan

Growth Factors

Increasing Prevalence of Chronic Diseases

The Indian population experiences a wide range of diseases, ranging from acute diseases such as diarrheal disease and lower respiratory tract infections to chronic diseases such as diabetes and cardiovascular disease. According to the National Centre for Biotechnological Information, about 27% of Indian adults suffer from cardiovascular disease, and 18% are diagnosed with diabetes, with the prevalence being much higher in urban areas than in rural areas. Further, according to the Cadi Research Foundation, the prevalence of hypertension ranges from 20% to 40% in urban adults and 12% to 17% among rural adults. Increased prevalence of chronic disease will lead to increased use of pharmaceutical products and, thus, APIs

Growth in Generic Drugs Segment

According to Evaluate Pharma data, there are nearly 24 blockbuster drugs that have patents expiring between 2022 and 2030 with more than 300 drugs overall as of 2023 and 350 as of 2024. With the loss of exclusivity, generic and biosimilar products are launched in the market, often at a substantially lower price. It allows for greater access to medicines, especially in generic dominant countries such as India. As more generic drugs will be introduced in the market, there will be a volume growth of new products, driving demand for their corresponding APIs.

Growth in Formulations Export

According to the IBEF, India is one of the largest manufacturers of drugs, next only to China and Italy in terms of volumes and 12th globally in terms of value. Indian companies also secure, on average, 30% to 35% of ANDA approvals every year and hence are one of the most reliable generic drug formulation exporters for regulated markets. As Indian companies keep expanding their export potential, the demand for relevant APIs will also increase.

Increasing Adoption of Innovator Drugs

With the increase in purchasing power of the population stemming from a growing middle class, health-conscious consumers are increasing their discretionary spending on healthcare. As the domestic demand for new-age drugs with high-value APIs increases, API companies are expected to expand their capabilities to cater to demand for products such as Highly Potent Active Pharmaceutical Ingredient (HPAPI) or drug conjugates and would consequently be able to meet global demands for similar products.

China Plus One Strategy Expanding India's Export Potential

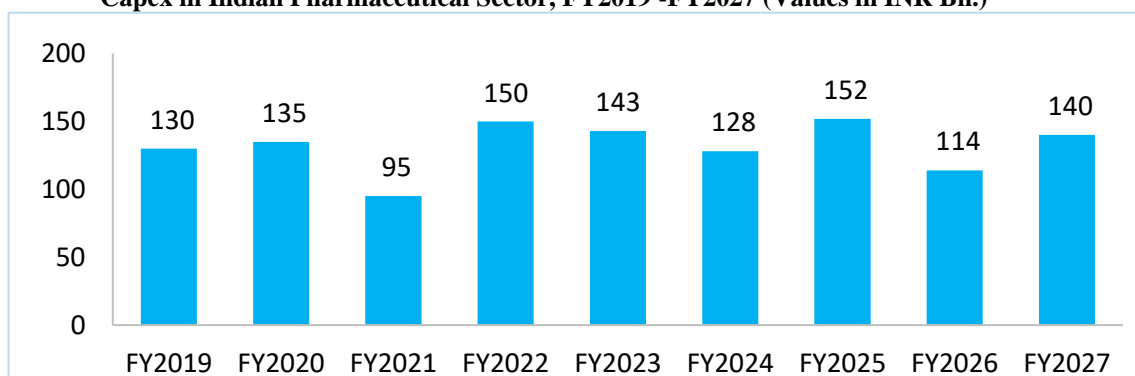
Under the "China Plus One" strategy, multinational firms are partnering with countries in addition to China for their raw material and service needs. India, in particular, stands to benefit from this strategy owing to its existing API manufacturing infrastructure, large and skilled workforce, competitive labor prices, and fast-growing manufacturing capacity in specialty products.

Favorable Government Schemes

To promote the manufacturing segment, the government has launched several initiatives such as Atmanirbhar Bharat and, more specifically, the PLI Scheme for KSMs, drug intermediates, and APIs and the promotion of bulk drug parks. These schemes will allow India to reduce its dependence on China and expand its export potential.

Capex in the forthcoming Years

Capex in Indian Pharmaceutical Sector, FY2019 -FY2027 (Values in INR Bn.)



Source: Frost & Sullivan Analysis

The Indian pharmaceutical market has experienced robust growth as a result of opportunities created by the pandemic and a rebound in demand for non-covid acute and chronic treatment, as well as anti-inflammatory medications used after surgery. While the epidemic's impact lessened, pent-up demand for elective procedures, medical equipment, and therapies that had been postponed throughout the pandemic returned. Additionally, demand in the foreign market aided the rise of Indian pharmaceutical items. While the sector is likely to continue to grow at a strong rate, businesses must engage in capacity expansion to meet increased demand and develop new products.

Capital spending is likely to remain at the current level or perhaps increase to between INR120 Bn and INR150 Bn per year upto FY27 due to local and export demand from semi-regulated markets. Furthermore, the government's PLI policy, which envisions India as the world's pharmacy, would provide additional support.

Pharmaceutical Sector Outlook

Pharma industry is one of the largest sectors of the Indian economy, contributing to both revenues and employment. Both domestic and foreign markets will continue to drive demand for select antivirals, antimalarials, and antibiotics from the sector. New product releases would drive the demand for Indian pharmaceuticals on the global market, helping to boost Indian pharmaceutical exports. As a result, it is anticipated that medicine demand will remain consistent, which will help the industry's earnings in the future. Technology will play a major role in the pharmaceutical industry moving forward, and any new developments must be patient centered. The combination of biotech, AI, and R&D will enable people to have individualized healthcare plans that will extend their lives and enable them to be successful.

Bulk drug manufacturing is a capital-intensive industry with a rapid technological turnaround. The overall industry has been buoyed by the increasing government and private equity investment in API manufacturers. It gives manufacturers access to capital to invest in new technology, implement high-quality standards, and expand manufacturing capacity.

CHEMICAL INDUSTRY

Indian Chemical Industry Overview

The Indian chemical industry is estimated to be worth INR 18,040 Bn as of FY2022-23. It is anticipated to increase at a yearly pace of 9–12% to reach INR27,060 Bn by FY2026-27. As per IBEF, the sector is expected to grow to INR 82,000 Bn by 2040. Indian chemical industry contributes approximately 6.6% of the country's GDP and accounts for 15-17% of value of the India's manufacturing sector.

In 2023, the value of the specialty chemicals segment and the commodity chemicals segment accounted for approximately 46.8% and 45.2% of the Indian chemicals industry, respectively. The growth rate of the Indian

specialty chemicals segment in 2015-2020 was higher than the growth rate of the Indian commodity chemicals (10.5% vs. 8.7%). The specialty chemicals industry is expected to grow at a faster rate compared to that of overall chemical industry size in India. From FY2019-20 to FY2026-2027, the Indian specialty chemicals segment is expected to grow at a CAGR of 11.2% - from INR 6,970 Bn in FY2019-20 to INR 14,654 Bn in FY2026-27

This will be on account of the demand for specialty chemicals from segments like agrochemicals, food additives, construction chemicals, electronic chemicals, water chemicals, polymer additives, dyes and pigments, and surfactants among others.

Exports Trends: India and China

China's specialty chemicals market has witnessed a downturn in recent years due to various factors. Most prominent amongst have been the tepid economic performance, slow down in construction and real-estate markets, rising labour cost, appreciating Chinese Yuan, tightening financial availability and a host of stricter environment regulations introduced by Chinese Government way back in 2015 mandating stricter compliance to the norms by Chemical companies. The environmental norms introduced by the Chinese government in 2015, had led to shutdown of a number of chemical plants. In 2018, an estimated 40% of the chemical manufacturing capacity in China were temporarily shut down for safety inspections, with over 80,000 manufacturing units charged and fined for breaching emission limits. As a result of stringent environmental norms, the Chinese chemical companies are witnessing a rise in capital expenditure and operational costs, making them less competitive in the export market.

Several global players are preferring a "China + 1 offshore strategy", with manufacturing capacities being shifted to cost efficient markets with strong technology capabilities like India. Stringent environmental regulations and increased cost of labor have already stifled growth in China. Covid-19 pandemic has compounded the situation further as companies across the world are looking for alternate supply solutions. Japan's announcement to offer incentives to companies shifting base from China to India further proves the strong desires for certain countries to reduce dependence on China and develop local supply chains. Joint ventures or technology transfers will drive the knowledge wave for the Indian industry, given stronger IP protection rights. The spillover impact of China's declining competitiveness has set the stage for India to intensify its effort to capture larger market share.

Government Policies and Initiatives in India

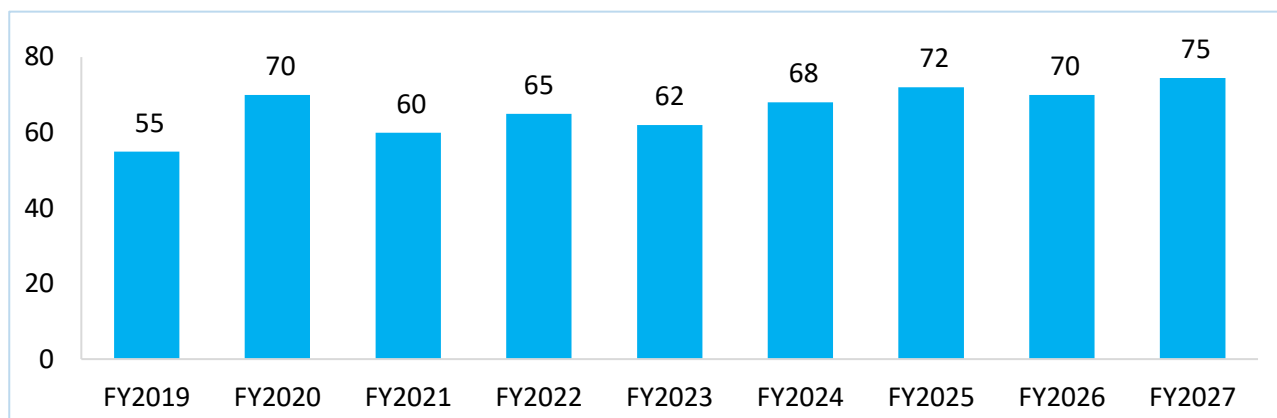
In particular, the Government announced a PLI scheme for the promotion and manufacturing of pharmaceutical raw materials in India. The Government's move is aimed to boost domestic manufacturing and cut dependence on imports of critical APIs. The Government is also in the process of launching a PLI scheme for the chemical sector to increase self-reliance in the country. This move is to reduce country's dependency on imports of basic chemicals. The PLI scheme will help the sector to identify import-dependent chemicals and work towards producing them within the country.

Market Access Initiative imposed by the Ministry of Commerce and Industry

The Market Access Initiative (MAI) by the Ministry of Commerce and Industry aims at benefiting the small to mid-segment newer industry players which do not possess global sales and marketing reach. As a result of the revised MAI policies, the robust growth in Contract Research & Manufacturing Services (CRAMS) industry in India is expected to support newer economies such as Myanmar, Cambodia to collaborate with the local Indian players beneficial for the overall growth of the Asian economy. Moving forward, with a total of over 300 USFDA approved manufacturing sites, the country is set to become the global leader in the CRAMS industry.

Capex in the forthcoming Years

The chemical industry experienced demand disruptions during the pandemic, resulting in lower capital spending by participants in FY2020-21. However, as demand across sectors recovered in FY2021-22 and FY2022-23, businesses invested in capacity expansions to meet the demand. The expansion is predicted to continue in the future due to several variables, including rising demand for specialized chemicals and medicines, low per capita use of agrochemicals, potential rise in demand from paints and textiles, and a diverse manufacturing base.



Capex in Indian Chemical Sector, FY2019 -FY2027 (Values in INR Bn)

Source: Frost & Sullivan Analysis

Furthermore, demand for chemicals manufactured in India in the worldwide market is likely to grow in the coming years, as key markets move their demand away from China to avoid potential disruptions. This will incentivize industry players to increase their capacity to meet future demand. As a result, it is predicted that the players' capex will increase by 7% to 9% CAGR until FY2025-26, to reach INR 70 Bn per year in FY2025-26. This predicted rise in expenditure is on account of robust demand potential from overseas markets owing to China plus one trend, as well as government backing to ramp up capacity through PLI scheme.

Segment-wise Growth Drivers

Chemicals form the foundation for manufacturing a wide range of products including textiles, paper, pharmaceutical products, plastics, synthetic rubber to agrochemicals. The specific factors driving growth of end-user sectors is set to drive and keep the demand up for the overall industry. Factors such as low per capita consumption including agrochemicals, likely growth in demand from paints, textiles and diversified manufacturing base would act as key drivers for the growth of the industry. The key end-user sectors driving growth include:

Agriculture

Fertilizers, pesticides, fungicides, and herbicides used for protection of plants and crops are products made from chemicals. Other chemical-based products like Polyvinyl Chloride (PVC) and High-Density Polyethylene (HDPE) are used to make irrigation pipes, rigid sheets. Also, Low Density Polyethylene (LDPE) film/sheet linings are used in lining of various sizes of ponds for water conservation. Thus, chemical-based products are almost used at all stages in agriculture.

Food

Food additives derived from chemicals are primarily divided into food flavors, food colorings and food preservatives. Food flavorings involve wide usage of the chemical butyric acid which when converted into butyric esters develops aroma and taste in food and beverages. Glycerine a chemical-based food additive has a double effect of food flavouring and preservative. Food dyes derived from petroleum are used to add color to the food.

Healthcare and cosmetics

Chemicals find their usage in healthcare products. Resins and plastics are used to make artificial limbs and joints. They are also used in medical facilities for storing blood and vaccines, disposable syringes, and other one-time-use medical equipment. Chemical-based products also find application in cosmetics. Mineral waxes and synthetic waxes made from chemicals are used in creams to provide thickening and emulsifying properties and are also used in lipsticks and lip balms, baby products, makeup, nail care, skincare, hair care, fragrance, and sunscreen among others.

Outlook

India's per capita chemical consumption is about 1/10th of the World average, indicating the growth potential of the industry. In the subsequent years, India is anticipated to emerge as a consumer-driven economy and as a hub for the manufacturing of value-added goods. The business is anticipated to gain from the improved investment climate, projects being approved more quickly, and the proposed reform initiatives, all of which would increase industrial activity and, consequently, the need for chemicals. The chemicals sector is predicted to develop due to several variables, including the growing demand for specialized chemicals and pharmaceuticals, low per capita use of agrochemicals, a potential rise in demand from paints and textiles, and a diverse manufacturing base. The Indian chemical industry is still not as competitive as its Asian peers. India needs to address the basic problems of insufficient infrastructure and a shortage of affordable production feedstock if it hopes to compete on a global scale. To address the problem of feedstock supply, the industry can investigate alternate feedstock choices such as pet coke, syngas, and coal gasification, as well as innovative technologies.

Food & Beverage Processing Industry

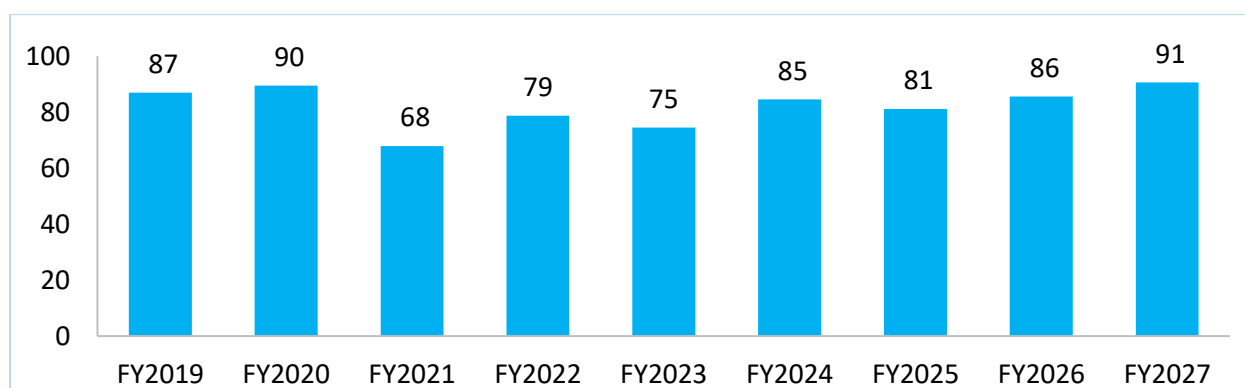
Industry Overview

India's food processing sector is one of the largest in the world and it is expected to grow to US\$535 Bn at a compound annual growth rate of 15.2 %. Tier-2 and tier-3 cities are key consumer markets for FMCG businesses, as they are mirroring consumption trends in metropolitan cities.

The key sub-segments of the Food Processing industry in India are Fruits & Vegetables, Poultry & Meat processing, Fisheries, Food retail, dairy industry, etc. The Indian food processing sector is designated a high priority industry by the government. The food processing industry is noted for its rapid growth and high profitability, and it makes a considerable contribution to global food production. India is ranked second internationally in food production and first in milk and spice production. The country exports processed foods, agricultural and horticultural products to over 100 countries worldwide. It exports primarily to the Middle East, Southeast Asia, SAARC countries, and the European Union (EU). In FY2022-23, India's export of processed food products was US\$ 7,779.0 Mn.

Capex in the Forthcoming Years

Capex in Indian Food & Beverage Processing Sector, FY2019 -FY2027 (Values in INR Bn)



Key Industry Growth Drivers

- Rapid urbanization, rising household wealth, and the expansion of organized retail are some of the drivers of the food processing business. Urbanization has changed people's lifestyles, with an increasing preference for processed foods and ready-to-eat food products.
- The large population contributes to high consumer demand for food goods. Favorable and aggressive government policies are also contributing to the expansion of the food processing business. For example, the Pradhan Mantri Kisan Sampada Yojna contributes to the development of infrastructure from farm to retail outlet, as well as effective supply chain management.
- Higher agricultural output, a big livestock base, and a diverse range of products grown in the country are all significant drivers of the food processing industry's expansion.
- The growing awareness of the shelf life, convenience, and nutritional value of processed foods has spurred demand.

Notable government schemes for propelling the food processing industry in India:

- I. **Pradhan Mantri Micro Food Processing Industries Upgradation Scheme (PMFME):** It is a credit linked subsidy scheme targeting micro food processing companies launched in 2020. Beneficiaries of this schemes include individuals, Self Help Groups (SHGs) Farmer Producer Organizations (FPOs), and Producer Cooperative Societies. Upto December 2023, around INR 7.7 Bn had been released as seed capital assistance to 2.3 Lakh Self Help Group (SHG) members, since the inception of the scheme
- II. **Production-Linked Incentive Scheme for Food Processing Industries (PLISFPI):** The scheme supports the creation of global food manufacturing companies to commensurate with India's natural resource endowment and support Indian brands of food products in the global markets. The scheme has an outlay of INR 109 Bn and is being implemented over a six-year period from FY2021-22 to FY2026-27.
- III. **The Mega Food Parks Scheme:** The scheme adopts a hub and spoke model providing state of art facilities for food processing from farm to central processing center. The scheme provides amenities for logistics, transportation, and farm proximate processing centers. Around 24 mega parks are currently in operations across India out of 41 approved Mega Food Parks. Ministry of Food processing is responsible for implementing the mega food parks in India and has spent INR 0.5 Bn in 2022 under this scheme.
- IV. **Integrated Cold Chain and Value Addition Infrastructure Scheme:** It provides cold chain facilities end to end from farm to consumers. It helps both horticultural and non-horticultural products by significantly improving efficiency in production, transportation, storage.

Outlook

India's food processing sector has attracted US\$6.2 Bn foreign direct investment (FDI) inflow between April 2014-March 2023. The government of India allows 100% FDI for food processing and 100% FDI under government route for food processing. The Indian government has allocated INR 32.9 Bn to the ministry of food processing sector for the year FY2023-24. Indian government has adopted measures to channelize investments in food processing sub-segments such as food processing equipment, backward linkages, cold chain storage solutions, processing related R&D, start-ups, logistic & retail chains, encompassing the entire food processing value chain.

REVIEW AND OUTLOOK OF SPECIALIZED INDUSTRIAL PROCESS EQUIPMENT

Powder Mixing (Processing) Equipment

Powder processing equipment refers to a range of machinery and systems specially designed for handling and transforming powdered material. This equipment is used in various industries including pharmaceuticals, food

and beverage, chemicals, minerals, cosmetics, etc. The powder processing equipment market is divided into drying, heating, cooling, mixing, and blending. The drying segment is expected to be the largest revenue contributor and the blending segment is expected to have the highest CAGR share during the forecast period. The increased need for powder products in a variety of industries, including food and beverage, necessitates the purchase of equipment for effective powder processing. Powder-based formulations are becoming more popular due to their numerous benefits, including longer product lifespans, cheaper handling costs, and increased shelf life.

The Global Powder Mixing (Processing) Equipment market is expected to increase from US\$6.0 Bn in 2024 to US\$7.5 Bn by 2028, with a CAGR of 4.6% over the forecast period (CY2024-2028). In 2023, the market for powder processing equipment was estimated to be worth US\$5.78 Bn. Key market drivers fueling market expansion include increased mining industry exploration, expansion of the food and beverage company, and advancements in the healthcare industry. Major players in the Powder Processing Equipment market, including Hosokawa Micron Corporation, Baker Perkins Limited, Syntegon Technology GmbH, Hänsel Processing GmbH, Sollich UK Ltd, Dongsun Powder Processing Equipment Co. Ltd, Sanovo Technology Group, Powder Process-Solutions.

In India, the Powder Mixing (Processing) Equipment market is expected to increase from INR 32.8 Bn in FY2024 to INR 45.9 Bn by FY2029, with a compound annual growth rate (CAGR) of 7.0% over the forecast period (FY2024-2029). The Indian powder processing equipment market was the fastest growing in the Asia Pacific region, owing to the increasing manufacturing base of the Food Processing and Pharmaceutical industries. In India, government initiatives to propel the pharmaceutical industry are likely to boost the growth of the Powder mixing equipment market. Key players in the Indian market include Indpro, Nes India Engineers, Om Industrial Blender, Adinath Pharma, SF Engineering Works, Macawber Engineering Systems, Metasis Equipments, Dipesh Engineering, and Thermotech Engineering.

Zero Liquid Discharge (ZLD) Equipment

ZLD system has been widely used in industries such as Chemicals & Petrochemicals, Pharmaceuticals, Food & Beverages, Energy & Power, Textiles, Electronics & semiconductors. Adoption of the right ZLD technology is complex. It depends on the chemical inputs specific to the industry, if there is any change in chemical inputs, upgrading the ZLD system with the right technology is required. This is difficult for small and medium-sized industries that do not have enough capital to upgrade the technology frequently.

The Global Zero Liquid Discharge (ZLD) Systems Market size was estimated at US\$6.8 Bn in CY2023 and is expected to reach US\$10.0 Bn by CY2028, growing at a CAGR of 8.2% during the forecast period (CY2023-2028).

The India Zero Liquid Discharge (ZLD) Systems Market size is estimated at INR 36.9 Bn in FY2024 and is expected to reach INR 57.4 Bn by FY2029, growing at a CAGR of 9.2% during the forecast period. The Asia-Pacific ZLD systems market is witnessing significant growth, owing to high demand from countries like India and China. China and India have made several government regulations to install ZLD systems and reduce water pollution by implementing water treatment techniques. Stringent government standards on industrial discharges are driving the ZLD system market. Key players in the India ZLD market are Thermax, Ion Exchange, Praj Industries, WTE Infra Projects Pvt Ltd, Pure Watertech, Swati water purification, Shiva Global Environmental, Ventlair Engineers, YSM dairy & Biotech Pvt Ltd, Ketav Consultant, Pranjali Water Solutions, Chemdist Process solutions.

Solvent Separation

The Global Solvent Recovery Equipment Market size is estimated at US\$0.97 Bn in CY2023 and is expected to reach US\$1.3 Bn by CY2028, growing at a CAGR of 5.1% during the forecast period (CY2023-2028). Solvent separation is being carried out through various methods, Distillation, Fractional distillation, and Membrane separation.

The growth of the market can be attributed to the increasing demand for Solvent Recovery Equipment owned by the Printing Industry, Painting & Coating, Oil & Chemical, and Pharmaceuticals, across the global level.

With rising awareness of recycling and sustainability, solvent recovery has been carried out by many businesses to recover and reuse solvents that would otherwise be discarded as waste which can be hazardous to the environment. Pharmaceutical industries majorly use solvent separation equipment to reduce solvents and to ensure meeting regulatory standards. Key players in the market are focusing on innovative designs and technology to reduce energy consumption and operating costs.

Fermentation Equipment

Fermentation equipment refers to the machinery used in the industrial fermentation process to produce various products such as alcohol, pharmaceuticals, and food additives. This equipment includes vessels, mixers, valves, sensors, and pumps. This equipment ensures a controlled environment for fermentation, allowing the conversion of raw materials into desired products through the action of microorganisms.

The Global Fermentation Equipment Market size was valued at US\$1.9 Bn in 2023 and is anticipated to reach US\$2.6 Bn by 2028, growing at a CAGR of 6.5% during the forecast period. The fermentation equipment market is expected to increase significantly in the future. Factors such as rising demand for fermented foods, technological developments, and the emergence of bio-based and natural goods are projected to fuel market growth. The leading global participants in the Fermentation Equipment Market include Kronos, Brewtech, Criveller, JVNW, GW Kent, Brauhaus Technik Austria, Keg King, Kinnek, GEA, METO, Hypro, BrewBilt, Psycho Brew, Newlands System, Portland Kettle Works, and DME Brewing Solutions.

The India Fermentation Equipment Market size was valued at INR 16.4 Bn in FY2024 and is anticipated to reach INR 25.4 Bn by FY2029, growing at a CAGR of 9.2% during the forecast period.

Key Growth Drivers – India:

- Fermented products are in high demand throughout industries such as food and drinks, pharmaceuticals, and biofuels.
- The increasing popularity of bio-based and natural goods is also boosting demand for fermentation equipment.
- Research and development in biotechnology and microbial engineering is likely to boost the fermentation equipment market.

Utility Systems

The Global Industrial cooling systems market size was valued at US\$21.0 Bn in 2023 and is anticipated to reach US\$28.0 Bn by 2028, growing at a CAGR of 6.0% during the forecast period. Strict environmental laws, increased investment in the chemical industry, and rising demand for energy-efficient systems give a new perspective to the industrial cooling system market. Furthermore, facilities using nuclear and thermal energy are experiencing a rise in demand for industrial cooling systems.

Increased investments in the chemical sector, combined with increased consumer demand for energy-efficient technologies, propel the market growth. Manufacturers recognized a lot of potential in the market because of an increase in demand for industrial cooling systems from numerous industries, including the food and beverage, chemical, and pharmaceutical sectors. Asia Pacific is anticipated to hold the largest industrial cooling systems market share.

Key players in the market include SPX Corporation, Star Cooling Towers Pvt. Ltd., Hamon Group, Baltimore Aircoil Company Inc., Johnson Controls Inc., Black Box Corporation, etc.

Heavy Engineering Equipment

The outlook for the heavy engineering equipment market is positive. Rapid industrialization, urbanization, and infrastructure development projects in developing countries, such as India, China, and Brazil, are driving the demand for heavy engineering equipment. Heavy engineering equipment is large-scale machinery and equipment utilized in many industries, including construction, mining, power generation, and manufacturing. The increasing need for renewable energy sources, as well as the construction of large-scale energy projects, are driving market expansion. The market size of Heavy Engineering equipment was valued at US\$670 Bn in CY2023 and is

anticipated to reach US\$830 Bn by CY2028, growing at a CAGR of 4.4% during the forecast period. This growth can be attributed to infrastructure development, increasing construction activities, and technological advancements in the industry. The market expansion is also expected to be driven by the growing demand for sustainable and eco-friendly equipment, as well as the modernization of existing infrastructure in developed countries. The Indian Heavy Engineering market size was valued at INR 11,890 Bn (General Engineering and Industrial Machinery) in FY24 and is anticipated to reach INR 16,400 Bn by FY29 growing at a CAGR of 6.6% during the forecast period.

Precision Parts

With industrial automation and infrastructure development accelerating around the world, the need for Precision parts/ tools is increasing tremendously. The Indian Precision parts Market was valued at INR 131.2 Bn in FY2024. It is expected to grow at a CAGR of 10.1 % between FY2024 and 2029, and expect to reach INR 213.2 Bn. The global precision engineering machines market was valued at US\$13.1 Bn in CY2023 and is expected to grow at a CAGR of 6.5% during the forecast period.

Because of their high manufacturing costs, precision tool enterprises are typically out of reach for small and medium-sized organizations. Such enterprises, particularly multinational ones, may explore manufacturing these tools in a place like India, where production costs are cheaper than in other developing nations. India and South Korea are also experiencing a surge in demand for precision engineering machinery/ parts, particularly in end-use industries such as automotive, power, and energy.

Impact of Increasing CAPEX on Equipment Market

Capital spending creates long-term assets, allowing the economy to earn money for many years by expanding or enhancing industrial facilities and increasing operational efficiency. The CAPEX of 118 companies (the top 150 by revenue, excluding financial industries) exceeded US\$80 Bn in FY23. India Inc.'s FY23 capex was driven by increased capacity utilization and demand buoyancy, which were supported by the government's record capital investment. Although manufacturers are experiencing short-term economic uncertainty, they are optimistic about the future since investing in capital equipment remains a top priority.

OVERVIEW OF GLASS LINED EQUIPMENT INDUSTRY

Glass Lined Equipment Industry - Overview

The Glass-Lined Equipment (GLE) industry is poised for significant growth, driven by multiple factors. GLE protects the contained media from exposure to water, other chemicals, alkalis, and corrosion, providing a desirable environment for storing the media. GLE is resistant to contamination and capable of operating in a variety of environments. Glass lining technology is extensively used in various industries for its corrosion resistance and durability. Glass-lined reactors are crucial for chemical synthesis, fermentation, and controlled reactions in the chemical and pharmaceutical sectors. They protect against corrosive chemicals and maintain substance purity. Receivers with glass lining are utilized in food and beverage, pharmaceutical, and chemical processing industries for collecting and storing materials under specific conditions. The non-reactive nature of glass lining ensures substance integrity. Glass-lined heat exchangers and equipment fittings are employed in industries requiring efficient heat transfer while preserving material integrity. Glass-lining technology offers versatile solutions for industrial processes.

The unit operations of chemical manufacturing can most simply be classified as combination (mixing), reaction, and separation. The most critical of these unit operations are reaction and separation. The following chart maps the unit operations against some examples of the equipment used to carry out these operations and the various points at which our range of products is linked to the manufacturing process of such plants.

Key Growth Drivers – Global

The increasing focus on environmental sustainability is driving the demand for glass-lined equipment on account of its recyclability and ecological friendliness. In addition, rigorous regulatory requirements concerning the safety and cleanliness of products are providing an additional impetus for market expansion. In anticipation of the future, demographic forecasts suggest that the world's population will attain 9.3 Bn by 2050, comprising a significant proportion of individuals aged 60 and older. This demographic transition, in conjunction with rising purchasing power and global access to high-quality pharmaceuticals and healthcare, is anticipated to stimulate increased adoption of glass-lined equipment, especially in the pharmaceutical sector.

Manufacturing of Glass Lined Equipment

The various steps in a chemical process require storage, mixing, agitation, pressurizing, heating or cooling of different chemicals or mixtures thereof. While many kinds of equipment need to be used for these processes, the material of construction of such equipment depends on the degree of corrosiveness of the chemical that needs to be handled. As the chemicals get more corrosive, the ability of metals to withstand the process for extended processes reduces or extremely expensive metals might be needed. Glass lined equipment are a relatively inexpensive solution to this specific need in the industry.

Glass lined equipment are built primary from steel, hence they are strong (unlike pure glass). However, they are coated with glass on all surfaces which are intended to be in contact with corrosive chemicals.

Types of Glass Lined Equipment

GLE are of various types, each designed for specific applications and industries. The GLE segment is divided into reactors, agitators, heat exchangers, storage tanks and accessories. The GLE reactors are very efficient and crucial in modern production line because of its non-reactivity with most of the compounds.

Here are some common types of glass-lined equipment:

- **Reactors:** Glass-lined reactors are used in industries where a chemical reaction is initiated and controlled, typically at a specific pressure and temperature. The glass lining provides excellent corrosion resistance, making these reactors ideal for use in industries such as pharmaceuticals, chemicals, and food processing.
- **Agitators:** Glass-lined agitators are devices used to stir or mix fluids, often used in reactors to improve the homogeneity of the fluid. The glass lining ensures product purity, which is crucial for industries with stringent quality standards.
- **Storage Tanks:** Glass-lined storage tanks are containers that hold liquids or compressed gases. The glass lining provides excellent corrosion resistance, making these tanks ideal for storing corrosive chemicals.
- **Columns:** Glass-lined columns are used for distillation, gas absorption and liquid-liquid extraction. The glass lining ensures product purity and resistance to corrosion.
- **Pumps:** Glass-lined pumps are used to move fluids by mechanical action. The glass lining provides excellent corrosion resistance, making these pumps ideal for use in industries such as pharmaceuticals, chemicals, and food processing.
- **Dryers and Filters:** Dryers and filters are also often supplied with a glass lining. The glass lining provides excellent corrosion resistance, making these equipment ideals for use in industries such as pharmaceuticals, chemicals, and food processing.
- **Pipes, Valves and Fittings:** The internal components of the vessels, such as pipes, valves and fittings, are also supplied with glass coatings. The glass lining provides excellent corrosion resistance, making these components ideal for use in industries such as pharmaceuticals, chemicals, and food processing.

Each type of equipment has its own unique features and advantages, making them suitable for different applications.

Benefits of Glass Lining

Glass lining in equipment offers several benefits, making it a preferred choice in various industries. Here are some key benefits:

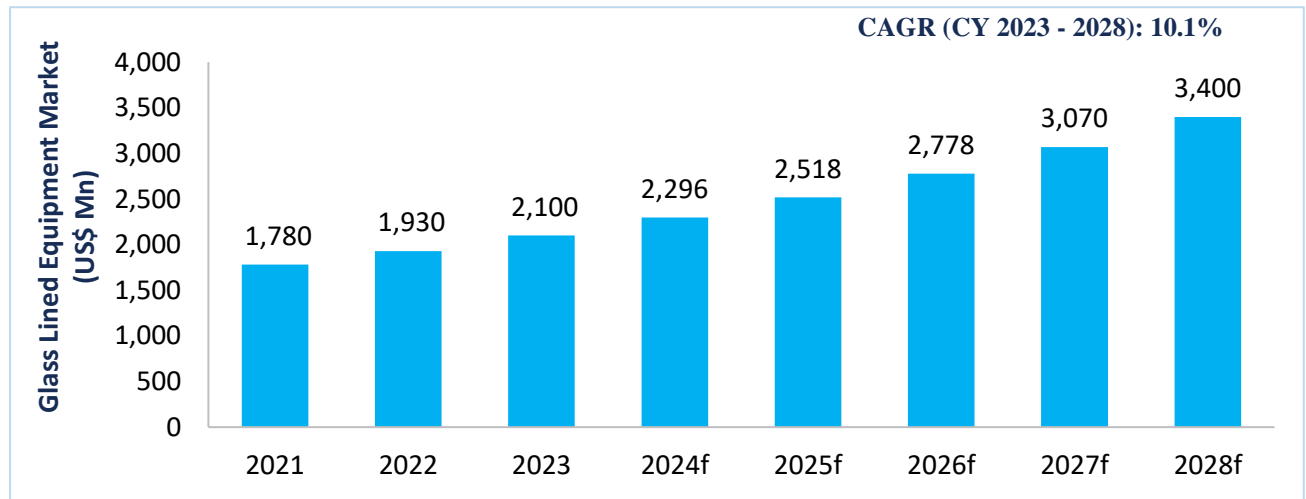
- **Corrosion Resistance:** Glass-lined equipment offers exceptional resistance to corrosion. The inert nature of glass makes it impervious to a wide range of corrosive substances, ensuring the longevity of the equipment and minimizing maintenance costs.
- **Chemical Stability:** Glass-lined reactors excel in maintaining chemical stability. The glass layer acts as a barrier, preventing the interaction between the process fluid and the metal substrate. This is crucial for processes that require precise control over reaction parameters and purity of the final product.
- **Hygienic Properties:** Glass-lined equipment is highly favoured in industries where hygiene and purity are paramount concerns, such as pharmaceuticals and food processing. The smooth, non-porous surface of the glass prevents the accumulation of contaminants, facilitating easy cleaning and sterilization procedures.
- **Versatility in Applications:** Glass-lined reactors find applications in a diverse range of industries, from pharmaceuticals and fine chemicals to petrochemicals and agrochemicals.
- **Thermal Shock Resistance:** Glass-lined equipment exhibits remarkable resistance to thermal shocks, making them suitable for processes involving rapid temperature changes. This property is particularly crucial in applications where thermal cycling is inherent to the production process.

The chemical and pharmaceutical industry faces the challenge of ignition and explosions caused by sparks during the production of raw materials that generate static electricity. SGLT uses innovative technology that aids end users to address these current challenges and have an exclusive purchase agreement with GL Hakko for procurement of certain grades of specialised glass. They offer “STANGLASS 9500” that contributes to antistatic action. “STANGLASS 9500” obtains its conductive performance by building a very fine network of conductive ceramics in the glass.

Global Glass Lined Equipment Industry

Market Size and Growth Outlook

- **Glass Lined Equipment Market, Global, 2021-2028F**



Source: Primary Research, Frost & Sullivan Analysis

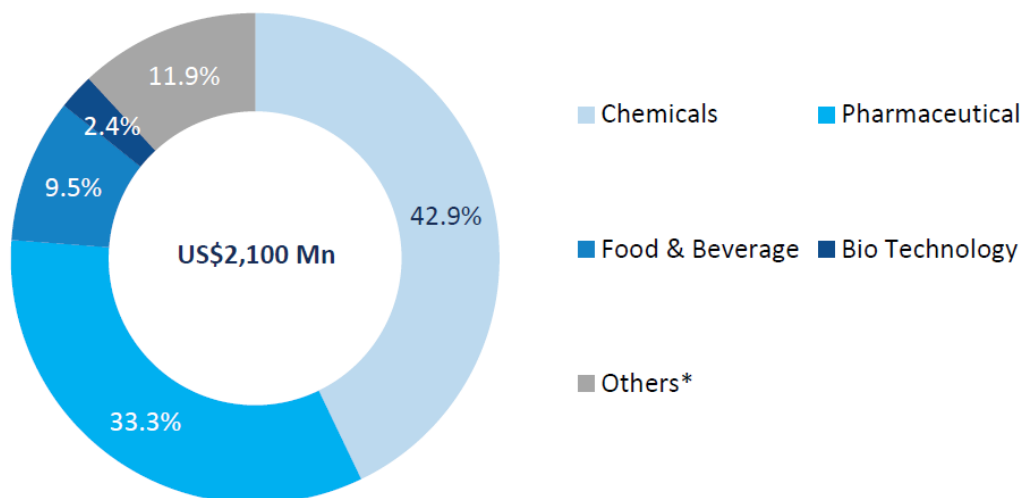
The global Glass Lined Equipment market was estimated to be worth US\$2,100.0 Mn in 2023. The market is expected to grow at a compound annual growth rate (CAGR) of 10.1% and generate US\$3,400.0 Mn in revenue during the forecast period. This growth is primarily attributed to the exceptional corrosion resistance and durability of glass lined equipment, making them highly favoured across industries such as pharmaceuticals, chemicals, and food processing. The market encompasses a variety of equipment types, including reactors, agitators, and heat exchangers, serving diverse applications in sectors like pharmaceuticals, chemicals, and agriculture.

The market is anticipated to be driven by the increasing adoption of GLE in numerous industries, including pharmaceutical, chemical, food & beverage, and so forth. Due to its resistance to corrosion and lack of reactivity with the majority of compounds, GLE is indispensable in the chemical industry. GLE has a substantial market share in the pharmaceutical and chemical industries, and also substantial growth potential in the food and beverage and agriculture sectors.

Global Glass Lined Equipment - Market Split by Region

The market for GLE is concentrated in nations with a burgeoning pharmaceutical and chemical production sector. Asia Pacific, containing China, India, and Japan, has the largest GLE market, followed by North America, which includes the United States, Canada, and Mexico. Central and South America, Europe, South Africa, and Saudi Arabia are all experiencing growth.

Glass Lined Equipment Market, Global, Split by Region, CY23 (%)



Source: Primary Research, Frost & Sullivan Analysis

In the US, market expansion is driven by technological advancements and innovative manufacturing processes. Ongoing R&D efforts are yielding advanced glass coatings with enhanced properties, thus broadening the applications of glass lined equipment. Particularly in the US, the pharmaceutical and biotechnology sectors are witnessing significant growth. The market growth is propelled by stringent safety and quality regulations, particularly in the US. The increasing pharmaceutical activities boost demand for glass-lined vessels, vital for processes requiring high purity and corrosion resistance. US is also witnessing an increase in demand for processed foods and beverages, technological developments, and the necessity for local production in order to lessen its reliance on China.

Asia Pacific dominates the market, holding a significant market share (39.3%) in 2023. Growth is driven by demographic shifts, notably an aging population, and increasing pharmaceutical activities in countries like China, Japan, and India. Robust capital investments in the pharmaceutical and chemical industries, along with planned capacity expansions by major manufacturers, contribute significantly to market growth. Asia Pacific, as the hub of some of the largest producers of medicines and chemicals, is expected to drive the GLE market at a CAGR of over 11%. China is one of the world's leading chemical manufacturers, as well as India. Both countries are part of Asia Pacific, making it one of GLE's largest and fastest expanding markets.

Europe is a major player in the Glass Lined Equipment industry, driven by robust pharmaceutical and chemical sectors that heavily rely on such equipment. Europe's pharmaceutical business is expected to grow steadily in the future due to rising healthcare expenditure, the introduction of biosimilars, increased R&D investments, and supportive framework and reimbursement policies. A strong demand for specialty chemicals and increased

expenditure by the leading companies drive the demand of the glass-lined equipment market. Europe's chemical market is one of the largest producers of energy-intensive and carbon-based products and uses GLE reactors as an essential part of their production line.

Latin America, the Middle East, and Africa are witnessing growth in the Glass Lined Equipment market, attributed to the expanding chemical and pharmaceutical industries in these regions. Market evaluation is comprehensive during the forecast period, from 2024 to 2028, with trends influenced by factors such as industrial growth, regulatory frameworks, and technological advancements across regions.

Global Glass Lined Equipment - Market Split by End-user Segments

The Global Glass Lined Equipment (GLE) Industry caters to various end-user industries, each benefiting from the unique properties and applications of glass-lined equipment. The GLE industry is driven by a variety of end-user sectors, including dyes, chemicals, and pharmaceutical companies. This equipment provides technical solutions for the industries' manufacturing operations. GLE are important in the pharmaceutical and chemical industries because they help to generate high-quality end products.

Chemicals Segment

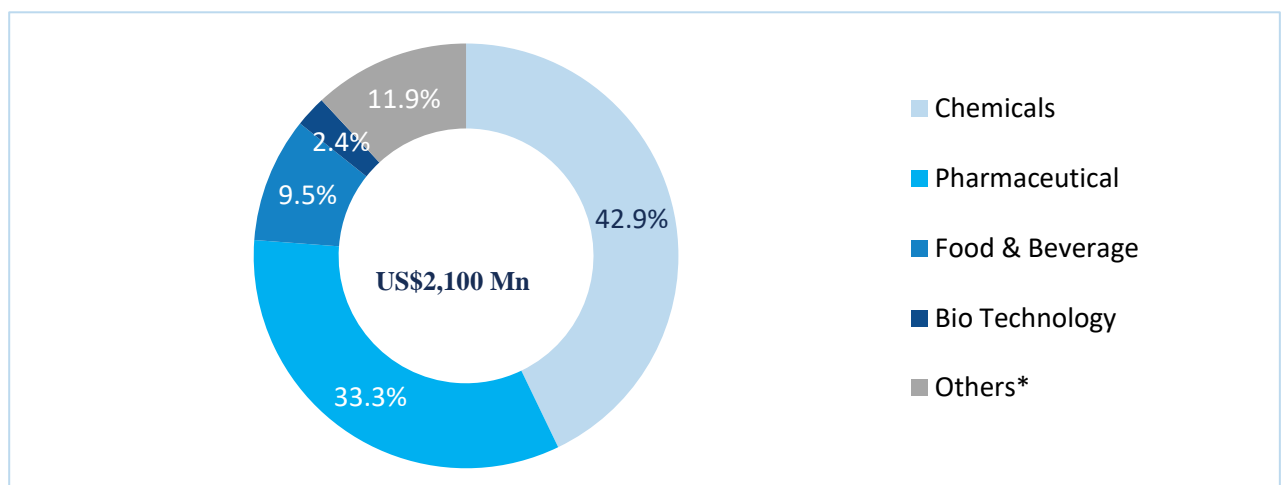
Chemicals is the largest segment for the GLE industry. GLE is highly corrosion resistant to various chemical solutions, making it suitable for application in the chemical industry. They are compatible in situations when most other metal containers fail. GLE is used in the petrochemical sector, crude oil storage, sludge disposal, and other applications. The GLE reactor is very useful in the chemical industry because it allows reactions and processes to occur in a controlled manner without pollution.

GLE is vital in several chemical industries, including polymers, dyes, and pigments. Glass-lined agitators are critical for crude oil storage tanks used in petrochemical refining and processing operations. GLE reactors are employed in the chemical industry because they are compatible with a wide range of chemicals. The GLE in the chemical industry was valued at US\$900.0 Mn in 2023 and is expected to rise to US\$1,300.0 Mn by 2026.

Pharma Segment

The GLE market in the pharmaceutical sector was valued at US\$700.0 Mn in 2023 and is expected to reach US\$1,000.0 Mn by 2027. The GLE market in the pharmaceutical industry is expected to grow at a CAGR of 9.3% during the forecast period. GLE are quite important in the pharmaceutical sector due to their distinct characteristics. In the pharmaceutical business, a variety of GLEs like reactors and storage tanks are deployed.

Glass Lined Equipment Market, Global, Split by End-user Segment, CY23 (%)



Source: Primary Research, Frost & Sullivan Analysis
 *Others include Agriculture, etc.

The GLE is used as a main vessel by companies that handle chemically active compounds. Increased R&D in the pharmaceutical industry is also a major element driving the GLE market. API manufacturing, storage, packaging, and delivery necessitate the use of specialized equipment and production techniques, such as GLE. The API market is expected to account for over half of the total pharmaceutical GLE sector.

Global - Key players

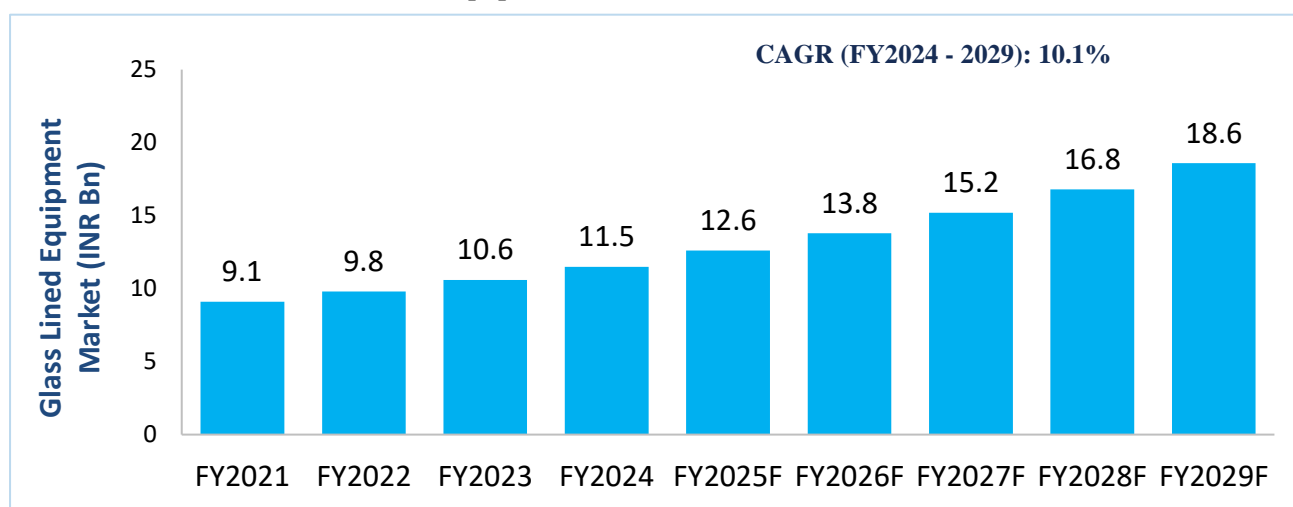
The global GLE market is distinguished by a high degree of competition resulting from the existence of both publicly and privately held firms. Acquisitions, mergers, joint ventures, the development of new products, geographical expansions, and other approaches are utilized by manufacturers of glass-lined equipment to penetrate the market deeply and meet the fluctuating technological and capacity-based demands of the diverse end-user industries.

Manufacturers prioritize partnerships, mergers and acquisitions to retain the market share they have already acquired. The revenue generated by the top 5 participants comprised around 60% of the total GLE market, in 2023. The market was led by GMM Pfaudler in 2023, with HLE Glascoat following suit. Both companies have established a strong reputation for dependability among consumers in the process industry, and their strategic emphasis on growth markets enables them to maintain a competitive edge over other firms in this sector.

Some of the key players are GMM Pfaudler, HLE Glascoat, Thaletec Inc, De Dietrich Process Systems Limited, 3V Tech S.P.A etc.

India Glass Lined Equipment Market

Glass Lined Equipment Market, India, FY2021-2028F



Source: Primary Research, Frost & Sullivan Analysis

The Glass lined equipment market was estimated to be worth INR 11.5 Bn in FY2024. The market is expected to grow at a compound annual growth rate (CAGR) of 10.1% and generate INR 18.6 BN in revenue during the forecast period. The industry is expected to grow significantly due to the rapid expansion of the pharmaceutical and chemical sectors. GLE market is witnessing growth in the reactor and agitator segments due to their critical applications in the pharmaceutical and chemical industries. GLE market in India is consolidated. Following Covid-19 pandemic, both the chemical and pharmaceutical industries are performing remarkably well, with Indian enterprises moving up the value chain.

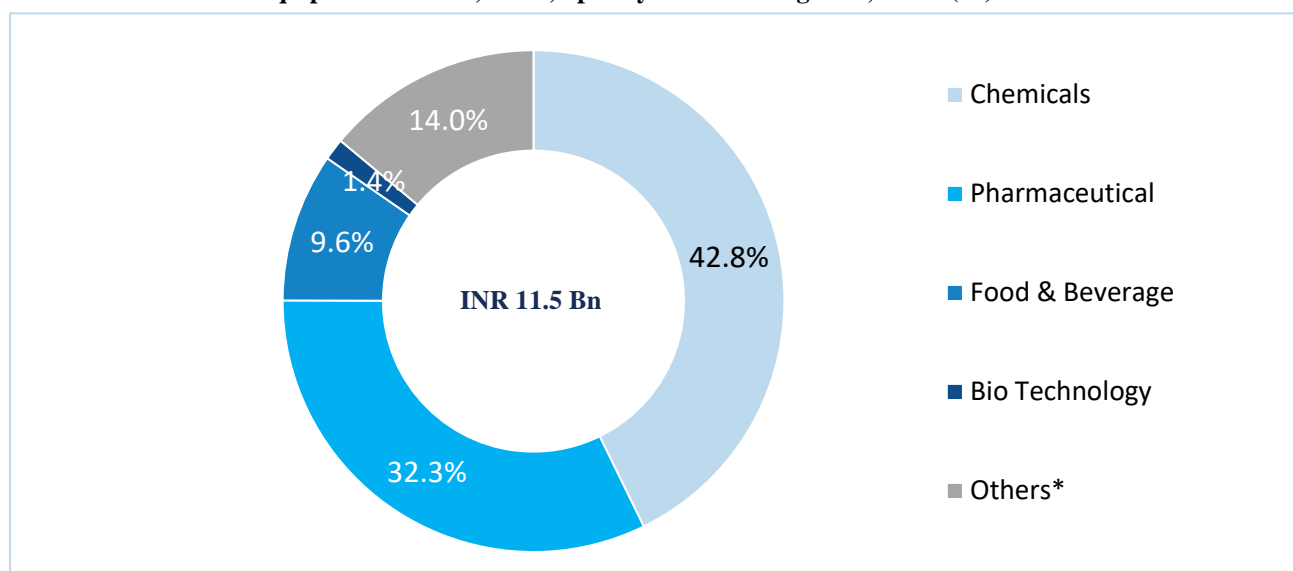
Key Drivers

GLE segment showing tremendous growth opportunity owing to robust growth potential in end user segments. The growth is primarily driven by the exceptional corrosion resistance and durability of glass-lined equipment, making it a preferred choice in industries such as pharmaceuticals and chemicals in India. The Indian government has stringent regulations for industries such as pharmaceuticals and chemicals. These regulations mandate using GLE to prevent production hazards, thereby driving the market. Future of the GLE industry in India looks promising with continuous R&D efforts leading to the creation of advanced glass coatings with enhanced properties. This is expected to broaden the applications of these equipment across various industries.

India Glass Lined Equipment - Market Split by End-user Segments

GLE is a vital component of the chemical industry's manufacturing line, hence expansion in the sector will fuel growth in GLE. The GLE market for the chemical industry is now valued at INR 4.9 Bn Mn in FY2024 and is expected to rise to INR 7.8 Bn by FY2028.

- Glass Lined Equipment Market, India, Split by End-user Segment, FY24 (%)**



Source: Primary Research, Frost & Sullivan Analysis
*Others include agriculture etc.

Pharmaceuticals, chemicals, agriculture, and food beverages are key drivers of GLE in India. The surge in health awareness, particularly following the epidemic, has boosted both the pharmaceutical and food and beverage businesses. Changing lifestyles, food choices, and urbanization all contribute to increased demand in these sectors. Rising demand in these sectors has prompted major R&D investment. The pharmaceutical sector in India is expanding rapidly. Many MNCs are willing to invest in India due to the availability of highly skilled workforce, high returns on investment, cost-effective production, niche specialty domains, and the presence of quality infrastructure. This has made India an excellent site for manufacturing. All of factors contributes to the growth of the GLE market in India. The GLE market in the pharmaceutical sector is now valued at INR 3.7 Bn in FY2024 and is expected to increase to INR 6.0 Bn by FY2028.

India - Key players and their market share

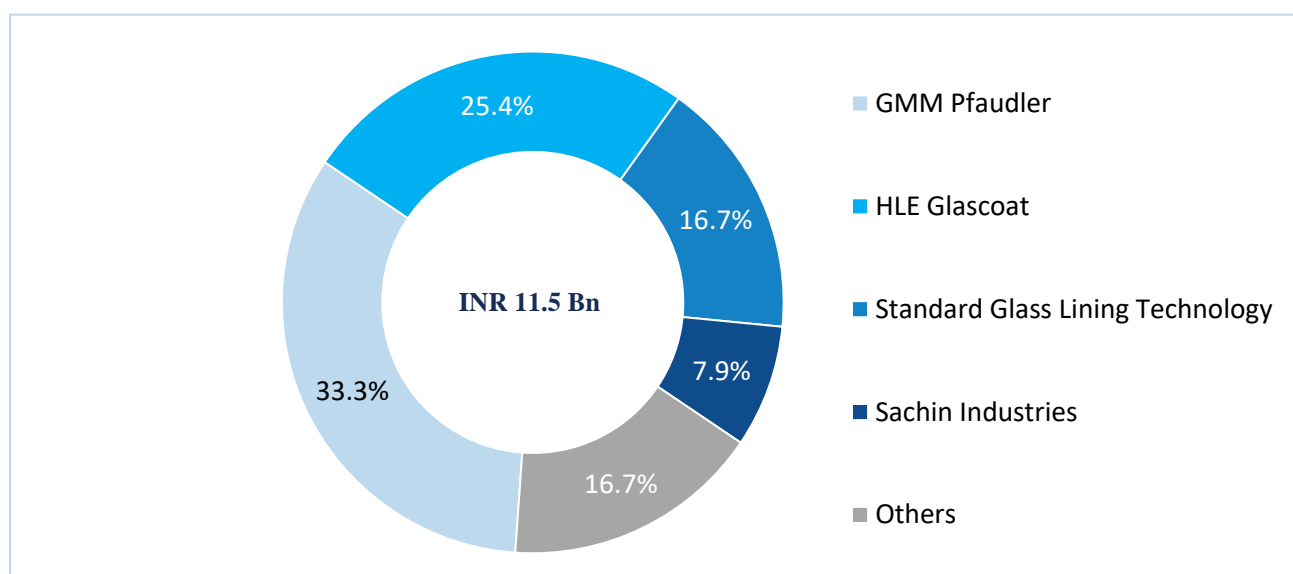
GLE market in India is consolidated, with a limited number of suppliers (market players). There are around 4-5 players actively operating in the market, with the top 4 players contribution to more than 83% of the total market share.

GMM Pfaudler is the key player in the Indian market, with HLE Glascoat coming in second with over 25.4% market share. The GLE sector consists of highly specialized equipment manufacturer, with a few big players both globally and regionally. This industry requires large initial investments, technological know-how, powerful R&D setups, skilled workforce, and so on, making it tough for new entrants. Furthermore, the industry's existing participants have an integrated value chain, making entry by new companies much more challenging.

The demand for GLE has significantly increase from the chemical industry, which includes Agrochemical & Specialty Chemicals sectors. Companies like GMM Pfaudler are setting up new facilities for GLE in Hyderabad in response to the steep increase in demand.

It is predominantly preferred in Pharma, Chemical, Pesticides, Food and Beverage, and petrochemical and water treatment.

Glass Lined Equipment Market, India, Market Share, by Key Players FY24(%)



*Source: Company Website, Annual Report, Filings, Primary Research, Frost & Sullivan Analysis
Others include Standard Glass, Suryamani Glass Steel etc.

In India, the leading players in the GLE market include GMM Pfaudler, HLE Glascoat, Standard Glass Lining Industries, Sachin Industries, Suryamani Glass etc. These players have achieved strong market position due to their strong regional presence, large client base, and capacity to design solutions to meet unique customer needs.

SGLT has excelled in providing innovative products according to changing customer requirements. With a monthly capacity of 150-200 glass-lined vessels, SGLT is one of India's top 3 manufacturers of glass-lined equipment manufacturers in FY2023-24. It is also, the only Stainless-Steel Glass Lined Reactor supplier in India with the potential to manufacture up to 10KL capacity. SGLT is a key supplier of GMP-compliant accessories for stainless steel glass-lined equipment.

OVERVIEW OF REACTORS (PRESSURE VESSELS) AND STORAGE TANKS INDUSTRY

Pressure Vessels and Storage Tanks - Overview

Pressure vessels are containers designed to hold gases, vapours, liquids, or two-phase fluids at pressures different from the ambient pressure, equipped with provisions for heat introduction or removal. They are constructed, installed, and maintained following industry codes, standards, and procedures to ensure safety and to prevent bursting during the process. These vessels comprise various components such as shells, heads, nozzles, saddles, and skirts.

In contrast, storage tanks are containers intended for storing liquids or gases at atmospheric or low pressures. Typically constructed from thin-walled materials, they lack the structural strength of pressure vessels. Key parts of storage tanks include the shell, roof, bottom, nozzle, and manhole. Standards such as API 650 and API 620 provide regulations for their design, construction, inspection, testing, and certification, ensuring their safe operation under varied pressure and temperature conditions, and are adhered to by industry stakeholders worldwide. The distinction between pressure vessels and storage tanks lies in several aspects including shape, purpose, construction, orientation, mounting, material, size, cost, and heating method. Pressure vessels exhibit diverse shapes like cylindrical, spherical, rectangular, or conical, tailored to specific design requirements and fluid types. Cylindrical vessels with flat or dished ends are particularly common, serving applications ranging from storage tanks to air receivers and hydraulic accumulators. Conversely, storage tanks are typically cylindrical and primarily serve the function of fluid storage.

Key Drivers:

- **Smart Manufacturing Integration:** The integration of reactors and storage vessels into smart manufacturing processes is driving industry growth. By deploying sensors, networks, and data systems, manufacturers optimize equipment performance and throughput. Real-time monitoring enables proactive resource management by providing instant insights into machinery health and operations.
- **Diverse Applications:** Reactors and storage tanks find extensive applications in diverse sectors including petroleum, chemical, food, resin, and others. Their versatility makes them indispensable for various manufacturing processes, driving sustained demand in multiple markets.
- **Strict safety regulations** require the utilization of pressure vessels of the highest calibre to protect both personnel and the environment. It is crucial to comply with industry standards such as the European Pressure Equipment Directive (PED), ASME Boiler and Pressure Vessel Code, and API standards. This compliance effort increases the demand for pressure vessels that are certified and meet stringent quality and safety standards.
- Pressure vessels are critical for the secure transportation and storage of gases and liquids under conditions of high temperature and pressure, and they are in ideal alignment with a wide range of industrial processes. The increasing investments and expansion of industrial sectors in infrastructure enhancements inevitably lead to a corresponding surge in the demand for pressure vessels.
- Pressure vessels are indispensable in the oil and gas industry for hydrocarbon storage, in power plants for steam generation, and in renewable energy initiatives such as geothermal and biomass power plants. As a result of the perpetual expansion of the energy sector, pressure vessel demand continues to increase.

Product Types and Applications

Pressure vessels are used in many industries and applications to contain things like hazardous waste, petrochemicals, flammable liquids, and much more.

Reactors- Reactors are a type of pressure vessel designed to hold fluids at a pressure substantially different from the ambient pressure. They are usually made from carbon steel or stainless steel and assembled from plates by welding method. Here are some specific types of reactors:

- **Batch Reactor:** These reactors are used for batch processes. The reactants are loaded into the reactor, and the reaction proceeds for a given amount of time.
- **Continuous Stirred Tank Reactor (C.S.T.R):** These reactors are used for continuous processes. The reactants are continuously fed into the reactor, and the products are continuously removed.
- **Plug Flow Reactor (P.F.R):** These reactors are used when it is necessary to have a high conversion rate in a single pass.
- **Semi-Batch Reactor:** These reactors are a hybrid of batch and continuous reactors.
- **Nuclear Reactor:** These reactors are used in nuclear power plants to generate electricity.
- **Catalytic Reactor:** These reactors are used in processes that involve catalysts.
- **Pressurized Water Reactors (PWR):** These reactors are designed to keep the water, which acts as both coolant and neutron moderator, under high pressure to prevent boiling.
- **Boiling Water Reactors (BWR):** In these reactors, water is allowed to boil, producing steam that directly drives the turbines.

- Heavy Water Reactors (HWR): These reactors utilize heavy water, or water with a higher-than-normal proportion of the hydrogen isotope deuterium.

Storage Tanks- Storage tanks are containers designed to store liquids or gases at atmospheric or low pressures. Here are some specific types of storage tanks:

- Cone-Roof Tank: This low-pressure fixed roof tank is used for countless products, including petroleum, chemicals, petrochemicals, food products, and water.
- Dish Roof Storage Tank: These are fixed roof storage tanks with a dish-shaped head. These are used for liquids at higher pressure.
- Flat Roof Storage Tank: This is a fixed roof storage tank generally used for water storage.
- Floating-Roof Tank: The roof of this tank rises and lowers with the stored contents, thereby reducing vapor loss and minimizing fire hazard.
- Low-Temperature Storage Tank: This tank stores liquefied gases at their boiling point.
- Horizontal Pressure Tank - Bullet Tank: Bullet tanks are usually shop-fabricated vessels used to store products under high pressure.
- Horton Sphere Pressure Storage Tank: This is a spherical tank, used to store large quantities of liquids and gases under high pressure.
- LPG Storage Tanks: These tanks are designed to store large quantities of propane or butane, which are commonly used as a source of fuel for heating and cooking.

Market Segmentation of Reactors (Pressure Vessels) and Storage Tanks

Material Type Classification: Pressure Vessels

Pressure vessels can be made from a variety of materials, including Carbon Steel, Stainless Steel, Titanium, Nickel Alloys, Aluminium, High-Alloy Steel, Fibreglass, etc.

Titanium, nickel alloys, stainless steel, and carbon steel all have high durability and resistance to leaks and cracks, which is critical for maintaining a pressured environment, particularly for the containment of sensitive materials.

Nickel alloys:

Pressure vessels made of nickel alloys have lengthy lifespans due to their performance features. They are resistant to corrosion and have optimal oxidation and carburization levels, making them suitable for usage in hard, requirements. Monel, High-Alloy Steel, Inconel, Alloy 20, and Haynes Alloys are some examples of high-performance alloys. Pressure vessels fabricated from nickel alloys have myriad uses across industries such as Fertilizer, Chemicals, and Fine chemicals.

Stainless Steel:

It is an advantage to use Stainless steel as a material for pressure vessel fabrication due to its performance attributes and adaptability. Stainless steel is strong and can tolerate extreme temperatures, high pressures, intense sunshine, and dampness. It is resistant to rust, stains, and a variety of chemicals, extending its life and allowing it to be easily cleaned for use in applications needing a high level of purity. Key application areas include Food and Beverage, Pharmaceutical, Energy, Chemical, Cosmetics manufacturing, Brewery and Dairy.

Titanium:

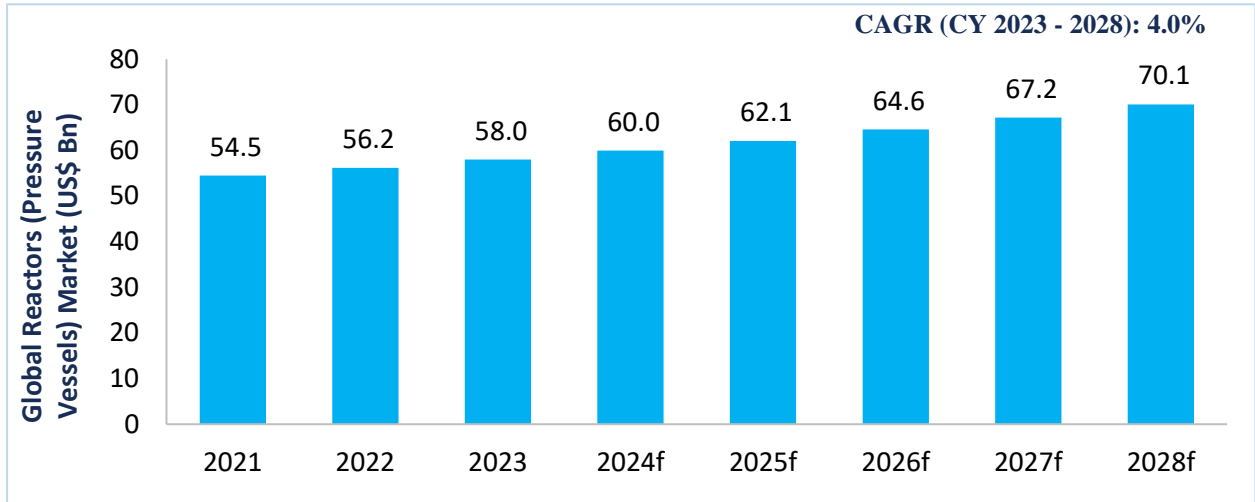
Titanium has various unique properties that make it ideal for use in pressure vessel construction. Titanium is not only resistant to corrosion and easy to clean and maintain, but it is also non-toxic in its natural form—meaning that titanium is biocompatible (compatible with and not damaging to biological tissues), which is a critical characteristic for many industries uses. Titanium-fabricated pressure vessels are frequently used in sectors such as Energy, Chemical, Oil and gas, Pharmaceutical, Agricultural and Fertilizer.

The steel alloys segment accounted for the major share of the market, and it is anticipated that it will maintain its attractiveness during the forecast period. Steel alloys offer greater strength and formability, making them a preferred choice in the coming years.

Global Reactors (Pressure Vessels) Industry

Market Size and Growth Outlook - Reactors (Pressure vessels)

Global Reactors (Pressure Vessels) Market, Global, CY2021-2028F

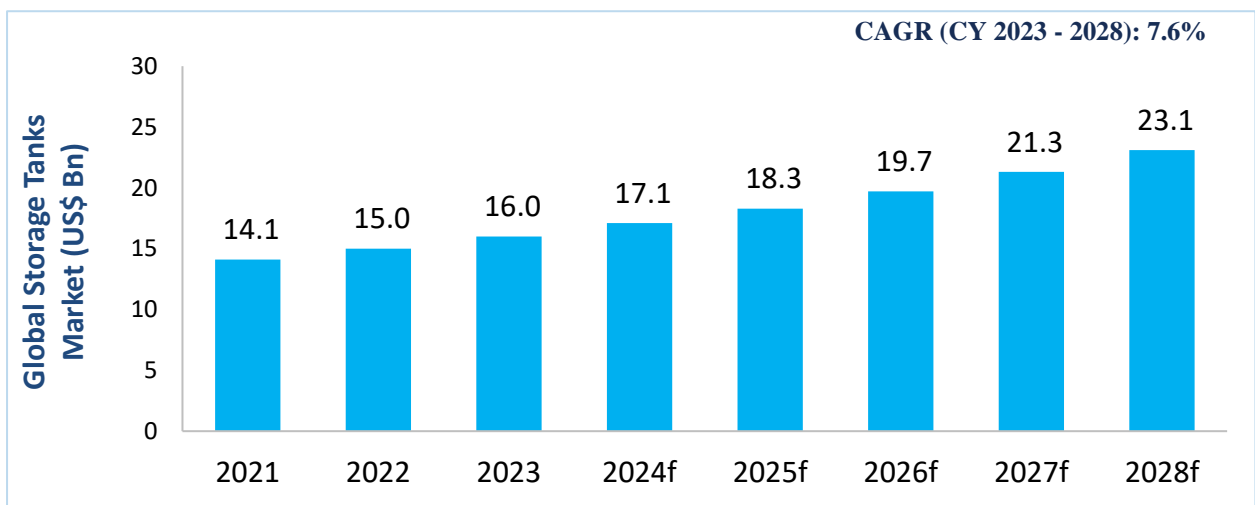


Source: Primary Research, Frost & Sullivan Analysis

The global pressure vessels market was worth US\$ 58.0 Bn in 2023 and is expected to increase at a CAGR of 4.0% from 2024 to 2028. This industry expansion can be attributed to the significant growth of the chemical & petrochemical industry, along with the growing adoption of supercritical power generation technology. Pressure vessels offer useful characteristics such as resistance from cross-contamination and corrosion. Thus, they are used in several chemical procedures. The industrial sector in the US is highly diversified due to technological innovations in the country. Increasing investments in exploration & production activities by major oil & gas companies in the US are anticipated to boost the product demand, majorly for storage purposes in the oil & gas industry.

Market Size and Growth Outlook - Storage Tanks

- **Global Storage Tanks Market, Global, CY2021-2028F**



Source: Primary Research, Frost & Sullivan Analysis

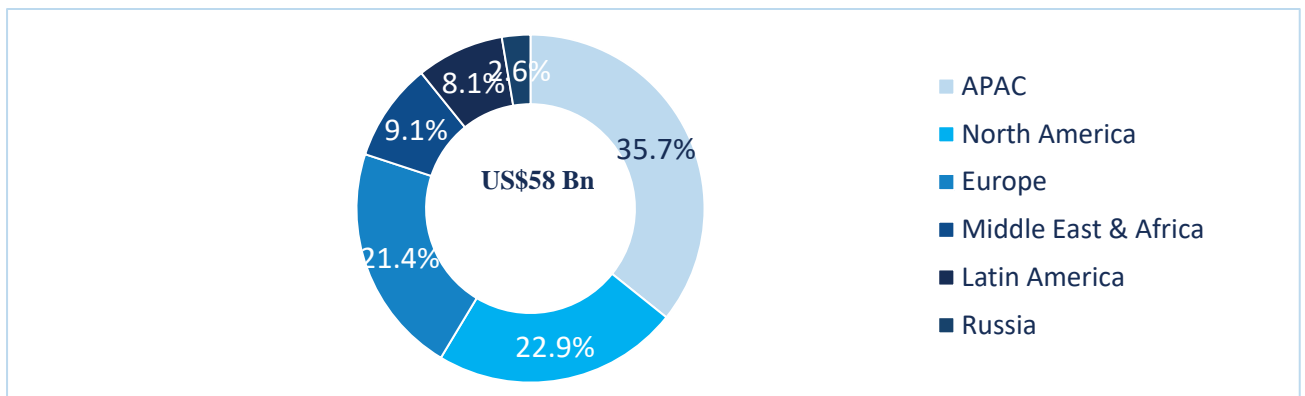
The global storage tank market was valued at US\$16.0 Bn in 2023 and is predicted to grow to US\$ 23.1 Bn by 2028, with a 7.6% CAGR.

Storage tanks are vital for the safety of a wide range of goods, including petroleum, chemicals, water, and renewable energy sources. They provide a dependable manner to store these resources, ensuring their availability when needed. The increasing demand for gasoline and oil drives the storage tank market. Due to increased worldwide energy demand, adequate storage facilities for crude oil, refined commodities, and natural gas are required. Storage tanks provide for the effective and safe storage of these resources, ensuring a steady supply to meet the world's energy needs. Investment in infrastructure development has fuelled the rise of the storage tank market. The demand for storage tanks is increasing as countries strive to improve their metropolitan areas, industrial facilities, and transportation systems.

Global Reactors and Storage Tanks - Market Split by Region

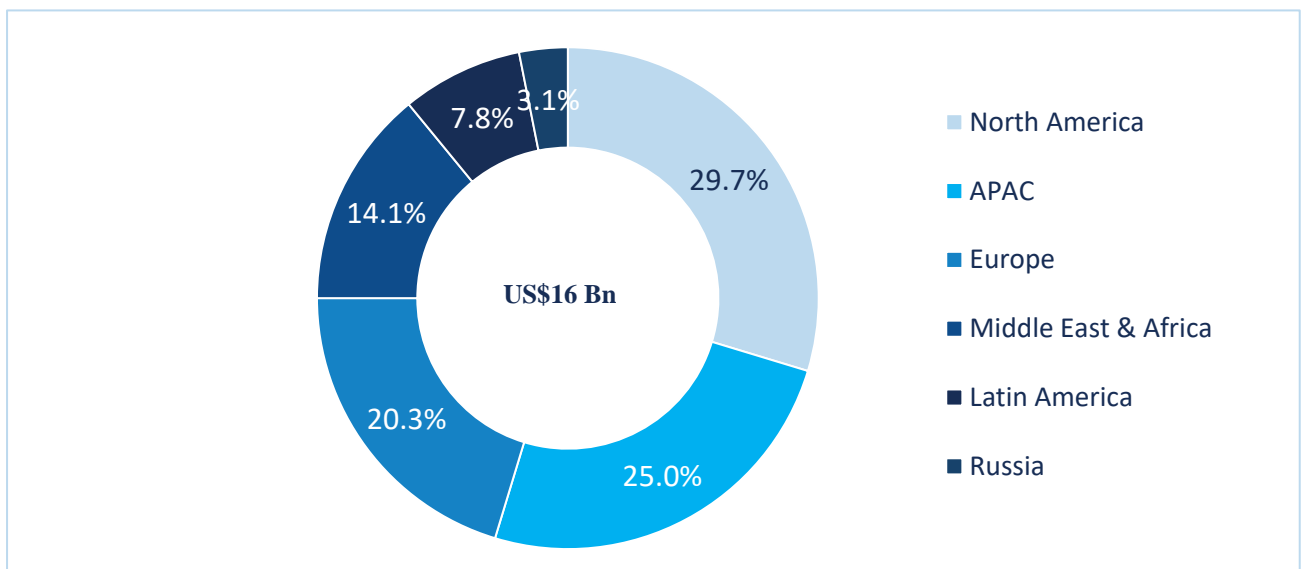
The global reactors (pressure vessels) and storage tanks (non-pressure) industry is divided into several regions, each with its unique market dynamics and growth prospects.

Reactors (Pressure Vessels) Market, Global, Split by Region, CY23 (%)



Source: Primary Research, Frost & Sullivan Analysis

Storage Tanks Market, Global, Split by Region, CY23 (%)



Source: Primary Research, Frost & Sullivan Analysis

APAC (Asia Pacific)

The Asia-Pacific region is expected to be the fastest-growing market for reactors and storage tanks due to the rapid economic growth and increasing energy demand in countries such as China, India, and Japan. The region's focus on infrastructure development and strategic Oil & Gas reserves will drive demand for storage tanks, while advancements in reactor technology will contribute to the growth of the pressure vessel market.

NA (North America)

North America is expected to be a significant market for reactors and storage tanks due to the presence of major players in the industry and ongoing infrastructure development projects. The region's focus on energy security and strategic reserves will drive demand for storage tanks, while advancements in reactor technology will contribute to the growth of the pressure vessel market.

EI (Europe and Israel)

The European market for reactors and storage tanks is expected to experience moderate growth driven by ongoing infrastructure development projects and the need for energy security. The region's focus on renewable energy and efforts to reduce carbon emissions will also contribute to the growth of the market.

MEASA (Middle East and South Asia)

The Middle East and South Asia region is expected to experience significant growth driven by ongoing infrastructure development projects and the need for energy security. The region's focus on renewable energy and efforts to reduce carbon emissions will also contribute to the growth of the market. These projections are based on the current market trends and the expected growth rates of the regions. The actual market size and growth rates may vary depending on various factors such as changes in government policies, technological advancements, and global economic conditions.

LATAM (Latin America)

The Latin American market for reactors and storage tanks is expected to grow at a moderate pace driven by increasing demand for energy and infrastructure development in countries such as Brazil, Mexico, and Argentina. The region's focus on renewable energy and efforts to reduce carbon emissions will also contribute to the growth of the market.

The mature and diverse industrial base of North America, which includes the oil and gas, chemical, manufacturing, and agriculture sectors—all of which rely heavily on storage tanks for their operations—drives the market for storage tanks.

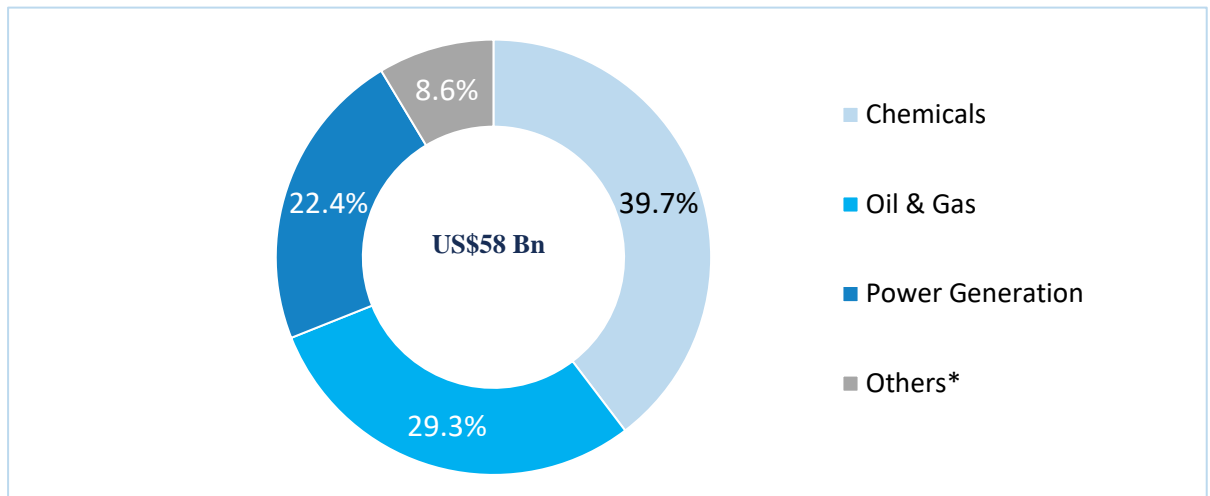
North America's sophisticated logistics networks and infrastructure facilitate the transport, storage, and distribution of a wide variety of liquids and compounds. Demand is further propelled by the region's stringent environmental regulations and safety standards, which mandate the utilization of premium storage containers to prevent spills, leaks, and environmental contamination. In addition, an increase in oil and gas production has resulted from the shale revolution in the US, which has increased the demand for storage infrastructure to accommodate rising production volumes.

Global Reactors and Storage Tanks - Market Split by End-user Segments

Pressure Vessels

The chemical and petrochemical industries are the largest revenue contributors to the global Pressure Vessels industry and hold considerable market share.

Reactors (Pressure Vessels) Market, Global, Split by End-user Segment, CY23 (%)



Source: Primary Research, Frost & Sullivan Analysis

*Others include Pharmaceuticals, Water and Wastewater, Construction, General Engineering, etc.

The global pressure vessel market is being driven by rising demand from the oil, gas, chemical, and petrochemical industries. Furthermore, the increasing popularity of alternative fuels will bolster the pressure vessel market. Pressure vessels used to store fuel are often made of steel, titanium, aluminium, and nickel alloys. With increased demand for alternative fuels like biodiesel, ethanol, hydrogen, natural gas, and propane, the pressure vessel industry is likely to expand significantly in the future years.

The chemicals sector is the largest global end-user vertical for the Pressure Vessels market, generating a revenue of US\$23 Bn in 2023, which represents a share of 40.0%.

Reactors (Pressure Vessels)

The oil & gas sector maintains its dominance in the global pressure vessel market. Its dominance remains unchallenged, thanks to a vast infrastructure network that includes refineries, pipelines, and offshore installations. These critical components of the energy supply chain rely largely on pressure vessels for proper storage and transport volatile compounds, ensuring the sector's continuous operation. Furthermore, the oil & gas industry's resiliency, combined with the constant global demand for oil & gas products, ensures a steady and persistent demand for pressure vessels. During the forecast period, the oil & gas segment is anticipated to experience the highest CAGR. The expansion can be ascribed to the increasing worldwide energy market demand for Compressed Natural Gas (CNG) and Liquefied Natural Gas (LNG).

The growing demand in the chemical and petrochemical industries is another important driver of the global pressure vessel market. Pressure vessels are required for carrying and storing chemicals and petrochemicals that can react aggressively with the environment. As a result, growth of the chemical and petrochemical sectors plays a key role in driving growth of the pressure vessel market globally.

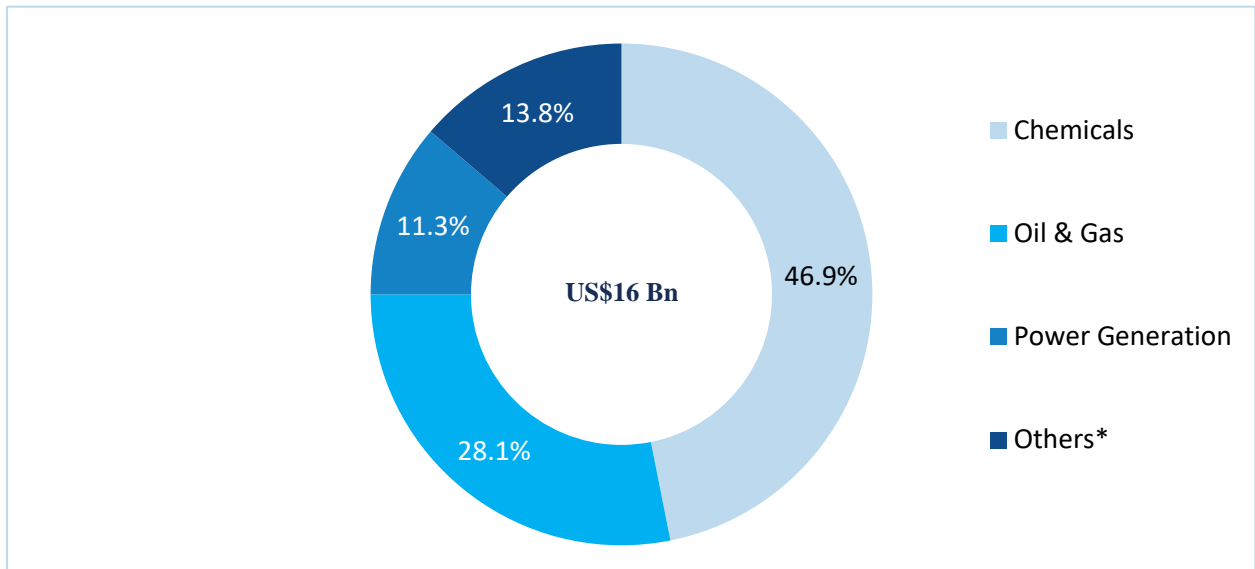
There is a surge in power and energy demand all over the world due to rising industrialization and urbanization, resulting in power Generation sector being one of the fastest growing segment. This expansion is being pushed by the increased use of renewable energy sources such as solar and wind, both of which require high-pressure containers for energy storage and distribution. Furthermore, the transition to greener energy sources and the modernization of aging power plants with efficient technologies contribute to the sector's rapid growth in the pressure vessel market.

Pressure vessel markets are expanding since industries are placing greater emphasis on safety, efficiency, and regulatory compliance. In light of the increasing worldwide energy demand, efforts to develop infrastructure, and continuous technological progress, pressure vessels continue to be essential elements of contemporary industrial processes on a global scale.

Storage Tanks

Several factors have contributed to the recent increase in demand for storage tanks, including the expansion of the petrochemical industry, rising oil and gas consumption, and increased expenditure on infrastructure construction. These containers ensure the accessibility and dependability of a variety of substances, including water, renewable energy sources, petroleum, and chemicals, by storing them in a secure manner.

Storage Tanks Market, Global, Split by End-user Segment, CY23 (%)



Source: Primary Research, Frost & Sullivan Analysis

**Others include Pharmaceuticals, Water and Wastewater, Construction, General Engineering, etc.*

Increasing global energy consumption necessitates adequate storage facilities for refined products, natural gas, and crude oil, which propels the expansion of the storage tank market.

The proliferation of infrastructure development investments has additionally contributed to the escalating need for storage containers, as countries strive to improve their major urban areas, industrial complexes, and transportation networks. These storage containers maintain a consistent inventory of construction materials such as aggregates and cement, which are critical for undertaking infrastructure development endeavours. Furthermore, the storage tank market is substantially impacted by the petrochemical industry, as it necessitates more tanks to accommodate the storage of finished products, intermediates, and raw materials utilized in the manufacturing of plastics, chemicals, fertilizers, and pharmaceuticals.

The market dominance of hazardous storage containers can be attributed to the extensive utilization of petroleum products, chemicals, and other perilous materials in sectors including chemical manufacturing, pharmaceuticals, oil and gas, and chemical production.

The critical need for secure containment and management of these substances to mitigate environmental risks, ensure worker safety, and adhere to stringent regulatory standards propels the demand for this segment. Petrochemical refineries and chemical processing facilities, among other industries that handle hazardous materials, necessitate storage solutions that can withstand corrosive environments and extreme temperatures. Moreover, the growing emphasis on safeguarding the environment and mitigating risks exacerbates the need for sophisticated hazardous storage tank systems that are outfitted with cutting-edge monitoring and safety functionalities. With the ongoing global expansion of industries and the increasing stringency of regulations, it is anticipated that the demand for hazardous storage containers of superior quality will persist. However, this demand would increasingly prioritize sustainability and adherence to environmental standards.

Global - Key players

The global storage tank market is highly competitive, with a diversified selection of manufacturers, suppliers, and service providers catering to a wide range of industries and applications around the world. Key market competitors frequently compete on variables such as product quality, innovation, customizing capabilities, geographic reach, and pricing tactics.

Established firms with substantial experience and a solid industry reputation, such as CST Industries, McDermott International, and Snyder Industries, maintain a competitive advantage through their diverse product portfolios, technological knowledge, and global presence. Besides regional suppliers frequently concentrate on niche markets, specialized applications, or creative solutions to differentiate themselves and gain market share. Market players frequently use strategic partnerships, mergers, acquisitions, and collaborations to broaden their market presence, improve their product offerings, and strengthen their competitive position in the expanding storage tank industry. Regulatory compliance, environmental sustainability, and technical improvements continue to change the industry's competitive dynamics, requiring businesses to innovate and adapt to changing client wants and market trends.

Reactors (Pressure Vessels)

- **IHI Corporation:** IHI Corporation is a heavy industrial machinery manufacturing company headquartered in Japan. They have a significant presence in the global market, serving various industries with their wide range of products and services. Their product portfolio includes aero engines, air traffic control, boilers, environmental response systems, bridges, steel structures, compressors, cryogenic products, and others.
- **Babcock & Wilcox Enterprises, Inc.:** Babcock & Wilcox Enterprises, Inc. is a leader in energy and environmental products and services for power and industrial markets worldwide. They have a strong market presence, particularly in the energy sector. Their product portfolio includes systems and components for energy production units. They have reported significant growth across all business segments.
- **Pressure Vessels (India):** Pressure Vessels (India) is one of the leading manufacturers and exporters of Coded Pressure Vessels, Shell & Tube Heat Exchangers, Storage Tanks & Distillation Columns. They have a significant presence in the Indian market, serving various industries with their wide range of products and services. They are integral components in various industries, including oil and gas, chemicals, and manufacturing.
- **MITSUBISHI HEAVY INDUSTRIES, LTD.:** Mitsubishi Heavy Industries, Ltd. is a diversified group that produces systems and components for energy production units, among other things. Their product portfolio includes offshore wind turbines, pumps, turbochargers, reactors, compressors, aero-engines, gas turbines, nuclear power generators, and more. They have a significant presence in the global market, serving various industries with their wide range of products and services.

Storage Tanks (Non-Pressure)

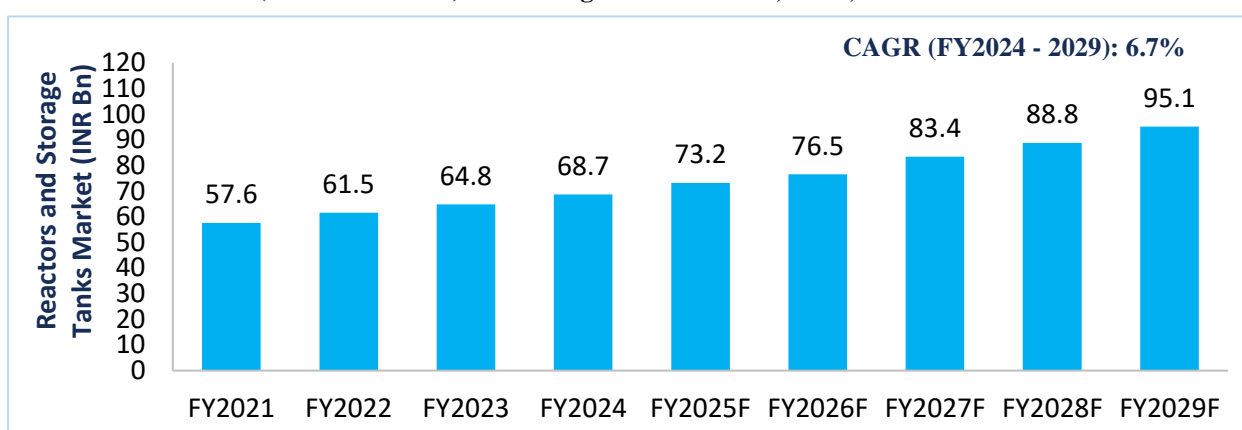
- **McDermott (US):** McDermott International, Inc. is a premier, fully integrated provider of technology, engineering, and construction solutions to the energy industry. They have a strong global presence, and their product portfolio includes systems and components for energy production units. They are also leading the way in the LNG market. They have been serving the LNG market for quite a few years and have developed processes and technologies to benefit their customers.
- **CST Industries (US):** CST Industries, Inc. is the global leader in manufacturing and construction of factory-coated metal storage tanks, silos, aluminium domes, and specialty covers. They have a significant global presence with offices located in North America, the United Kingdom, Argentina, Australia, India, Japan, Mexico, Panama, Singapore, United Arab Emirates, and Vietnam. Their product portfolio consists of CST Storage, CST Covers, and Vulcan Tanks. They have installed more than 375,000 storage tanks and 20,000 covers in 125 countries throughout the world.
- **PermianLide (US):** PermianLide is one of the leading manufacturers and exporters of Coded Pressure Vessels, Shell & Tube Heat Exchangers, Storage Tanks & Distillation Columns. They have a significant presence in the US market, serving various industries with their wide range of products and services.

They specialize in manufacturing steel and fiberglass storage tanks, treaters, separators, and vessels for the oil and gas industry.

- **Fox Tank Company (US):** Fox Tank Company specializes in manufacturing oil storage tanks and pressure vessels for the oil field industry. Their main offerings include API-12F tanks in standard capacities that range from 90 to 1000 barrels, as well as a range of ASME-certified separation equipment such as heater treaters, gas separators, and water knockouts. They primarily serve the oil production sector, including areas like the Eagle Ford Shale, Permian Basin, and Bakken Shale.
- **Highland Tank & Manufacturing Company Inc. (US):** Highland Tank & Manufacturing Company Inc. focuses on the manufacturing sector, specifically in the production of custom-built steel storage tank solutions. Their offerings include a variety of storage tanks for petroleum, chemicals, and water, as well as separators, interceptors, and filtration systems. They primarily cater to commercial and industrial sectors.

India Reactors (Pressure Vessels) and Storage Tanks Market

Reactors (Pressure Vessels) and Storage Tanks Market, India, FY2021-FY2028F



Source: Primary Research, Frost & Sullivan Analysis

The Pressure Vessels and Storage tanks market was estimated to be worth INR 68.7 Bn in FY2024. The market is expected to grow at a compound annual growth rate (CAGR) of 6.7% and generate INR 95.1 Bn in revenue during the forecast period.

Key Drivers:

- **Growing Demand for Nuclear Energy:** India has been aggressively pursuing nuclear energy as a part of its energy mix to reduce dependence on fossil fuels and mitigate climate change. This has led to increased demand for pressure vessels, which are critical components in nuclear reactors. The Indian government has set ambitious targets for nuclear power generation, with plans to increase its installed capacity from the current 6,700 MW to 22,480 MW by 2031.
- **Industrialization and Infrastructure Development:** India's rapid industrialization and infrastructure development are driving the demand for pressure vessels and storage tanks. The country's manufacturing sector has been growing steadily, with the government's 'Make in India' initiative aimed at increasing the sector's contribution to the GDP. This growth is expected to continue, leading to increased demand for pressure vessels and storage tanks.
- **Government Support and Incentives:** The Indian government has been providing support and incentives to the nuclear and manufacturing sectors, which is expected to boost the demand for pressure vessels and storage tanks. For instance, the government has announced plans to invest heavily in the nuclear sector, including the construction of new reactors and the development of associated infrastructure.
- **Technological Advancements:** Advances in technology are driving innovation in the design and manufacturing of pressure vessels and storage tanks. This is expected to lead to increased efficiency, reduced costs, and improved safety, making these products more attractive to industries.

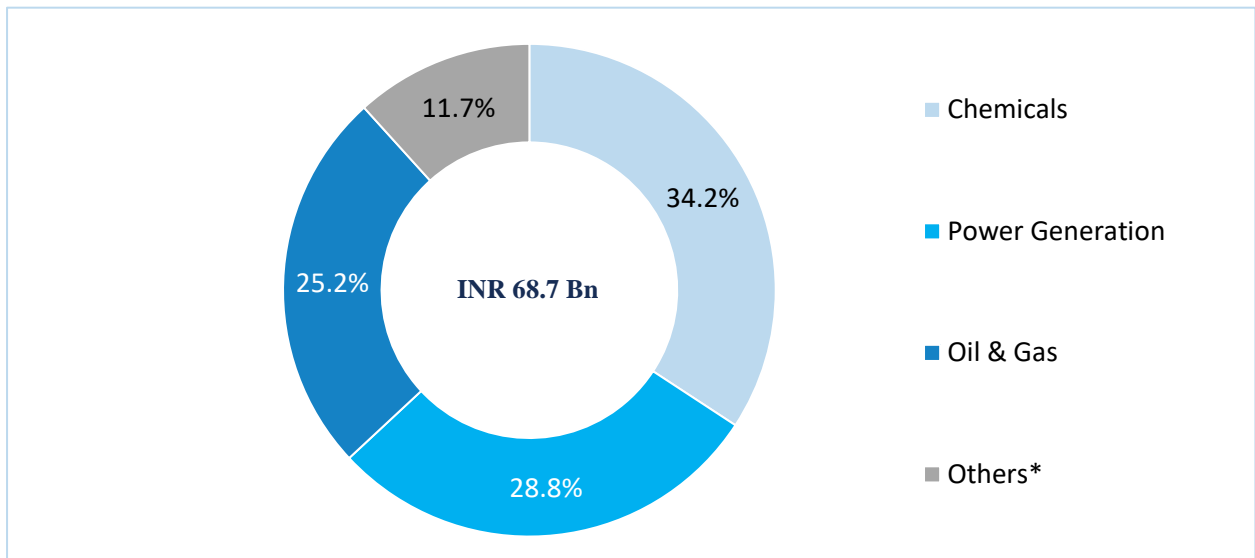
Product Related Trends: India

- The demand for pressure vessels is rising globally, wherein titanium, nickel alloys, and tantalum are used in the lining and cladding of these vessels.
- The choice of materials for storage tanks is critical to ensure durability, corrosion resistance, and safety. The trend is shifting towards the use of advanced materials such as stainless steel, fiberglass, and polyethylene, which offer improved performance and reduced maintenance costs.
- Design innovations are crucial to optimize storage tank performance, reduce costs, and enhance safety. The trend is towards the development of more efficient and compact storage tank designs that can accommodate increasing storage demands while minimizing environmental impact.
- The integration of digital technologies and automation in storage tank operations is becoming increasingly important. This includes the use of sensors, monitoring systems, and predictive maintenance to ensure optimal performance, reduce downtime, and improve safety.

India Reactors and Storage Tanks - Market Split by End-user Segments

- The pressure vessel market in India is growing as industrial processes become more complex and require advanced solutions for handling high-pressure substances. The market is being driven by the country's expanding industrial and manufacturing sectors.
- Pressure vessels are essential components in various industries, including petrochemical, oil and gas, food processing, and pharmaceuticals. As these industries grow and modernize, the demand for high-quality pressure vessels with advanced materials and safety features has increased.
- Government regulations and safety standards have also pushed companies to invest in updated pressure vessel equipment, stimulating market growth.
- The industrial sector remains the biggest driver of growth in India's storage tanks market. The increasing demand for storage solutions in industries such as chemicals, petrochemicals, and pharmaceuticals are driving the demand for storage tanks. The growth prospects are further boosted by the expansion of existing facilities and the commissioning of new projects.

Reactors and Storage Tanks Market, India, Split by End-user Segment, FY24 (%)



Source: Primary Research, Frost & Sullivan Analysis
*Others include pharmaceuticals, manufacturing etc.

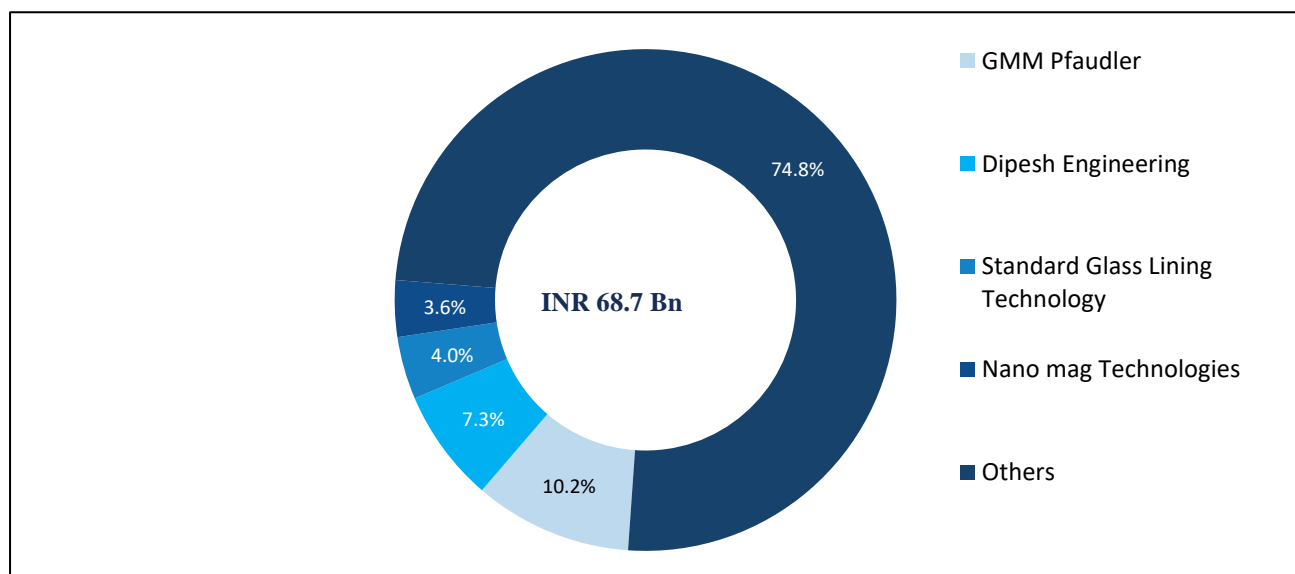
- The Asia-Pacific region, including India, dominates the market and is likely to witness the highest CAGR during the forecast period. This growth is attributed to the increasing investments in oil and gas, chemical, and fertilizer industries in the countries of this region, including India.
- Many governments and companies in the region are investing a significant amount in power and refining sectors, which include the usage of several pressure vessels.
- The Western region of India, particularly the states of Maharashtra and Gujarat, are significant contributors to the storage tanks market. The region's strong industrial base, including the chemical and petrochemical sectors, drives the demand for storage tanks.

India - Key players and their market share

The India Pressure Vessels and Storage tanks market is consolidated. More than 15 players actively operating in the market. The top 3 players account for ~22% of the total market share.

In India, the leading manufacturers of Pressure Vessels and Storage tanks market include Standard Glass Lining Technology, Thermotech Engineering, Dipesh Engineering works, Nano-Mag Technologies, Pressure Vessels India etc. These market players have achieved strong market position due to their strong regional presence, large client base, and capacity to design solutions to meet unique customer needs.

Reactors and Storage Tanks Market, Market Share, by Key Players FY24 (%)



Source: Company Website, Annual Report, Filings, Primary Research, Frost & Sullivan Analysis
 *Others include Kardani Engineering, Abster Equipment

SGLT has introduced innovative product lines:

No Stain Glass - Customers face the challenge of stains forming on the glass lining of their reactors. To meet the customer challenge SGLT developed a new type of glass, called "No Stain Glass," which effectively prevents these stains from forming

Smart Seal - Smart Seal is a protective bush designed to fit snugly around the manhole cover of a glass-lined reactor, providing a barrier to prevent the maintenance hole cover from hitting the vessel. The protective bush is made of a durable, non-contaminating material and is designed to be easily removable for cleaning or maintenance purposes. The invention addresses the need for a more efficient and reliable mechanism for manholes, eliminating the dependence on traditional gaskets and the skilled process of shimming to prevent leaks. Standard Glass has filed a patent for developing this technology.

Clampless Manhole - In the reactors, Clamping the manhole is a main challenge and requires a huge effort from the user side. Instead of using clamps, Standard Glass uses Bolting cleats. It requires less Torque and is easy to operate with long durability.

Extended Nozzles - Traditional ways of Lining nozzles generally damages them due to spillage of the corrosive chemicals on the MS (Mild steel) surface. Improper vapor column assembly, charging Lines, or any other lines cause leakage and damage to the MS surface. Standard Glass has developed and provided glass lining on the outer periphery of the nozzle to resolve this issue.

Thermotech Engineering:

Thermotech Engineering was founded in 1991 with an emphasis on supporting the pharmaceutical, food & beverage, personal care, chemical, petrochemical, and oil/gas industries. They create and build cGMP and chemical reactors, agitators, pressure vessels, heat exchangers, and storage tanks. Chinchwad, a prosperous industrial area, has one factory that covers an acre. The second is in the Chakan industrial region (near Pune) and covers three acres. They are a team of 150 individuals and produce roughly 250 reactors per year.

Dipesh Engineering Works:

Dipesh has been a pioneer in providing solutions to the chemical process industry, such as reactors, heat exchangers, autoclaves, distillation columns, scrubbers, agitators, pressure vessels, and turnkey plants, in a variety of materials such as High-Alloy Steel, Titanium Alloys, Inconel, Monel, stainless steels, carbon steels, and so on. Dipesh Engineering Works caters to the Client's stringent requirements by providing robust, safe, and agile equipment and solutions.

Nano-Mag Technologies:

Nano-Mag Technologies is a one-stop shop for high-pressure reaction needs, including catalytic hydrogenation, ethoxylation hydrogenation, polymerization, chlorination, alkoxylation, ethoxylation, alkylation, amination, esterification, bromination, carboxylation, oxidation, and a variety of high-pressure gas-liquid, gas-slurry, and liquid-liquid reactions at laboratory, R&D, pilot plants, and commercial scale capacities.

The company manufactures and supplies high pressure reactors for various industries, including R&D, pharmaceuticals, petrochemicals, agrochemicals, fertilizers, pesticides, resins, polymers, paints, food colors, dyes, and academia. They successfully manufactured and commissioned high-pressure reactors, hydrogenators, autoclaves, and magnetic drives.

ISGEC Heavy Engineering:

ISGEC Heavy Engineering Ltd. is a diversified heavy engineering company headquartered in India. It has evolved and adapted itself to the growing needs of the international market and has become a name to reckon with. ISGEC Heavy Engineering Ltd. manufactures industrial equipment and offers contract manufacturing services. The Company produces pressure vessels, heat exchangers, presses, boilers, iron and steel castings, sugar processing machinery, and liquefied gas containers.

Karadani Engineering

Karadani Engineering was established in the year 2006. It is a manufacturer and exporter of various types of Pressure Vessels, Storage Tanks, Chemical Reactors (with either Jacket or Limpet), Mixing Tanks, Autoclave and Resin Plants. It serves majorly in Chemical, pharmaceutical, food & beverage, industrial and personal & homecare. The company has been successfully exporting its products to Demark, UAE and has a business presence in Asia and Africa.

Abster Equipment

Abster Equipment's is a manufacturer and supplier of process equipment for Chemical and allied industries. Reaction Vessel, Agitators, Chemical Reaction Vessel, Ribbon Blenders, Limpet Coil Reaction Vessel, Nutsche Filter Dryer, Resin Plants, Chemical Reaction Kettle, Animal Feed Ribbon Blender, Stainless Steel Reactor, Vacuum Tray Dryer (VTD), Pickle Mixer Machine, Reaction Tank, Stainless Steel Reactor Kettle are some of its key product offerings.

Overview of Filters and Dryers Equipment Industry

Filtration and Drying Equipment Industry - Overview

Filtration and drying are critical operations in a wide range of industrial processes that involve the separation of solid matter from solvent. The solid can then be discharged into the dryer in the same equipment. The advantages of using filtration and drying equipment are product isolation, reduced product handling, reduced operator exposure etc. Filtration and drying equipment are used in water and wastewater treatment, sewage processing, and the pharmaceutical, biopharmaceutical, and chemical industries. It's also used to remove particles from industrial lubricants and separate synthetic materials during production.

Filter dryers represent versatile units that amalgamate multiple batch process steps within a single vessel. They excel in solid/liquid separation and drying technology for batch operations necessitating the washing, isolating, and drying of solids. Adaptable to numerous chemical processes and compliant with stringent health and safety protocols, these units boast distinctive features such as a specialized agitator design optimizing the processing of thick, wet, or dry cakes, and a universal filter plate facilitating the utilization of various filter media. Available across diverse sizes and capacities, ranging from laboratory to pilot to full-scale production, this equipment is tailored to enhance performance and efficiency.

Key Growth Drivers - Global

Both markets are driven by factors such as strict quality standards, the quest of more efficient manufacturing techniques, and the emphasis on product purity. As businesses evolve, the demand for innovative and dependable filtration and drying equipment is projected to persist. These systems not only assure the efficiency and quality of industrial processes, but they also play an important role in protecting product integrity and meeting regulatory standards across a wide range of industries, accelerating their adoption and market expansion.

Product Types and Applications

Filtration

It is a technique to separate the solids from the liquids. It is a physical or biological process intended to separate solid from gases or liquid matter with the use of a filter medium in which the liquid permeate and the solid is left to retentate. There are majorly two categories in filtration.

- Product filtration - Micron filter, Candy filter, Module filter, sparkler filter, leaf filter, ANFD, Centrifuge, Pressure nutsche filter, bag filters, Nutsche filter, Filter press, Rotary pressure filter etc.
- Bi-product filtration- Agitated Nutsche Filter- Dryer (ANFD), Bag filters, Nutsche filter, Pressure nutsche filter, etc.

ANFD filtration is a very popular type of filtration and drying technique and is very popular among the end user segments. It shares about 50% market share of filtration and drying equipment globally.

Nutsche filtration is a batch filtration method where vacuum and pressure are used in a closed vessel. It allows the process to be carried out in product isolation, minimal operator exposure, reduced product handling, vaporization, and protection against environment.

Agitated Nutsche Filter/Dryers (ANFD)

Agitated Nutsche Filter/dryer is a multipurpose piece of equipment used in various industries. It is used to isolate and extract solids from solvent. It is a closed system that can be operated in certain pressure, pH or temperature. It also prevents contamination of the product from outer environment.

They are very flexible from a process standpoint, while they are used to separate solids, they are also used to separate solutions like catalysts etc. ANFD is also employed for the following operations: filling, filtering, displacement washing, slurry washing, smoothing, drying, chilling, and discharging. The pharmaceutical industry's product hygiene and integrity are maintained by ANFD's closed system, which guarantees odorless, contamination-free, and non-polluting working conditions.

As ANFD is used in typically high toxic environment they are manufactured in stainless steel, specialty alloys, high alloy steel, glass-lined steel or borosilicate glass which are chemically inert. They are available in both

manually operated and fully automated which uses combination of electric, pneumatic and hydraulic systems. ANFDs are widely used in specialty chemical and pharmaceutical industries. They are commonly used for the filtration and drying of active pharmaceutical ingredients (APIs) and chemical substances in paint, pharmaceutical, chemical, and R&D laboratory industries. There are other techniques for extracting APIs from a slurry but the combination of slurry filtration, product washing, and vacuum drying operations into a single unit is the most obvious advantage of ANFD.

Centrifuge

Centrifuge filtration methods are used when high viscosity solvents are involved. This method uses centrifugal force created by fast circular movement of the device. In this process high rpm is used to separate the solids suspension onto a filter which only permits the solvent to pass through it. The filtered product then falls down of the centrifuge and is collected in a vessel. Broadly two types of centrifuges are used for industrial purpose – (1) sedimentation and (2) filtering centrifuges. Sedimentation allows the heavier solid to settle down on the impermeate surface and the solvent to separate from the solid. It usually involves long settling time for fine particles. In filtering centrifuges, the centrifugal force is used to collect the solid on filters like wire mesh or cloth to form solid cake and the liquid to pass through it.

Filter Press

A filter press separates the liquids from solids by applying pressure through the membrane using pneumatic systems. In this process, the slurry is fed into the filter press and pressurized to separate the solids from the solvent. Usually, filter press is designed based on the solid concentration, volume, and type of solid to be separated. This technique is used in the food and beverage industry, chemical manufacturing, mining, power generation, etc. The output is higher in this method as compared to the centrifuge and also has a low cycle time. The major components for the filter press are Pusher cylinders, bomb doors, and membranes arranged alternatively.

Drying

It is a technique usually used along with filtration for drying and evaporating moisture or solvent from the filtered solids. It was utilized to extract moisture from solids after filtration, thereby preparing the product for subsequent processes or final usage. They are engineered to reduce production and drying durations while adhering to crucial containment standards to minimize environmental and worker exposure.

Rotary vacuum paddle dryer

Rotary vacuum paddle dryer is used to get dehydrated powder from wet cake and slurries. It consists of a cylindrical vessel with a hollow shaft and paddle. The paddles are heated and rotated inside the cylinder with minimum clearance to the scrap the feed off the heated wall which makes the equipment more efficient. The system consists of dust collector, condenser, receiver, and vacuum pump.

Market Segmentation of Filters and Dryers

Market segmentation in the filters and dryer equipment industry encompasses various dimensions.

Applications:

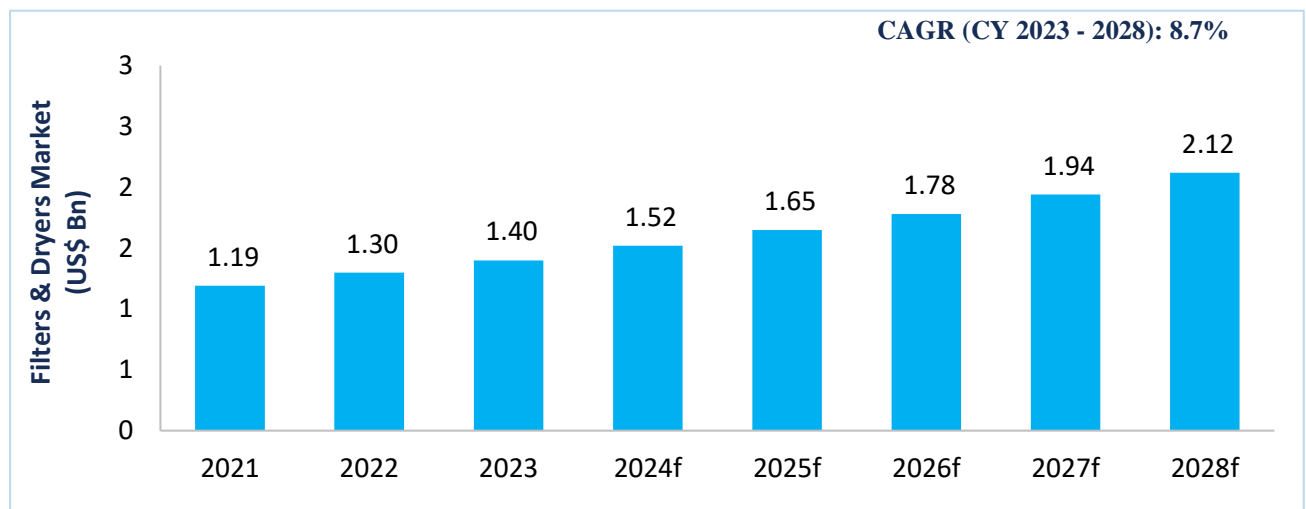
In terms of application, filtration and drying equipment are utilized in water and wastewater treatment, as well as sewage processing. They are crucial for the removal of particles, such as metal shavings, from industrial lubricants. Additionally, in the pharmaceutical sector, Agitated Nutsche Filter-Dryers (ANFD) are indispensable equipment with versatile applications. Geographically, the demand for filtration and drying equipment is surging in the U.S. due to factors such as stringent quality requirements for pharmaceutical products, the need for more efficient manufacturing processes, and the emphasis on maintaining product purity.

Global Filters & Dryers Market

Market Size and Growth Outlook

The Filters & Dryers (F&D) Market was estimated at US\$1.4 Bn in CY2023. The Filters & Dryers Market is expected to increase from US\$ 1,4 Bn in 2023 to US\$ 2.12 Bn by 2028, with a CAGR of 8.7% over the forecast period (2024-2028). The F&D market are characterized by the presence of many small and large-sized manufacturers. It is a consolidated market The market is consolidated, and the HLE Glascoat has 35-40% market share.

Filters & Dryers Market, Global, CY2021-2028F

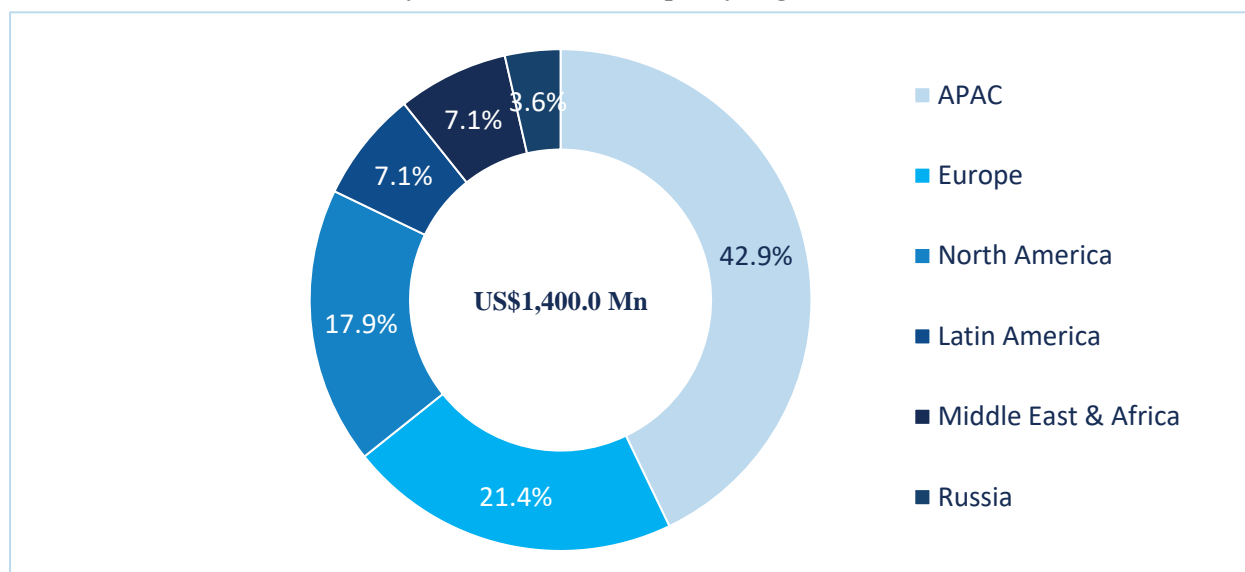


Source: Primary Research, Frost & Sullivan Analysis

The F&D equipment market is primarily driven by end-user industries such as pharmaceuticals, chemicals, water and wastewater treatment, food and beverage, and so on. In the pharmaceutical industry, filtering and drying are two critical procedures. Commercial uses, such as the food sector, use filtration and drying equipment to process food. As economies grow, so does the demand for food and beverages, medications, chemicals, healthcare, and other items, all of which contribute to an increase in demand for the F&D equipment.

The F&D equipment market is primarily divided into two categories: (1) ANFD and (2) centrifuges, which account for more than 80% of the industry. Centrifuges are widely used in the pharmaceutical sector for bulk manufacturing and the evaluation of suspensions and emulsions. The most used approach is ANFD, which combines filtration and drying in a single piece of equipment. ANFD is the primary market driver for the F&D sector. The ANFD filtration & drying equipment is the largest market share of all the equipment types available followed by the centrifuge technique of filtration. It is estimated to grow at faster pace than centrifuges F&D equipment due to its easier and consolidated design to accommodate a wide range of processes.

Filters & Dryers Market, Global, Split by Region, CY23 (%)



Source: Primary Research, Frost & Sullivan Analysis

Asia Pacific dominates the F&D equipment market, accounting for 42.9% of the total market share, followed by Europe and North America. Asia Pacific is expected to grow at a CAGR of 10.0% from 2023 to 2028, followed by Europe and North America at CAGRs of 6.5% and 7.0%, respectively, over the same period. Asia Pacific is home to some of the world's fastest-growing pharmaceutical and chemical industries. India is one of the world's top medication makers, whereas China is a major chemical producer and exporter.

The US market accounts for over 40% of the worldwide pharmaceutical market and approximately 20% of global output. The increasing aging population and growing incidence of chronic disorders in the US is driving the growth of the healthcare sector, resulting in increased demand for F&D equipment. The increased demand for sophisticated specialty products is driving manufacturers to focus on the creation of new and novel specialty chemicals. This initiative is expected to benefit the chemical industry and expand the F&D business.

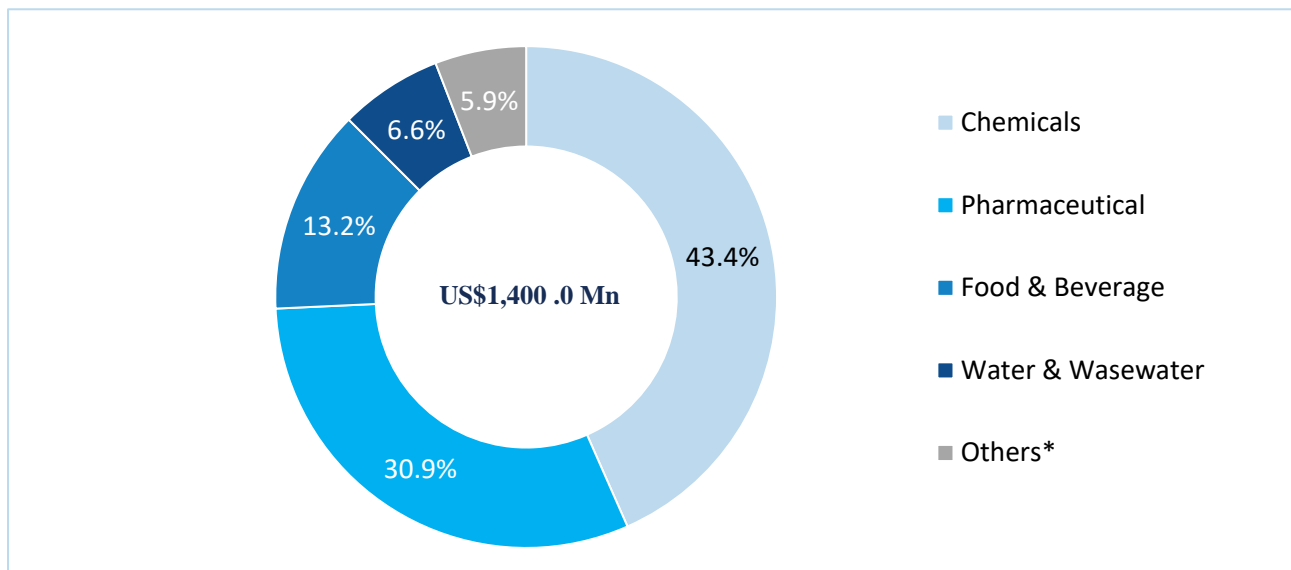
Filtration and drying F&D equipment are widely used in Europe in the pharmaceutical, chemical, water and wastewater treatment, and food and beverage industries. More than 80% of the population is connected to wastewater treatment and growing awareness of water pollution, and environmental rules surrounding waste discharge in water bodies, hence fuelling the need for F&D equipment. Water waste management is a major concern in Europe. It is also a major consumer of F&D equipment. With rising urbanization, this industry is expected to expand, benefiting the F&D sector in Europe as well.

In APAC, the chemical category accounts for around 42% of the total market share, with pharmaceuticals accounting for approximately 30%. The chemical industry is also predicted to expand in this region due to the presence of key driving countries such as China and India. The chemical sector requires high precision, improved heat transmission, and other features that F&D equipment can meet. This business relies heavily on F&D equipment, which is fuelled by the region's growing chemical sector.

Global Filters & Dryers - Market Split by End-user Segments

The chemical segment dominates the market for F&D equipment, followed by pharmaceuticals. Both sectors together account for 74.3% of the entire market share. With increased penetration of these equipment in other sectors, the F&D market is expected to develop, with sectors such as water and wastewater treatment and food and beverage growing their market share in the future years. The pharmaceutical industry is also likely to incorporate more of this equipment into its production lines.

Filters & Dryers Market, Global, Split by End-user Segment, CY23 (%)



Source: Primary Research, Frost & Sullivan Analysis

*Others include Process Industries etc.

Pharma

The pharmaceutical sector primarily uses F&D equipment to produce Active Pharmaceutical Ingredients (API). API manufacture is strictly regulated because they are the active component of any medicine. Manufacturing requires clean, safe, and cost-effective manufacturing equipment. In this scenario, ANFD are primarily used because they provide closed systems that provide an odourless, contamination-free, and sanitary working environment, which is critical for pharmaceutical manufacture. This sector is seeing a surge in F&D equipment due to the attributes as well as a high level of automation and customization based on the type of procedure to be carried out. This increase in use is likely to propel the F&D equipment industry at a steady pace. By 2026, the API drug market for F&D is estimated to reach US\$287 Mn. Meanwhile, the pharmaceutical market for F&D equipment is currently worth US\$375 Mn and is projected to reach US\$568 Mn.

Chemicals

F&D equipment are increasingly being used in the chemical industry because to their excellent chemical resistance and adherence to important filtration standards required by the end product. This equipment is used to separate a wide range of substances, including dyes, insecticides, glycerine, chemicals, pigments, and soda, due to its durability, safety, optimization, and efficiency. Chemical manufacturing requires high-performing F&D equipment that may be used to maximize heat transfer, reduce drying time, and create outstanding high-quality discharge. F&D equipment is also commonly utilized in specialty chemicals such oils, gelatine, castor oil, and collagen. The chemical industry market for filtration and drying is expected to rise to US\$700 Mn by 2026, owing to increased usage of F&D equipment. F&D equipment is widely used in the petrochemical industry. In the dyeing industry, centrifugation is used to separate heterogeneous colloidal materials like ink particles. ANFD is mostly utilized to carry out these activities and remove harmful substances from the final products.

Global - Key players

The global F&D sector is highly competitive because of the presence of both privately and publicly held enterprises. F&D manufacturers use a variety of methods, such as acquisitions, mergers, joint ventures, new

product development, regional expansions, and so on, to penetrate the market and meet changing technological and capacity-based demands from diverse end-user sectors.

HLE Glascoat Limited

HLE Engineers Pvt. Ltd. was established in 1981 and merged with Swiss Glascoat Equipment Limited established in 1991 to form HLE Glascoat Limited in 2017 and is headquartered in Gujarat, India. HLE operates in a highly specialized equipment manufacturing space with a high barrier to entry. The company offers a wide variety of equipment like F&D, GLE and exotic material equipment. The company provides solution for storage, reaction, heat transfer, distillation and solid-liquid separation. They cater to end users like chemical, pharmaceutical and allied industry. The company serves globally across 22 countries such as Canada, the US, Mexico, Argentina, Brazil, Spain, Germany, Hungary, Jordan, Slovenia, South Africa, Egypt, Turkey, India, Thailand, Singapore, China, Taiwan, Australia, South Korea, Japan, and Russia. HLE Glascoat has acquired Thaletec Inc., becoming a major player in Germany as well.

GMM Pfaudler Limited

GMM Pfaudler is an American multinational company founded in 1962 headquartered in Rochester, New York, US. GMM was founded in Gujarat as Gujarat Machinery Manufacturers and formed a joint venture with Pfaudler Inc. US in 1987. They have a wide range of products includes glass-lined and alloy systems, filtration and drying, engineered column systems and fluoropolymers etc. They provide end-to-end solutions-oriented approach and offers integrated solutions. Their integrated solution includes designing, manufacturing, installation and servicing of corrosion-resistant equipment according to the customer's requirement.

GMM Pfaudler has more than 1800 employees across 4 continents and has 14 global manufacturing facilities. They cater to sectors like chemical, pharmaceutical, food & beverage, oil & gas etc. They provide solutions in Glass-lined technology, Lab & Process Glass, Filtration & Drying, Mixing Technology, Sealing Technology, Alloy Process Equipment and Fluoropolymers etc. The company have manufacturing units in Brazil, China, Germany, India, Italy, Switzerland, UK and US.

Heinkel Process Technology GmbH

Heinkel Process Technology GmbH was established in 1960 headquartered in Besigheim, Germany. The company has wide range of brands like BOLZ-SUMMIX, COMBER, HEINKEL, and JONGIA. The company offers a wide range of products like Nutsche filters & filter dryers, mixers, centrifuges, pilot plant equipment, etc. These products are used in pharmaceutical, chemical, free chemical, food products, and surface coating segments. Apart from this, the company offers a wide of technical support services, spare part maintenance, software services, etc. They provide training, upgrades, installations, optimization solutions as well.

3V Tech S.P.A

3V Tech S.P.A was established in 1976 headquartered in Bergamo, Italy. The company provide solution for advanced process systems and equipment. The company has two design and manufacturing sites in Italy. The company focuses on innovation and investment in its Research and development. They provide solutions which includes pilot plant runs and fulfils all cliental requirements. The company has two design and manufacturing facilities with combined area of about 16000 square meters and around 2000 square meter testing facility for R&D.

3V Tech has market in Europe, North and South America and Asia. They provide solution for products like filters & dryers, tanks, evaporators, crystallizers, reactors, heat exchangers, glass-lines products like reactors, plants, columns, etc.

De Dietrich Process Systems

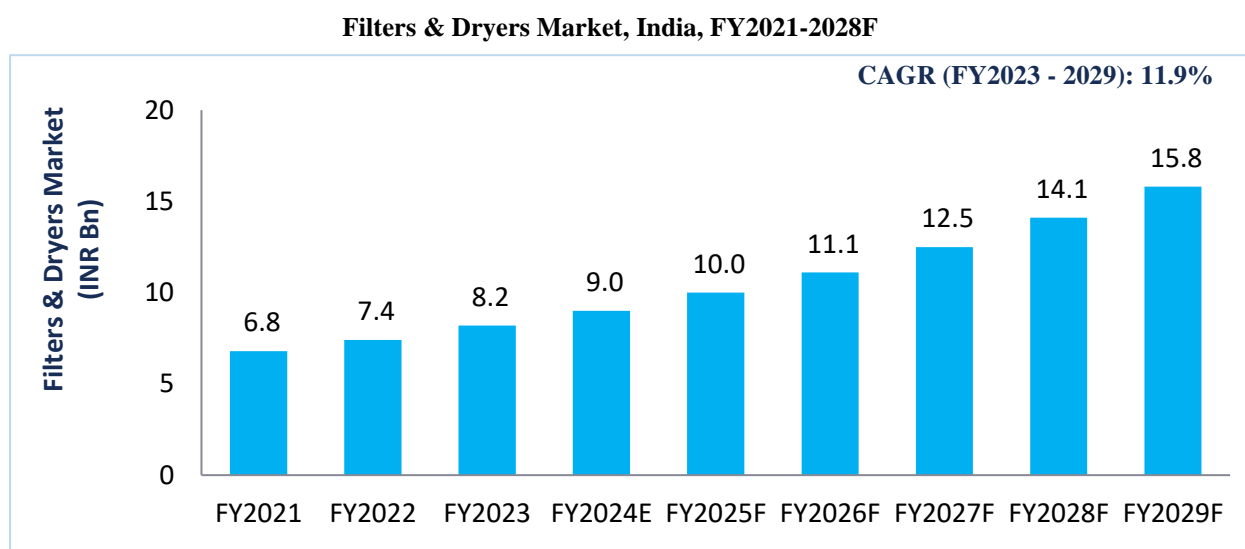
De Dietrich process systems provide comprehensive solutions for fine chemical and pharmaceutical industries. It has more than 330 years of experience in providing process equipment, engineered systems, and process solutions.

They provide services like upgradation and modernization, field service, trials and rentals, spare parts, training, etc.

De Dietrich serves industries like Pharmaceuticals, fine chemicals, specialty chemicals, green chemistry, pigments, and precious metals. They provide solutions for reaction, distillation & evaporation, extraction, liquid-solid separation, vacuum drying, powder handling, containment, heat transfer, enamel- Borosilicate glass, water waste treatment, etc.

India Filters & Dryers Market

F&D market in India was estimated to be worth INR 9.0 Bn in FY2024. The market is expected to grow at a 11.9% CAGR and generate INR 15.8 Bn in sales during the forecast period (FY2023-2028).



Source: Primary Research, Frost & Sullivan Analysis

Key Drivers

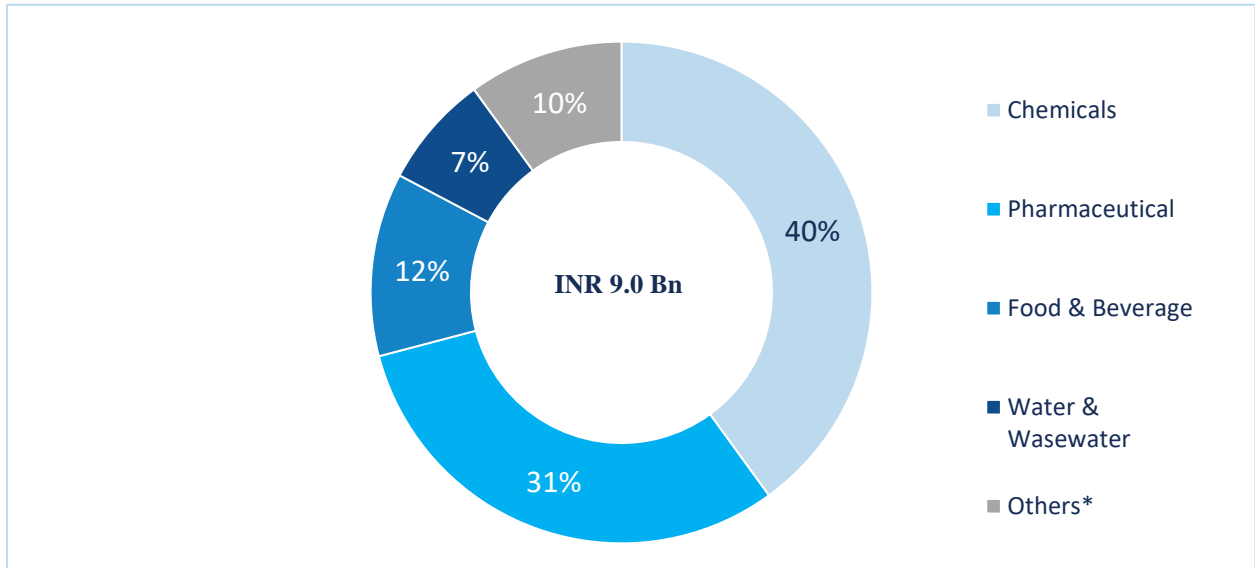
India is a major producer of F&D globally. It is also one of the market's largest users as the pharmaceutical and chemical industries grow. According to the Union Budget 2023, the pharmaceutical industry is India's "sunrise sector" with the goal of becoming the "pharmacy of the world". This boosts the F&D equipment market, which is mostly employed in medication manufacture.

The Indian F&D market is primarily driven by ANFD. Because ANFDs provide consolidated equipment such as filtration, washing, and drying, they are becoming increasingly popular in the pharmaceutical industry for the manufacturing of generic pharmaceuticals. The Agitated Nutsche Filter Dryer (ANFD) used in industries such as pharmaceuticals, dyes, textiles, paint, and wastewater treatment. Safety considerations and environmental concerns owing to solvent evaporation led to the growth of this type of filter. Challenges facing the market include technological obsolescence, necessitating constant innovation to keep pace with evolving industrial processes and environmental regulations.

India Filters & Dryers - Market Split by End-user Segments

The Indian chemical industry is made up of many small and medium-sized businesses as a result of increased local demand and high chemical realizations due to high costs. The industry contributes to the production of consumer goods, building materials, fuels, cosmetics, and so on. Because of their relevance, they demand great performance, enhanced heat transfer, and faster drying periods. F&D equipment are critical to this industry and are expected to expand alongside the burgeoning chemical industry.

Filters & Dryers Market, India, Split by End-user Segment, FY24 (%)



Source: Primary Research, Frost & Sullivan Analysis

*Others include process industries like O&G etc.

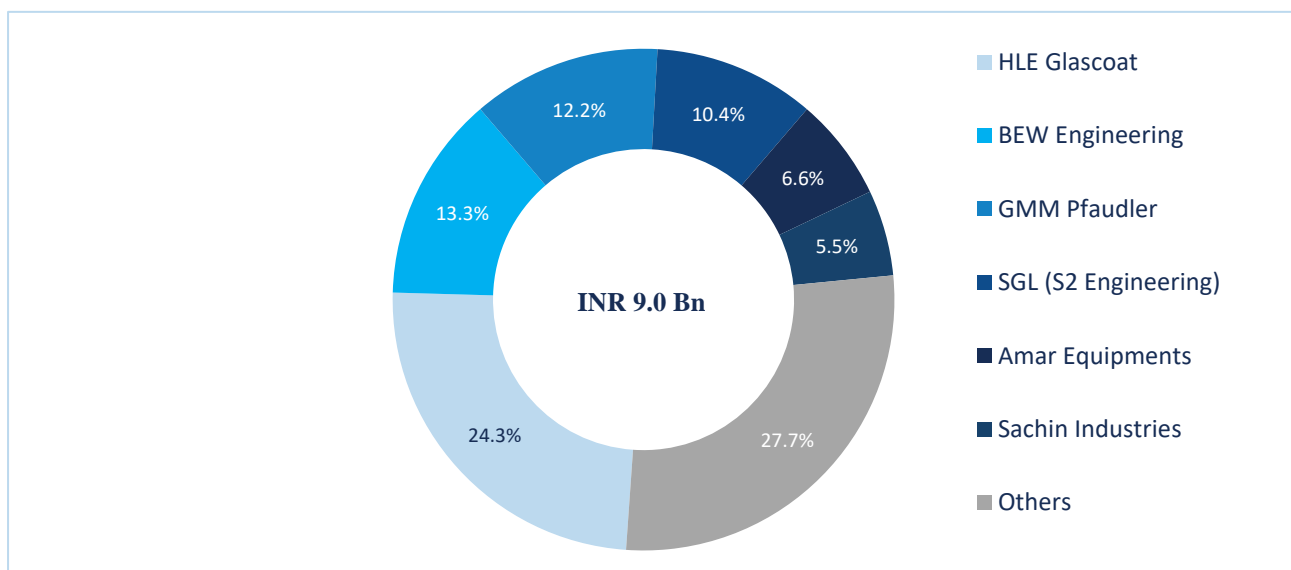
The pharmaceutical sector in India is seeing major inflows from international investors due to its ability to drive the global pharmaceuticals market. There is a burgeoning market for complex drugs used to treat chronic ailments such as arthritis, cancer, and diabetes, which India intends to enter in the coming year. These medications require contamination-free, efficient production equipment. F&D equipment firms are investing in R&D to meet the expanding demand. The demand for high-quality products in the pharmaceutical industry is expected to drive the F&D equipment market in India.

Rapid urbanization, changing lifestyles, and food habits all contribute to the development of India's food and beverage business. Filtration and drying equipment are employed in various operations in this industry, such as impurity removal and protecting the taste and quality of food and beverages, which aids in the penetration of F&D equipment.

India - Key players and their market share

The India Filters and Dryers market is highly consolidated, with a limited number of leading manufacturers. There are around 6 – 7 players actively operating in the market. The top three players account for around 72% of the total market share.

India Filters & Dryers Market, Market Share, by Key Players FY24E (%)



Source: Company Website, Annual Report, Filings, Primary Research, Frost & Sullivan Analysis
 *Others include Promas Engineers and imports.

With a 24.3% market share, HLE Glascoat Ltd is the market leader in this sector. In the Indian market, BEW Engineering Pvt Ltd and GMM Pfaudler are the other key players. Due to the demand, a large number of small businesses are emerging in India which significantly increases market demand. The F&D sector is distinguished by the existence of major, well-established firms with a robust clientele. Since this market is quite specialized, it is difficult for new players to enter, and demands expensive initial investments and effective R&D setup. The top 3 companies attained their market position because of their diverse product portfolio, technical expertise, strong regional presence, large client base with a good retention percentage, and capacity to design solutions to meet unique customer requirements.

Standard Glass Lining Technology is one of the top 4 players in this market and controls a market share of 10.4% in FY 2024.

HLE Glascoat Limited

HLE Engineers Pvt. Ltd. was established in 1981 and merged with Swiss Glascoat Equipment Limited established in 1991 to form HLE Glascoat Limited in 2017 and is headquartered in Gujarat, India. The company offers a wide variety of equipment like F&D, GLE, and exotic material equipment. The company provides solutions for storage, reaction, heat transfer, distillation, and solid-liquid separation. They cater to end users like chemical, pharmaceutical, and allied industries. The company serves globally across 22 countries such as Canada, the US, Mexico, Argentina, Brazil, Spain, Germany, Hungary, Jordan, Slovenia, South Africa, Egypt, Turkey, India, Thailand, Singapore, China, Taiwan, Australia, South Korea, Japan, and Russia. HLE Glascoat has acquired Thaletec Inc., becoming a major player in Germany as well.

BEW Engineering Limited

BEW Engineering Limited was founded in 2011 and headquartered in Mumbai and offers a wide range of filtration solutions, mixing and drying equipment. They serve sectors like pharmaceuticals, sterile applications, intermediate compounds, fine chemicals, chemicals, agrochemicals, pesticides, dyes, and food products. They export their product to Turkey, Nigeria, Indonesia, Thailand, Malaysia, Uganda, Arabia, China, and Nepal.

GMM Pfaudler Limited

GMM Pfaudler is an American multinational company founded in 1962 and headquartered in Rochester, New York, US. GMM was founded in Gujarat as Gujarat Machinery Manufacturers and formed a joint venture with Pfaudler Inc. USA in 1987. They have a wide range of products including glass-lined and 58 alloy systems, filtration and drying, engineered column systems fluoropolymers etc. They provide an end-to-end solutions-

oriented approach and offer integrated solutions. Their integrated solution includes designing, manufacturing, installation, and servicing of corrosion-resistant equipment according to the customer's requirement.

GMM Pfaudler has more than 1800 employees across 4 continents and has 14 global manufacturing facilities. They cater to sectors like chemical, pharmaceutical, food & beverage, oil & gas etc. They provide solutions in Glass-lined technology, Lab & Process Glass, Filtration & Drying, Mixing Technology, Sealing Technology, Alloy Process Equipment, Fluoropolymers etc. The company has manufacturing units in Brazil, China, Germany, India, Italy, Switzerland, UK, and US.

S2 Engineering Industries Ltd

They are one of the largest manufacturers of bulk drug and pharma equipment in India. The company was established in 2005, headquartered in Hyderabad, Telangana, India. The company designs and manufactures innovative, value-adding products to internationally recognized ISO, DIN, and ASME standards and is a leading manufacturer of stainless steel and nickel/exotic alloy process equipment such as Dryers, Filters, Reactors, Vessels, and Storage Tanks.

They specialize in the supply of bulk drug pharma equipment for new build and expansion projects across India and overseas and as such offer a full turnkey supply service including installation, commissioning, and extended equipment warranty, as required.

Amar Equipment Pvt. Ltd.

Amar Equipment Pvt Ltd. was established in 1974 and is headquartered in Mumbai, India. It provides a wide range of solutions -high-temperature high-pressure reactors and allied systems. The company offers products like agitated nutsche filters & dryers, heating cooling circulators, turnkey systems, flow reactors, and systems.

The company caters to specialty chemical & fine chemicals, pharmaceuticals, oil & gas, dyes and intermediates, and agrochemical & petroleum industries providing applications like hydrogenation, polymerization, alkoxylation and corrosion solutions.

OVERVIEW OF VACUUM PUMPS

VACUUM PUMPS - OVERVIEW

Vacuum pumps refer to devices that help reduce the pressure resulting from the gas in a chamber. These pumps are used to attain pressures between atmospheric and absolute zero. It is also used to remove gas molecules from an enclosed region to create a partial vacuum. The primary function of vacuum pumps is to create a partial vacuum within a container. It has a wide range of uses, including chemical and petrochemicals, oil and gas, propelled jet aircraft, tilt tanks, and assembly equipment.

The increasing use of vacuum pumps is due to technical breakthroughs, fast automation, higher industry standards, and the increasing complexity of industrial processes across several industries. Vacuum pumps' adaptability makes them important in a variety of applications, ensuring their continuous demand and adoption. Increasing focus on energy savings among end-use industries is expected to drive the demand for energy-efficient vacuum pumps.

Key Growth Drivers - Global

Demand for Energy-efficient Vacuum Pumps Due to Increased Focus on Energy Savings -

Increasing demand for energy efficiency in assets across applications is driving manufacturers to produce energy-efficient vacuum pumps. Manufacturers produce energy-efficient vacuum pumps that consume approximately 50% less energy and save up to 40% of the costs in operation. End users are interested in investing in energy and performance optimization solutions to reduce.

Operation and maintenance costs.

Emerging demand from pharmaceutical and biotechnology industries -

The global pharmaceutical and biotechnology industry is expected to exceed US\$472 Bn by 2020, growing at a CAGR of close to 9%. The pharmaceutical and biotechnology sectors are important end-users of industrial vacuum pumps, contributing to the growth of the global vacuum pump market in a substantial manner. Therefore,

the main purpose behind the use of vacuum pumps in these sectors is to achieve product quality assurance under the concept of good pharmaceutical manufacturing operations. Developing countries such as India have significantly seen growth in these industry segments.

Rising focus on renewable energy sources is likely to provide sustainable demand for vacuum pumps in the Solar PV space -

Every country is responsible for achieving its targets set in the form of Intended Nationally Determined Contributions (INDC) in the COP21 agreement. All the major global economies are expected to develop effective strategies to ramp up their renewable energy capacity. The trend toward lowering GHG emissions is likely to boost the adoption of PV modules.

The expanding solar energy market has opened up endless growth possibilities for vacuum pumps in the solar PV space. Solar PV is becoming a high-growth mainstream energy source in emerging markets. China and India continue to be the dominant participants in the adoption of solar energy.

Growth in Vacuum pump applications in Other Industries Like Nanotechnology, LED manufacturing, and Scientific Research sustain their high growth.

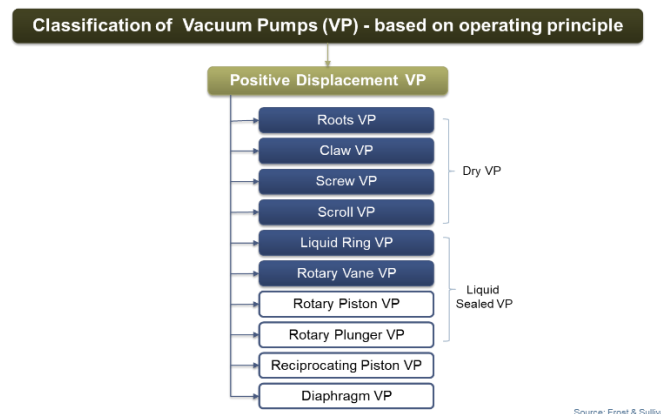
- Increasing focus on conservation of resources, coupled with the energy demand, is increasing the need for energy storage devices. Compact dimensions, minimum costs, and low-pressure requirements make vacuum pumps an ideal solution for energy storage applications.
- Lithium-ion batteries use oil-free multi-stage roots vacuum pumps or dry screw pumps in various stages of the production process to achieve suitable vacuum conditions due to their high suction capacity.

Challenges

- **High initial cost:** Vacuum pumps need a substantial amount of capital especially in industrial applications. Moreover, it needs subsequent operating costs to run the equipment.
- **Technological Restrictions:** Vacuum pumps are not effective in certain operating conditions. Its dependability and performance are hampered.

Product Types and Applications

Vacuum Pumps Market, Types of Vacuum Pumps, CY23



Product Trends

Vacuum pumps which are compact and have high pumping speed are some of the new developments in the Vacuum pumps market. IoT and Artificial Intelligence are now being integrated into Vacuum pumps to increase efficiency. Smart Vacuum pumps with remote monitoring and predictive maintenance are enhancing operational efficiency. With environmental awareness among industries, oil-free vacuum pumps are being adopted to reduce the risk of oil contamination. Major players in the market are focusing on producing energy-efficient vacuum pumps to curtail power consumption.

Industrial Internet of Things (IIoT) and Industry 4.0 also drive the upgrade of production atmosphere and processes in industries to increase the plant operational efficiency. End users are focusing on adopting new technologies to enhance the performance of vacuum pumps and make efficient utilization of their assets.

Market Segmentation of Vacuum Pumps

Key Application Areas

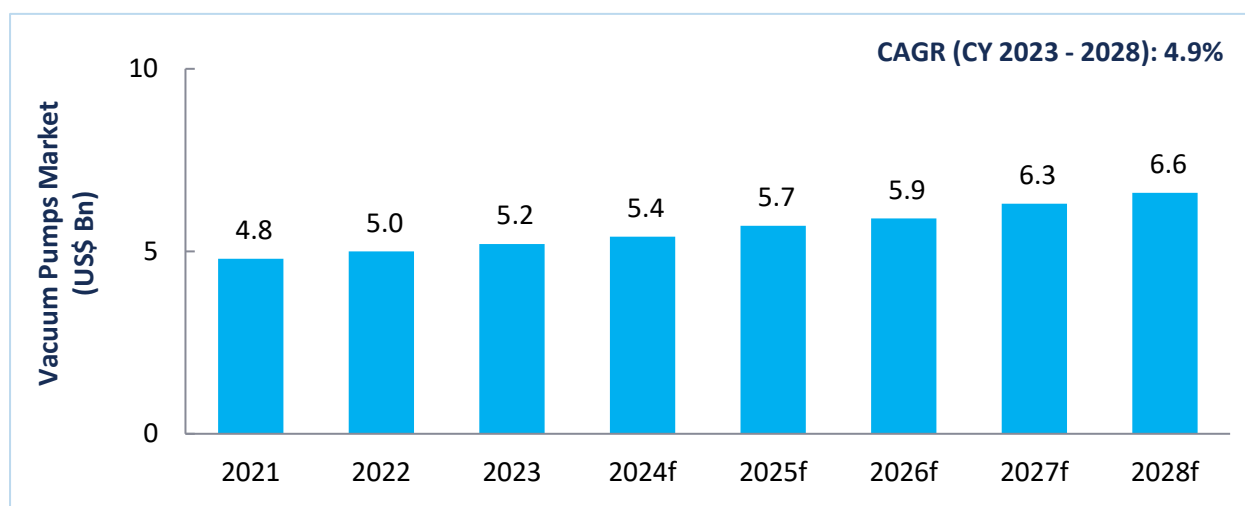
The Vacuum Pumps market is segmented based on the end-use industry, including:

- **Industrial application:** Vacuum pumps are used in semiconductor manufacturing, pharmaceuticals, Chemical processing. Vacuum pumps are essential for creating a highly controllable environment without dust for manufacturing semiconductors. There is a growing demand for semiconductors and electronics with increase in adoption of solar panels, 5G networks. During Covid-19 pandemic, vacuum pumps were hugely sought for suction devices, ventilators. In pharmaceutical sector, vacuum sealed containers and blister packs require vacuum pumps. They are also used in different manufacturing in pharmaceutical such as distillation, crystallization, degassing, drying, sublimation, filling.
- **Automotive:** Vacuum pumps are widely used in break assistance, emission control and in various other automotive manufacturing processes.
- **Oil & gas:** Vacuum pumps are used in well drilling, pipeline maintenance, vacuum distillation.
- **Analytical instruments:** Vacuum pumps are used in electron microscopes, mass spectrometers, and gas chromatographs.

Global Vacuum Pumps Market

Market Size and Growth Outlook

The Vacuum Pump Market was estimated at US\$ 5.2 Bn in CY2023. The Vacuum Pump Market is expected to increase from US\$ 5.2 Bn in 2023 to US\$ 6.6 Bn by 2028, with a CAGR of 4.9% over the forecast period (2023-2028). The Vacuum Pump Market is expanding rapidly and is expected to do so even more in the coming years. The market is experiencing increased demand from a variety of end-use sectors, including oil and gas, chemical, semiconductor manufacturing, and healthcare, which is fuelling its strong growth trajectory.



- **Vacuum Pumps Market, Global, CY2021-2028F**

Source: Primary Research, Frost & Sullivan Analysis

Key drivers driving market expansion include the growing requirement for effective vacuum solutions in industrial processes, increased investments in R&D activities, and a surge in demand for vacuum pumps in the discrete industries like automotive, aerospace etc.

Dry vacuum pumps segment is expected grow exponentially through the period 2023 to 2028 due to low maintenance and there is less need for oil changes. Dry vacuum pumps are mostly used in semiconductor

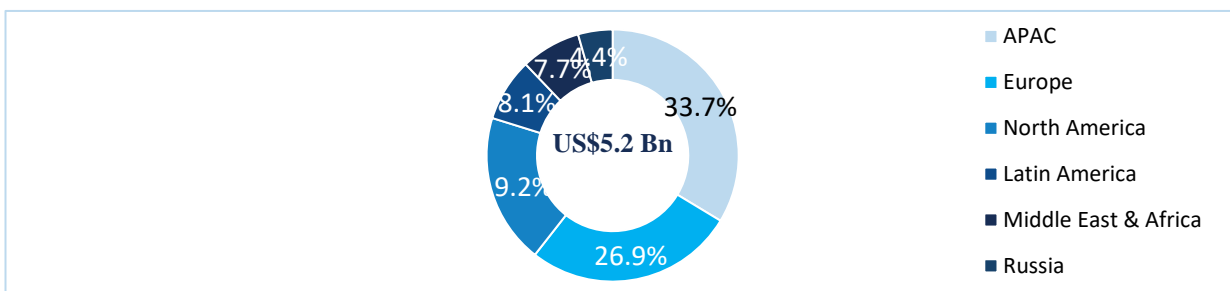
manufacturing processes such as etching, wafer fabrication. In food processing sector, dry vacuum pumps are adopted in freeze drying, vacuum packaging and deaeration.

Drivers

- Rapid development and growth in Semiconductor and electronics sector. Vacuum pumps are majorly needed in fabrication of semiconductors. Growing demand for semiconductors globally is driving the demand for vacuum pumps.
- Increasing adoption of MEMS (Micro Enabled Mechanical Systems) technology in smartphones and tablets.
- Rising Oil and gas exploration activities in North America

Global Vacuum Pumps Market - Market Split by Region

Vacuum Pumps Market, Global, Split by Region, CY23 (%)



Source: Primary Research, Frost & Sullivan Analysis

Asia-Pacific generated the most revenue in 2023 and is predicted to grow at a considerable CAGR throughout the vacuum pumps market projection period, owing to the rise of the automotive, oil and gas, healthcare, and aerospace industries. Furthermore, the presence of numerous electronic and semiconductor manufacturers in Asia-Pacific countries such as China, Japan, and India are propelling the industry forward. Geographically, the region is also categorized by a large number of small and medium scale vacuum pump manufacturers and suppliers.

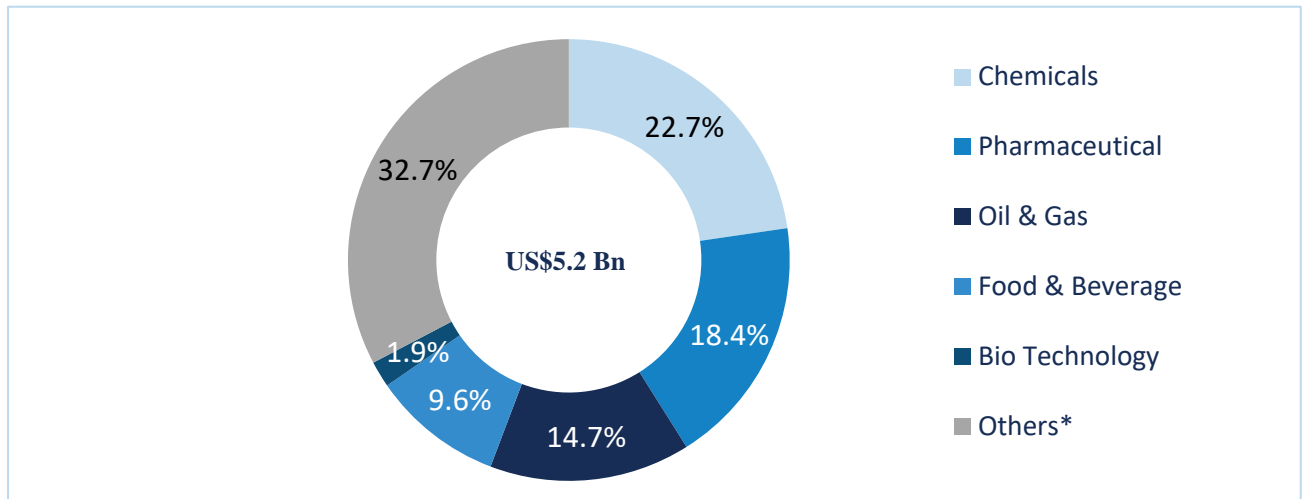
Germany continues to dominate the vacuum pump market and remains Europe’s economic and industrial powerhouse. Growth is primarily expected to be sustained by the large export market, which accounts for approximately 80% of the total German-manufactured vacuum pumps and its spare parts. The German market is expected to grow at 8.4% CAGR from 2023 to 2028. Replacement of vacuum pumps, due to strict environmental regulations in Europe, is likely to drive the demand for vacuum pumps significantly.

North America supports a large food and packaging industry and is witnessing the rising consumption of convenience foods. To ensure superior quality and improve product shelf life, vacuum pumps play a key role in packaging applications. Vacuum pumps are used to remove the air from sealed packages to ensure quality and comply with food safety regulations. Vacuum pumps find application in power plant condensers, leading to increased market demand in Power generation segment.

Global Vacuum Pumps - Market Split by End-user Segments

The chemical & petrochemicals segment accounted for the highest revenue in the global market in 2023 owing to the expansion of small and large chemical industries. Vacuum pumps provide suction to drive the liquid filtration process.

- **Vacuum Pumps Market, Global, Split by End-user Segment, CY23 (%)**



Source: Primary Research, Frost & Sullivan Analysis

*Others include Others include Electronics and Semiconductor, Automobile, Healthcare, Pulp & paper, General Engineering, Aerospace etc.

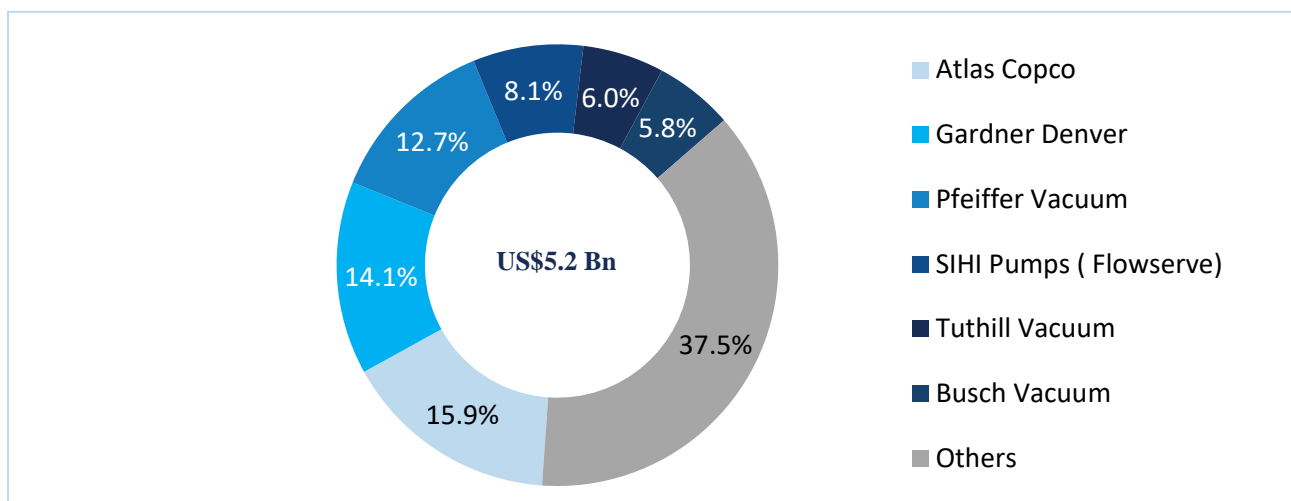
The chemicals and Pharma sector is the largest global end-user vertical for the Vacuum Pumps market, generating a revenue of US\$2,135.0 Mn in 2023, which represents a revenue share of 41.1%. Semiconductor and electronics industries are expected to experience significant advances that will accelerate vacuum pumps market growth. The vacuum pump industry is likely to grow faster due to anticipated considerable advancements in the electronics and semiconductor sectors. The need for vacuum pumps in the healthcare industry is increasing due to the adoption of regulatory norms to maintain clean rooms and surgical protocols, the quick advancement of technology, and the rise in surgical operations.

The pharmaceutical industry's widespread use will propel the market's growth. Liquid ring vacuum pumps, rotary vane pumps, and diaphragm pumps are frequently used to meet the unique requirements of the pharmaceutical industry. The market will expand even further due to the growing use of pharmaceutical packaging, such as vacuum-sealed containers and blister packs.

Global - Key players and their market share

Established, pure-play vendors dominate the Vacuum Pump Market, which is highly competitive. Many vendors cater to this industry, and they are constantly innovating their products to satisfy the changing needs of customers by implementing innovative technology. These vendors have a large geographic footprint and a strong partner ecosystem to serve a wide range of customers. The vacuum pump market is extremely competitive, with numerous suppliers providing identical goods and services.

- **Global Vacuum Pumps Market, by Key Players Market Share, 2023 (%)**



Source: Company Website, Annual Report, Filings, Primary Research, Frost & Sullivan Analysis
**Others include Oerlikon Leybold Vacuum, KNF Neuberger GmbH, Vaccumbrand Inc., Gast Manufacturing Inc., ULVAC Inc., Kashiya Industries Ltd, Shimadzu Corporation, Gebr. Becker GmbH and PPI Pumps Pvt. Ltd.*

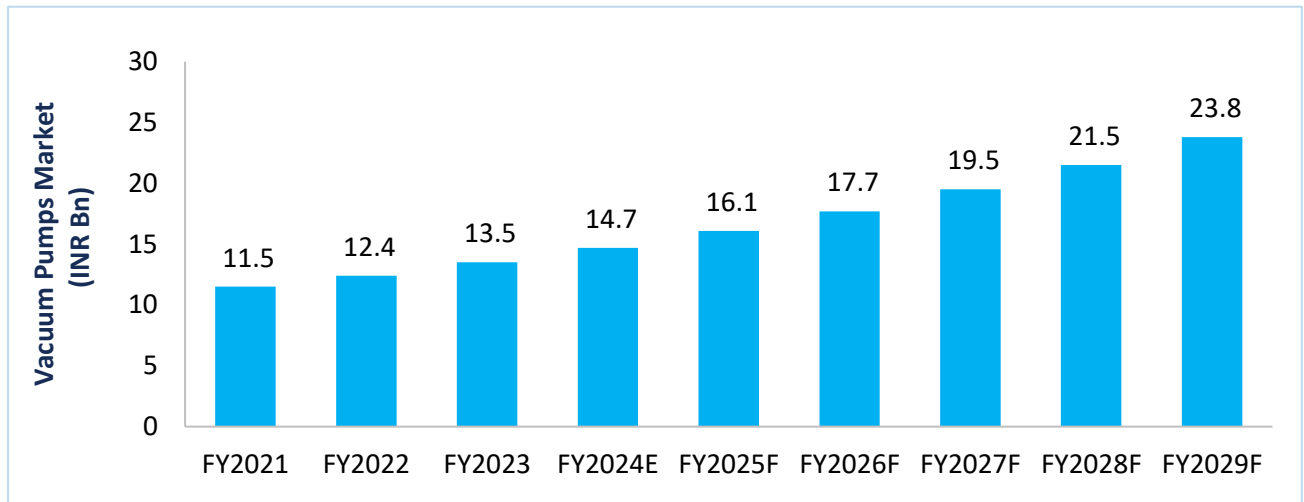
Atlas Copco, Gardner Denver, Edwards Vacuum, Busch Vacuum Solutions, Pfeiffer Vacuum GmbH, SIHI Pumps, Oerlikon Leybold Vacuum, Tuthill Vacuum and Blower Systems, KNF Neuberger GmbH, Vaccumbrand Inc., Gast Manufacturing Inc., ULVAC Inc., Kashiya Industries Ltd, Shimadzu Corporation, Gebr. Becker GmbH and PPI Pumps Pvt. Ltd. are among the market's leading players. The vacuum pump market is consolidated due to increasing rivalry, acquisitions, mergers, and other strategic market changes and decisions to improve operational effectiveness.

The top 6 participants accounted for ~62.6% of the total Vacuum Pumps market revenue. Atlas Copco was the market leader in 2023, with a revenue of US\$826.8 Mn. Atlas Copco Vacuum's business produces vacuum products for industrial segments, including chemical process industries, food packaging, and paper handling. Atlas Copco acquired Leybold in Germany (in 2016) and increased its market share globally. Gardner Denver Inc. is also a leading American vacuum pump company that manufactures vacuum pumps for applications in industrial, medical, and energy segments. Pfeiffer Vacuum has remained a technology leader in the vacuum pump market. Its portfolio includes a complete range of hybrid and magnetically levitated turbo pumps, oil-lubricated and dry-compressing low and medium vacuum pumps.

India Vacuum Pumps Market

The India vacuum pump market was estimated to be worth INR 14.7 Bn by FY2024. The market is expected to grow at a 10.1% CAGR and generate INR 23.8 Bn in sales during the forecast period (FY2024-2029).

• **Vacuum Pumps Market, India, FY2021-2029F**



Source: Primary Research, Frost & Sullivan Analysis

Key Drivers:

The expansion of the Indian vacuum pump market is mostly due to increasing investment in the chemical, oil & gas, pharmaceutical, semiconductor, and electronics industries. Future vacuum pump market growth is likely to be boosted by the Indian government's policy assistance for the chemical, pharmaceutical, and oil and gas industries, as well as the estimated expenditure of INR 1 Tn (US\$12.5 Bn) in oil and gas projects. The chemical and pharmaceutical industry was the largest end-user of vacuum pumps due to their crucial role in the production and packaging of drugs like tablets and capsules.

Growth of Vacuum Pumps in India

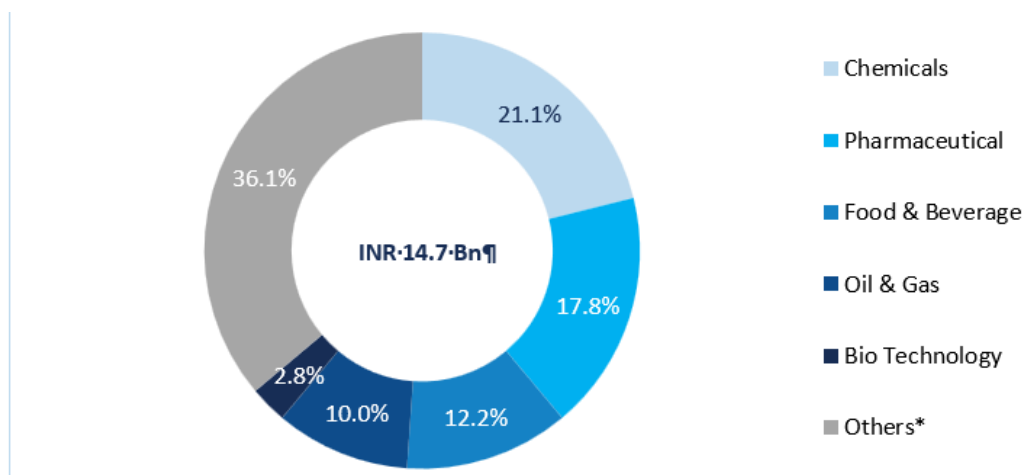
Wet vacuum pumps generated most of the revenue due to their affordability as compared to dry vacuum pumps. Their widespread use in the oil, gas, and power generation industries is expected to continue.

Rotary vane vacuum pumps, which are known for their dependability and cost-effectiveness, generated a significant share of revenue and volume. These pumps are commonly used in the chemical and pharmaceutical sectors for processes such as crystallization, drying, distillation, and vacuum filtering. Demand from end-user sectors such as electronics, solar, and chemicals is expected to fuel growth in the coming years.

Liquid ring and the single cone vacuum pump are other major vacuum pumps widely adopted in Indian market. Liquid ring pumps are majorly used in gas compression and are powered by induction motors.

India Vacuum Pumps - Market Split by End-user Segments

Vacuum Pumps Market, India, Split by End-user Segment, FY24 (%)



Source: Primary Research, Frost & Sullivan Analysis

*Others include Electronics and Semiconductor, Automobile, Healthcare, Pulp & paper, General Engineering, etc.

In India, the chemical manufacturing and pharmaceutical industries utilize the most Vacuum Pumps, accounting for ~38.9% of total industry turnover by FY 2024. Other important end users include F&B, O&G, Electronics & Semiconductor, etc. These five industries accounted for 63.9% of the industry revenue in FY 2024. Due to the rapid growth in the semiconductor industry, dry vacuum pumps have seen a huge surge in demand, while liquid ring vacuum pumps find wide applications in the pulp and paper, as well as oil and gas sectors.

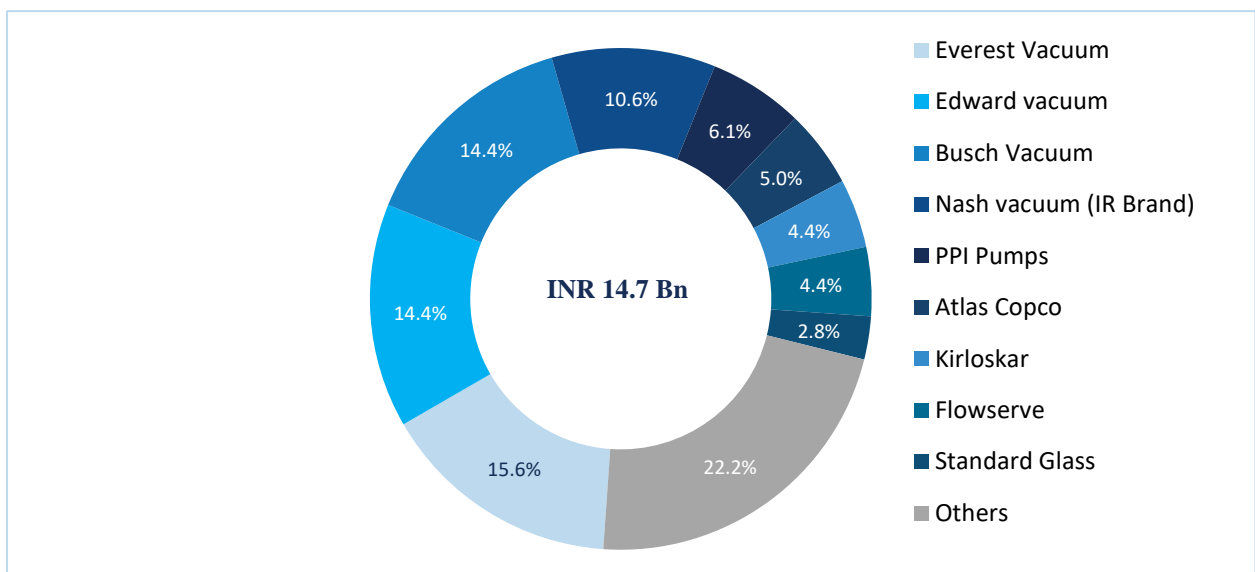
Recent Developments

In February 2024, Air compressor manufacturer Elgi Equipment ventured into the vacuum-pump business by entering into a partnership (technology licensing) with Italy-based D.V.P. Vacuum Technology to manufacture, assemble, test, and sell D.V.P.'s vacuum products in India.

India - Key players and their market share

The India Vacuum Pumps market is consolidated, with a limited number of leading manufacturers. There are around 10 -12 players actively operating in the market. The top five players account for around 61.1% of the total market share.

India Vacuum Pumps Market, Market Share, by Key Players FY24E (%)



Source: Company Website, Annual Report, Filings, Primary Research, Frost & Sullivan Analysis

*Others include India high Vacuum, Provimac Engineers, Technovac Engineers, Becker, Gardner Denver, Pfeiffer, KNF Neuberger, Graham Corporation,

In India, the leading manufacturers of Vacuum Pumps include Everest Vacuum, Edward Vacuum, Busch Vacuum, Nash Vacuum (IR), PPI pumps, Atlas Copco, Kirloskar, Flowserve, etc. These companies attained their market position because of their diverse product range (wide range of Vacuum pump types), strong regional presence, large client base with a good retention percentage, and capacity to design solutions to meet unique customer needs across Chemical and pharmaceutical industries. The other notable players in the market include India High Vacuum, Provimac Engineers, Technovac Engineers, Becker, Gardner Denver, Pfeiffer, DEKKER, Kashiyama, KNF Neuberger, Graham Corporation

SGLT has around 3.0% market share in the Vacuum pumps market in India. It is one of India's top three suppliers (in revenue terms) of multistage claw vacuum pumps. In FY2024 SGLT entered into an agreement with HHV, an Atlas Copco affiliate, under which HHV will produce vacuum pumps for SGLT under a private label.

Everest Vacuum

Everest Vacuum is the leading Vacuum Pumps company in India. It has a wide range of product portfolio. The portfolio includes Dry Screw Vacuum Pumps, Dry Claw Vacuum Pumps, Mechanical Vacuum Boosters etc. Everest Vacuum manufacturing plant is housed in the new industrial area of HSIIDC, Bahadurgarh. Everest Vacuum is servicing the industry-leading names in Process, Chemical & Pharmaceutical Industry.,

Edward Vacuum

Edwards Vacuum India is a vacuum pump company that provides a range of dry vacuum pumps, rotary vane vacuum pumps, and liquid ring vacuum pumps. They have wide range of Vacuum pump product portfolio and have strong presence across key end-user segments.

Busch Vacuum India

Busch Vacuum India is headquartered in Gurugram. It is a manufacturing and service company dealing with vacuum pumps, compressors, blowers, and systems. Busch Vacuum is the parent company based in Germany and is the largest manufacturer of comprehensive vacuum solutions. Busch Vacuum Solutions, Centrotherm Clean Solutions, and Pfeiffer Vacuum are united under the umbrella of the new Busch Group.

Promivac Engineers

Promivac Engineers is based in Delhi and is a leading manufacturer of Industrial pumps. The company has the following products in its portfolio, Vacuum, Pressure & Chemical Process Pumps, Plants & Systems. It serves majorly to Auto, Pharmaceutical, Food Processing, Plastic Industry, Chemical, and Research industries.

Technovac Engineers

Technovac Engineers is based in New Delhi, India. The company is engaged in manufacturing a wide range of vacuum systems. Vacuum pumps products offered by the company include rotary vane, oil-free, oil lubricated, water ring type and direct drive/monoblock. It also manufactures vacuum gauges. Their products are applied in distillation, pharmaceuticals, food and chemicals, air condition, leather, refrigeration units and making of bulbs.

Indian High Vacuum Pumps

Indian High Vacuum Pumps established in 1995 and is headquartered in Bangalore, India. It is one of the fastest growing companies in vacuum pumps with 20 years' experience. The main vacuum products include pumps, glove box, impregnation units, vacuum chambers, coating units, drying units and ovens.

Atlas Copco India

Atlas Copco India, established in 1960 is a leading manufacturer of innovative solutions in air compressors and industrial gases, portable compressors, energy-efficient vacuum pumps, light towers and generators, ergonomically designed industrial tools and assembly systems.

Flowserve India Controls

Flowserve India Controls Private Limited was founded in 1996. The Company manufactures pumps and pumping equipment. Flowserve serves chemicals, oil and gas, power generation, water management, carbon capture and general industry.

Overview of Heat Exchangers Industry

Heat Exchangers Industry - Overview

Heat Exchangers are devices or systems used to transfer heat from one medium to another and can be used for both cooling and heating purposes. The Heat Exchangers industry is poised for significant growth, driven by multiple factors Such as

- Rapid industrialisation and growth of manufacturing activity
- Growth of end-user industries viz chemicals, pharmaceuticals, oil & gas, power etc.
- Energy efficiency

Industries like oil & gas, power generation, chemical & petrochemical, food & beverage, and HVAC & refrigeration are prioritizing efficient thermal management, spurring demand. Heat exchangers are used in various processes within the chemical industry, such as the cooling and heating of base, intermediate, and final products; heat recovery; and tempering of containers, reactors, and autoclaves. Technological advancements such as tube inserts are improving energy efficiency and durability, while the chemical industry's increasing demand and efficiency standards are additional growth drivers. Moreover, high-pressure and temperature processes in petrochemical facilities and growing investments in renewable power generation are further fuelling demand.

Key Growth Drivers - Global

Need for More Renewable Sources of Energy is on the Rise - Major energy-intensive economies, such as China, US, Russia, India, and Japan, are looking to implement renewable energy in their energy mix. Heat exchangers play a major role by helping industries in these countries move away from conventional energy sources.

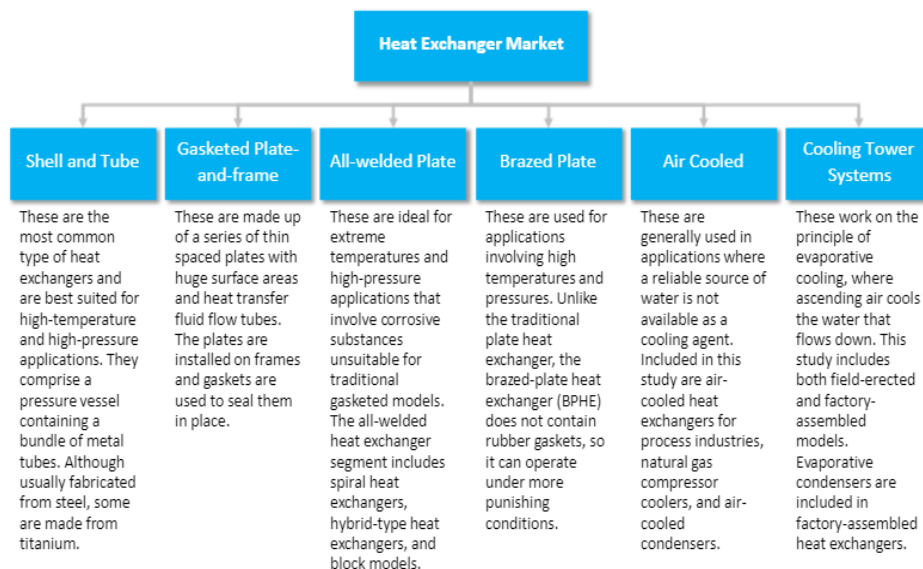
Investments in the Power Generation Industry are Increasing - The power generation sector is the second-largest revenue contributor to the global heat exchanger industry. North America and APAC are taking great strides to increase investments in thermal powerplant projects that will boost power generation capacities and meet growing demand. US, China, and India are frontrunners in power generation capabilities, with each nation investing heavily in thermal and reliable power.

Demand from the chemical industry - Market demand from the Chemical industry strongly influences the heat exchangers market, thereby making technical developments vital; this demand will be heightened by rising efficiency needs. APAC is the largest chemical production hub globally, with China and India the biggest contributors. North America is the second-largest contributor to global chemical production. The low cost and widespread supply of natural gas have boosted chemical production at lower costs. Numerous US-based chemical manufacturers with offshore facilities are increasingly relocating their operations back to the United States.

Demand for APIs

Product Types and Applications

Heat Exchangers Market, Types of heat Exchangersl, CY23



Source: Frost & Sullivan

Market Segmentation of Heat Exchangers

Key Application Areas

The heat exchanger market is segmented based on the end-use industry, including:

- **Chemical and Petrochemical:** Heat exchangers are widely used in the chemical and petrochemical industries for processes such as heating, cooling, condensing, evaporation, and separation.
- **Oil and Gas:** Heat exchangers are used in the oil and gas industry for applications such as oil refining, natural gas processing, and petrochemical production.
- **HVAC and Refrigeration:** Heat exchangers are used in HVAC systems for heating and cooling buildings, and in refrigeration systems for cooling and freezing products.
- **Power Generation:** Heat exchangers are used in power generation applications, such as in steam power plants and gas turbines.
- **Food and Beverage:** Heat exchangers are used in the food and beverage industry for applications such as pasteurization, sterilization, and cooling of food products.
- **Pulp and Paper:** Heat exchangers are used in the pulp and paper industry for applications such as pulp processing, paper manufacturing, and tissue production.
- **Other End-Users:** This category includes other industries that use heat exchangers, such as automotive, aerospace, and pharmaceuticals.

Material of Construction

The heat exchanger market is also segmented based on the material of construction, including:

- **Stainless Steel:** This is the most widely used material in heat exchangers due to its high thermal conductivity, corrosion resistance, and durability.
- **Copper:** Copper is used in heat exchangers due to its high thermal conductivity and resistance to corrosion.
- **Aluminum:** Aluminum is used in heat exchangers due to its high thermal conductivity, corrosion resistance, and lightweight properties.
- **Others:** This category includes other materials used in heat exchangers, such as titanium alloys, nickel alloys, and other specialized materials.

Shell and Tube Heat Exchanger:

These are the most common type of heat exchangers and are best suited for high temperature and high-pressure applications. They comprise a pressure vessel containing a bundle of metal tubes. Usually fabricated from steel, some are made from titanium. Because of their ability to confine substances, these heat exchangers are also used in operations involving dangerous chemicals.

Preference in Chemical Industry: The most popular kind of heat exchangers used in the chemical processing sector are shell-and-tube units because of their adaptability and capacity to handle fluids with various levels of particles. As a result, the chemical sector drives significant demand for shell-and-tube heat exchangers. The chemicals industry is the largest contributor to revenues whereas the shell and tube segment is expected to grow the fastest. Given the need to withstand high temperatures and pressure shell and tube heat exchangers are among the most preferred types.

Types of Shell and Tube Heat Exchangers:

There are several types of shell and tube heat exchangers, each with its characteristics and applications:

- **Fixed Tube Sheet Heat Exchangers:** The tube sheet is fixed in the shell by welding, and hence the term fixed tube sheet exchanger applies. This simple and economical construction allows cleaning of the tube bores by mechanical or chemical means.
- **Floating Head Removable Bundle Heat Exchangers:** In floating head construction, the rear header can float or move as it is not welded to the shell. The tube bundle can easily be removed during maintenance.
- **U-Tube Heat Exchangers:** U-tube exchangers are a type of shell and tube heat exchanger whose tube bundle is made of continuous tubes bent into a "U" shape. The bend side is free-floating and helps in thermal expansion without requiring expansion joints.
- **Plate and Shell Heat Exchangers:** These exchangers combine plate heat exchangers with shell and tube heat exchanger technologies. The heart of the heat exchanger contains a fully welded circular plate pack made by pressing and cutting round plates and welding them together.

Applications and Uses:

Shell and tube heat exchangers are widely used in various industries, including:

- **Refinery and Petrochemical:** They are used in oil refineries and other large chemical processes and are suited for higher-pressure applications.
- **Power Plants:** They are used in power plants with steam-driven turbines, shell-and-tube surface condensers are used to condense the exhaust steam exiting the turbine into condensate water.
- **HVAC and Refrigeration:** They are used in the cooling of hydraulic fluid and oil in engines, transmissions, and hydraulic power packs, as well as in refrigeration applications like industrial chillers.
- **Chemical Processing:** They are used in chemical processing to heat or cool chemicals, often in large-scale industrial processes.

Advantages and Disadvantages

The advantages of shell and tube heat exchangers include:

- High heat transfer efficiency
- Compact design
- Simple construction and maintenance
- Excellent heat exchange

The disadvantages include:

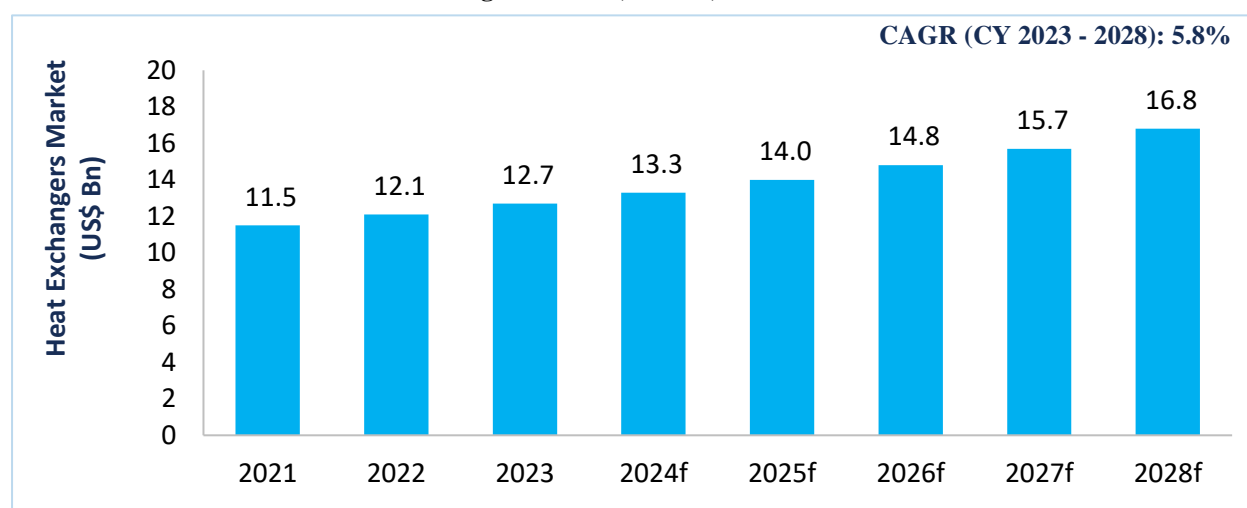
- Higher cost compared to plate heat exchangers.
- More complex design and maintenance compared to plate heat exchangers.
- Limited flexibility in design and operation

Global Heat Exchangers Industry

The global heat exchanger market has reached maturity, with Asia-Pacific (APAC) accounting for most of its growth. The emerging markets, where growth is high, are populated by significant market participants. Energy conservation, ease of maintenance, corrosion reduction, and improved heat transfer are essential end-user requirements. Original Equipment Manufacturers (OEMs) who have previously gained a competitive edge by developing unique goods and want to maintain this level of exclusivity are attempting to develop novel heat exchangers. Innovations in Compact Designs: Future HVAC heat exchanger trends emphasize sustainability, energy efficiency, and improved indoor air quality, with compact designs, nanotechnology, sustainable materials, and smart technologies driving innovation.

Market Size and Growth Outlook

Heat Exchangers Market, Global, CY2021-2028F



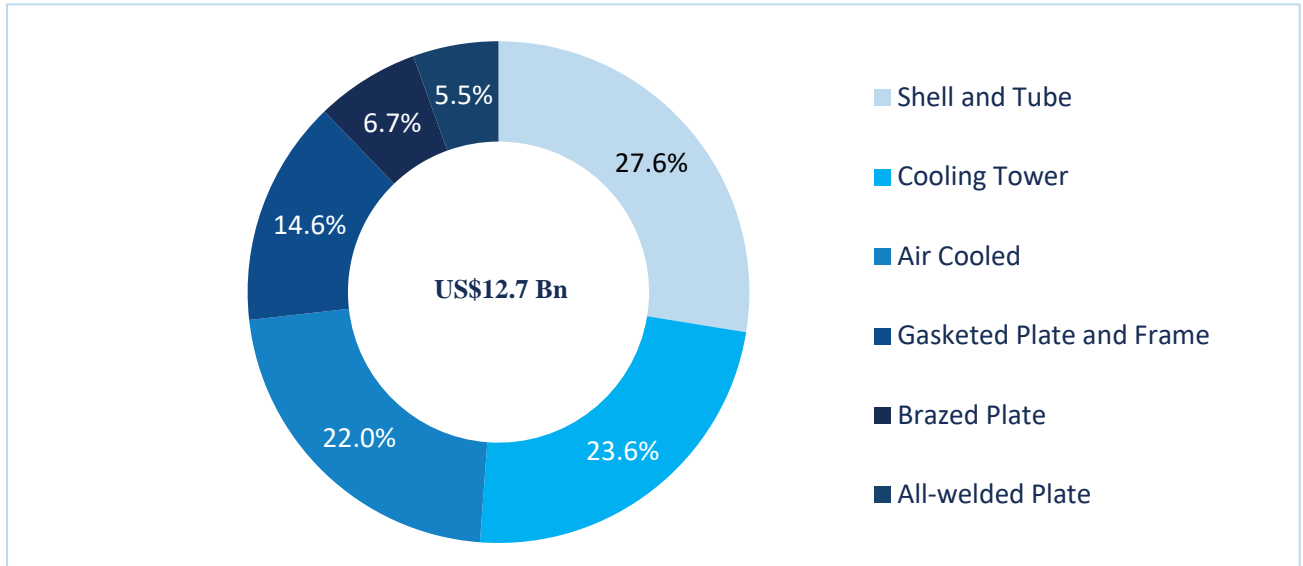
*Source: Primary Research, Frost & Sullivan Analysis
O&G segment excluded.

The global heat exchanger market was estimated to be worth US\$12.7 Bn in 2023. The market is expected to grow at a CAGR of 5.8% to US\$16.8 Bn over the forecast period. Increasing energy demand, an emphasis on energy

conservation, more stringent industry regulations, and strong growth in the power-generation and chemical-production industries contribute to a positive outlook for the heat exchanger market during the next few years.

Global Heat Exchangers- Market Split by Product Type

Heat Exchangers Market, Global, Split by Product Type, CY23 (%)



Source: Primary Research, Frost & Sullivan Analysis

**O&G segment excluded.*

Among the various heat exchanger product segments, the largest product segments shell-and-tube heat exchangers and cooling tower systems, generated revenues of US\$3,500.0 Mn and US\$3,000.0 Mn, respectively, in CY2023. All-welded heat exchangers and Brazed Plate Heat Exchangers (BPHEs) are the fastest-growing segments in the heat exchanger product range globally. During the forecast period, growth in the shell-and-tube segment will be restricted to APAC and MEA.

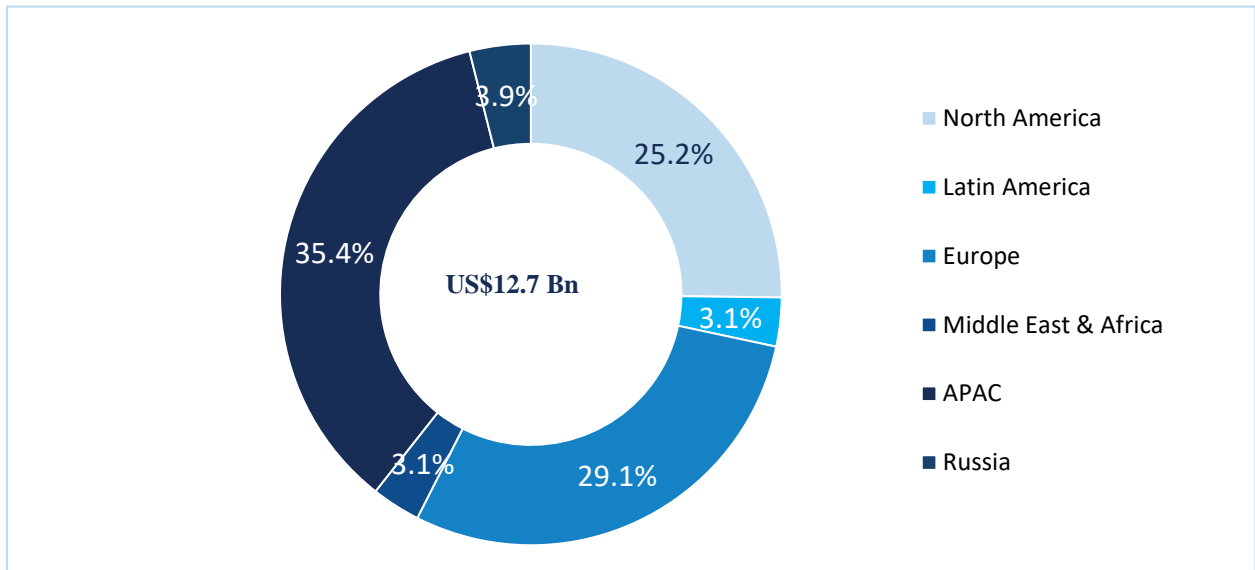
Shell-and-tube heat exchangers, which account for a major share of heat exchanger sales. Their use in oil refineries and other big chemical processes for high-temperature and high-pressure applications has increased. The BPHE is likely to witness dramatic growth since it is being increasingly applied in refrigerant evaporators, super coolers, economizers, oil coolers, underfloor heating, condensers, and other industrial applications.

APAC is expected to register the fastest growth due to the increase in power generation demand and the influx of investments in the chemical industry in countries such as China and India. During the forecast period, replacing old technology with modern technology will be the biggest challenge for the industry.

The market’s all-welded and BPHE segments are expanding at the quickest rates globally. Growth in the shell-and-tube segment will concentrate in APAC and MEA during the forecast period. The most popular heat exchangers are shell-and-tube units, which make up a large portion of heat exchanger sales. Their use for high-temperature and high-pressure applications in oil refineries and other significant chemical processes has increased.

Global Heat Exchangers- Market Split by Region

Heat Exchangers Market, Global, Split by Region, CY23 (%)



Source: Primary Research, Frost & Sullivan Analysis

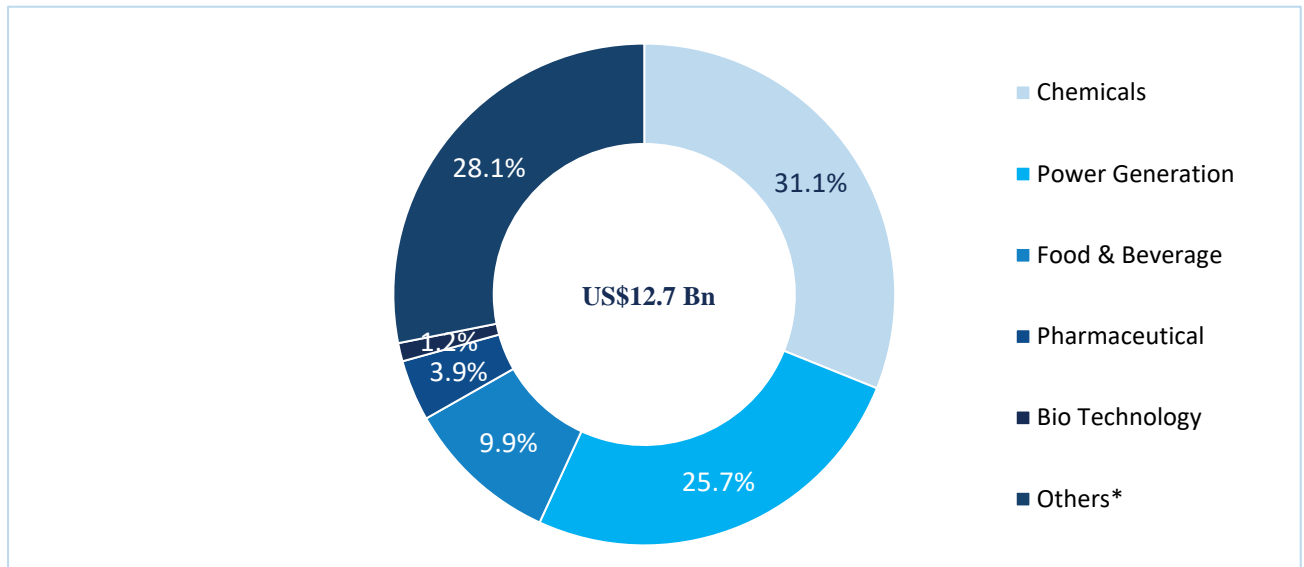
*O&G segment excluded.

The North American heat exchanger market is expected to be driven by new chemical plant setups in the region. US has the largest share of the global nuclear energy market and the most operational nuclear reactors. The growth of heat exchangers is likely to be driven by the United States, Canada, and increased energy demand in various industrial and commercial sectors. Installation of superficial heat exchangers to upgrade existing power units and reduce carbon emissions will drive the market's growth. There is an increase in government investments in countries such as Mexico, Chile, Argentina, and Brazil to improve existing power-generation infrastructure. MEA is also the biggest market for centralized cooling systems in commercial and residential areas and will drive the growth of the heat exchanger market in this region. The heat exchanger market is expected to grow rapidly in APAC due to rapid industrialization, increasing CAPEX in user industries (viz. chemicals, pharmaceuticals, etc.), and demand for energy-efficient solutions. Emerging economies such as China, India, and Japan are essential players in the global market for heat exchangers. In APAC, constant investment in a range of industry verticals, such as the chemical and power-generation industries, is expected to boost demand for heat exchangers.

Global Heat Exchangers- Market Split by End-user Segments

The chemical and petrochemical industries are the largest revenue contributors to the global heat exchanger industry and hold considerable market share.

• **Heat Exchangers Market, Global, Split by End-user Segment, CY23 (%)**



Source: Primary Research, Frost & Sullivan Analysis

*Others include Water and Wastewater, Mining, HVAC and Refrigeration, Steelmaking, Marine & Shipbuilding, General Engineering, Pulp & paper, Data Centers etc.

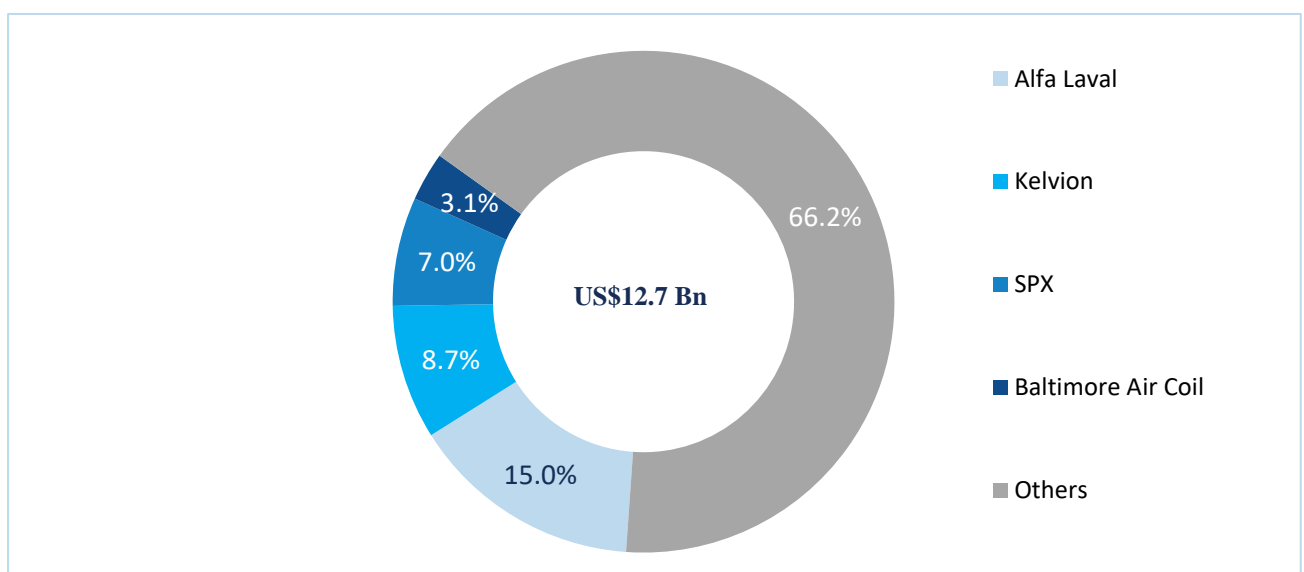
*O&G segment excluded.

The chemicals and petrochemicals sector are the largest global end-user vertical for the heat exchangers market, generating a revenue of US\$3,950.0 Mn in 2023, which represents a revenue share of 31.1%. Heat exchangers play a vital role in chemical processing, offering design flexibility and high corrosion resistance to handle fluids with varying solids content.

- **Petrochemical Industry:** Increasing demand for fertilizers, plastics, packaging, digital devices, medical equipment, and clothing fuels growth in the petrochemical sector. Heat exchangers are integral in modern energy systems like wind turbine blades, solar panels, and electric vehicle components, further driving demand.

Global - Key players and their market share

Global Heat Exchangers Market, by Key Players Market Share, CY2023 (%)



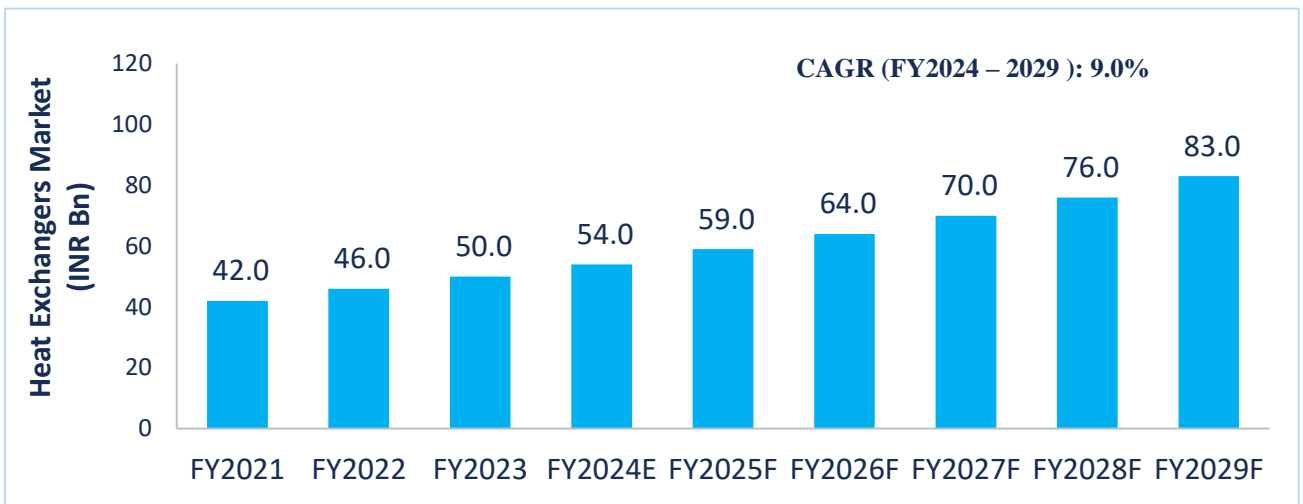
Source: Company Website, Annual Report, Filings, Primary Research, Frost & Sullivan Analysis

**Others include Balcke-Duerr, Hamon, SWEP, Danfoss, Xylem, Boyd Corporation, API Heat Transfer, Reymsa Cooling Towers, Paharpur Cooling Towers, Hisaka, Vahterus, Paul Mueller, Argenfrio, Polaris Heat Exchanger, Chart Industries, and Graham Heat Exchanger
O&G segment excluded.

The top 4 participants accounted for 33.8% of the total heat exchangers market revenue. Alfa Laval was the undisputed market leader in 2023, with a revenue of US\$1,900 Mn. While Alfa Laval has earned a formidable reputation for reliability among process industry customers, its leadership in the plate heat exchanger segment and its restructuring which focuses on the growth markets position the company to remain ahead of other competitors in this market. Following Alfa Laval is Kelvion with a revenue of US\$1,100 Mn in 2023. Kelvion has a wide product portfolio covering all product segments and has acquired a reputation for technical expertise and reliability. SPX, which includes both SPX Flow and SPX Corporation, and the company’s presence in diverse product and end-user segments due to the spin-off of SPX Flow enables it to stay ahead of other competitors in the market, particularly in North America. While the rest of the market is quite fragmented, heavy competition is a key feature and participants that exhibit varying levels of product differentiation and technical competence gain a competitive edge over others.

India Heat Exchangers Market

Heat Exchangers Market, India, FY2021-2029F



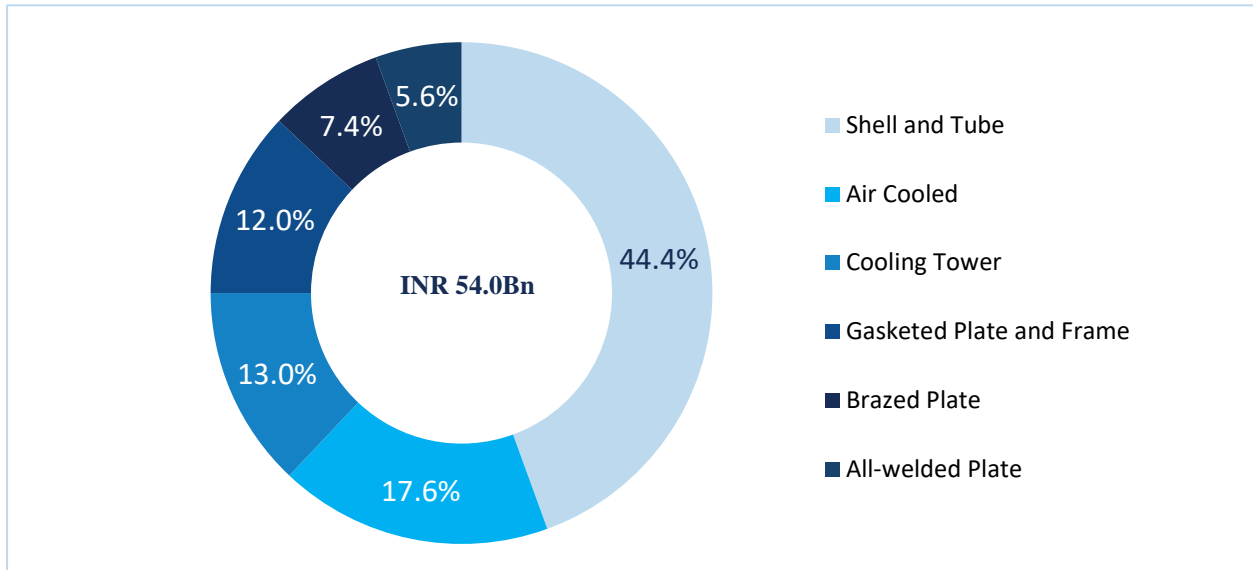
*Source: Primary Research, Frost & Sullivan Analysis
O&G segment excluded.

The India heat exchanger market was estimated to be worth INR 54.0 Bn in FY2024. The market is expected to grow at a CAGR of 9.0% and generate INR 83.0 Bn in revenue during the forecast period. Increasing energy demand, an emphasis on energy conservation, more stringent industry regulations, and strong growth in the power-generation and chemical and pharmaceutical -production industries contribute to a positive outlook for the heat exchanger market during the next few years.

Key Drivers:

1. **Energy Generation:** India's government is steering towards sustainable energy sources, particularly nuclear power, aiming to reduce reliance on coal. This transition is expected to drive demand for heat exchangers.
2. **Government Initiatives:** India's commitment at COP26 to achieve 500 GW of non-fossil fuel-based energy by 2030 sets the stage for significant advancements in renewable energy, creating a conducive environment for the heat exchanger market.
3. **The Indian market is significantly influenced by HVAC industry expansion and the growing adoption of renewable energy sources like solar and geothermal, necessitating heat exchangers for efficient energy conversion.**

Heat Exchangers Market, India, Split by Product Type, FY24 (%)



Source: Primary Research, Frost & Sullivan Analysis
*O&G segment excluded.

Shell and tube heat exchangers are the largest product segment in India. In fiscal year 2024, shell and tube heat exchangers accounted for about 44.4% of total industry revenue, while air-cooled and cooling towers accounted for approximately 17.6% and 13.0%, respectively. Between 2021 and 2023, shell and tube heat exchangers have grown by almost 7% CAGR. The growing demand for energy-efficient cooling applications is a key driver for this product. Shell and tube heat exchangers are more space-efficient and cost-effective than other product kinds due to their compact design.

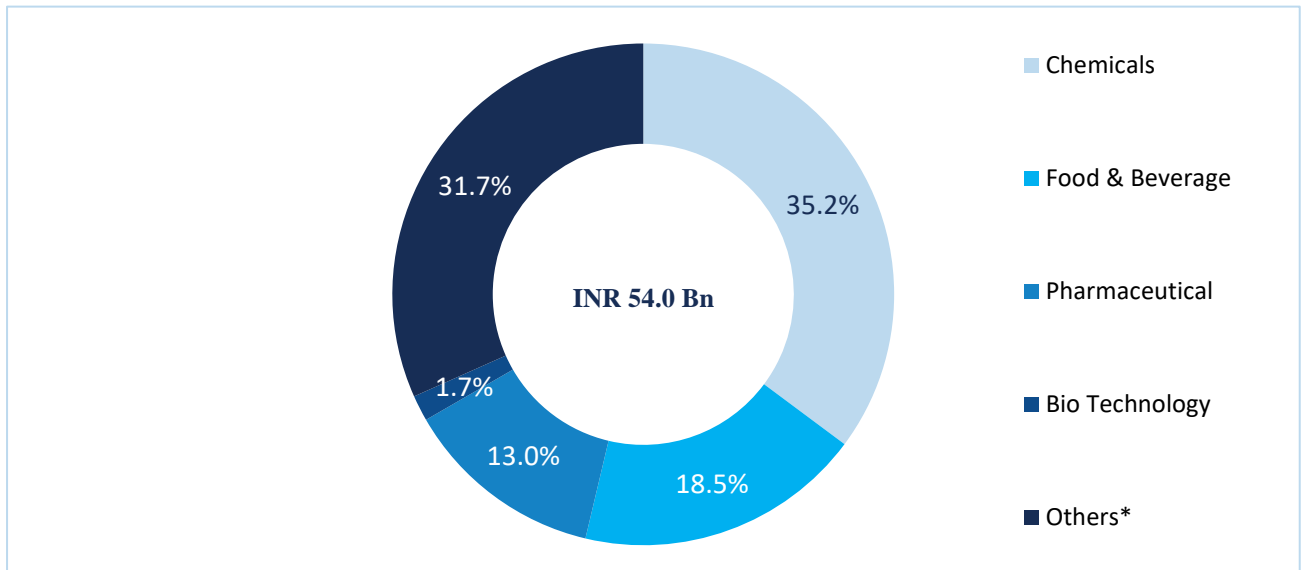
SGLT provides a state-of-the-art Shell and Tube heat exchanger featuring advanced corrosion-resistant technology. Standard Glass is the only manufacturer of Glass lined shell and Tube heat exchanger in India. The glass lining effectively combats corrosion, significantly enhancing the longevity and reliability of the heat exchanger. This innovative design also boosts heat transfer efficiency, making the system more effective and energy efficient.

The key advantages are

1. **Durability:** The glass-lined construction ensures a longer lifespan and reduced maintenance costs.
2. **Efficiency:** Enhanced heat transfer capability leads to better performance and energy savings.
3. **Reliability:** With corrosion eliminated, the heat exchanger maintains consistent and reliable operation over time.

India Heat Exchangers- Market Split by End-user Segments

Heat Exchangers Market, India, Split by End-user Segment, FY24 (%)



Source: Primary Research, Frost & Sullivan Analysis

**Others include Water and Wastewater, Mining, HVAC and Refrigeration, Steelmaking, Marine & Shipbuilding, General Engineering, Pulp & paper, Data Centers etc.
O&G segment excluded.

In India, the chemical manufacturing utilizes the most heat exchangers, accounting for roughly 35% of total industry turnover by FY 2024. Other important end users include F&B, Pharma, etc.

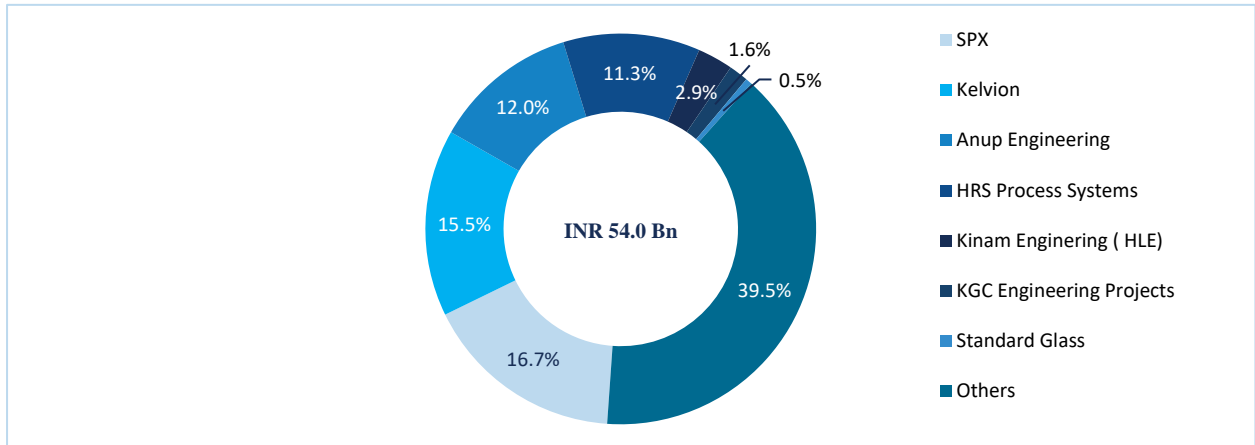
These four industries accounted for 68.3% of the heat exchanger industry revenue in FY 2024. Heat exchangers are in high demand in the chemical sector due to the need for accurate temperature control, cooling, and heat transmission.

Heat exchangers play an important role in facilitating these procedures. Following COVID-19, the chemical and pharmaceutical industries experienced substantial expansion, leading to an increase in demand for heat exchangers.

India - Key players and their market share

The India Heat Exchangers market is consolidated, with a limited number of leading manufacturers. There are around 15 players actively operating in the market. The top six players account for around 60% of the total market share.

India Heat Exchangers Market, Market Share, by Key Players FY24 (%)



Source: Company Website, Annual Report, Filings, Primary Research, Frost & Sullivan Analysis
 *Others include SWEP, Danfoss, API Heat Transfer, Reymssa Cooling Towers, Paharpur Cooling Towers, Hisaka, Polaris Heat Exchanger, Chart Industries, and Graham Heat Exchanger.
 *O&G segment excluded.

In India, the leading manufacturers of Heat Exchangers (including Shell and Tube type) include SPX Flow, Alfa Laval, Kelvion, Anup Engineering, HRS Process Systems, KINAM Engineering (HLE Glascoat), KGC Engineering, etc. These companies attained their market position because of their diverse product range (distinct types of heat exchangers), strong regional presence, large client base with a good retention percentage, and capacity to design solutions to meet unique customer needs.

The other notable players in the market include Heatex Industries, Danfoss, API Heat Transfer, Reymssa Cooling Towers, Paharpur Cooling Towers, Hisaka, Polaris Heat Exchanger, Chart Industries, and Graham Heat Exchanger

Alfa Laval:

Provides air and liquid filtering systems, pumps, valves, heat exchangers, decanters, and other equipment used in the production process.

Market Presence: Gustaf de Laval and Oscar Lamm created the Swedish business Alfa Laval in 1883. The corporation maintains subsidiaries in more than 100 nations, including the US, South Africa, Denmark, Italy, India, Japan, China, and the Netherlands. More than 100 nations buy products, systems, and services from Alfa Laval.

HRS Process Systems Ltd.

Focuses on filters, agitator vessels, process columns, heat exchangers, and standby coolers. They create, produce, and install stationary equipment.

Market Presence: HRS Process Systems Ltd. is a member of the internationally renowned HRS group of enterprises, which is situated in the UK and produces a variety of creative and energy-efficient heat exchangers as well as systems based on heat exchangers. Via its group firms in the UK, Spain, USA, Malaysia, Australia, and New Zealand, they are present all over the world.

KGC Engineering Projects Pvt. Ltd:

It offers a comprehensive range of engineering solutions, including Pressure Vessels, Storage Tanks, Heat Exchangers, Columns, Silos, Lead Shielding, Decompression Chambers, General Fabrication, and Piping Skids. With a focus on quality and precision, they cater to various industries, ensuring reliable containment, storage, and structural integrity while meeting diverse client needs.

Market Presence: Based in Pune, Maharashtra, is KGC Engineering Projects Pvt. Ltd. With successful exports to the United States, Europe, Africa, the Middle East, Southeast Asia, South America, the Caribbean, and other far-flung parts of the globe, they have a significant worldwide export presence.

MARKET FOR PROCESS EQUIPMENT USING HIGH-ALLOY STEEL (EXOTIC ALLOYS)

Manufacturing of Process Equipment using High-Alloy Steel

Materials used for manufacturing process equipment include stainless steel, carbon steel, aluminum, nickel alloys (like High-Alloy Steel), titanium, and zirconium. Each material is chosen based on its specific properties, such as corrosion resistance, strength, thermal conductivity, and cost-effectiveness. High-Alloy Steel is preferred due to its outstanding corrosion resistance, especially in severe environments involving high temperatures and corrosive chemicals. It is extensively utilized in the production of reactors, tanks, and pipes in the chemical processing sector.

Types of Process Equipment using High-Alloy Steel

A few typical uses for High-Alloy Steel in the production of process equipment:

Heat Exchangers: High-Alloy Steel is perfect for heat exchangers because of its excellent temperature resistance.

Columns and Condensers: High-Alloy Steel's resistance to corrosion makes it useful for columns and condensers.

Reactors: The chemical reactions that take place in reactors are resistant to High-Alloy Steel.

Pressure Vessels: Due to its strength and resilience, High-Alloy Steel is a good choice for pressure vessels.

Pipe Systems: High-Alloy Steel is perfect for pipe systems because of its resistance to a variety of chemicals.

Industrial Segment – High-Alloy Steel applications in Process equipment

High-Alloy Steel is widely utilized in industries that face severe corrosive environments.

- **Chemical Processing:** In this sector, High-Alloy Steel is utilized to manufacture pipes, storage tanks, agitators, and reactors. Its ability to withstand extremely corrosive substances like hydrochloric acid, sulfuric acid, and chlorine makes it a priceless tool in the manufacturing of specialized compounds.
- **Petrochemical:** Heat exchangers, piping systems, and components exposed to harsh media are built using High-Alloy Steel in the petrochemical industry. Its resilience to severe circumstances, like elevated temperatures and caustic substances, guarantees the durability and dependability of machinery in petrochemical facilities.
- **Power Generation:** High-Alloy Steel is essential to the power generation industry since it is used in heat exchangers, nuclear reactors, and gas turbines, among other applications. Power generation equipment performs better and lasts longer because of its resilience to high-temperature oxidation and corrosion in harsh conditions.
- **Pharmaceuticals:** Reactors and piping systems made from High-Alloy Steel are crucial in maintaining the purity of processed pharmaceutical products by preventing contamination.
- **Energy industries:** Because High-Alloy Steel process equipment is resilient to high temperatures and corrosive substances, it is employed in energy industries such as LNG, biomass, and nuclear power.

Benefits of High-Alloy Steel

High-Temperature Stability: At high temperatures, High-Alloy Steel shows remarkable stability and strength. The chromium, molybdenum, and tungsten additions improve the high-temperature characteristics of High-Alloy Steel alloys.

Versatility: High-Alloy Steel comes in various grades, each designed for a particular application or setting. High-Alloy Steel C276, High-Alloy Steel C22, High-Alloy Steel B2, and High-Alloy Steel X are common grades.

The shift to High-Alloy Steel can be attributed to several factors:

Longevity and Cost-Effectiveness: High-Alloy Steel's durability reduces the lifecycle cost of equipment by minimizing maintenance and replacement needs.

Safety Concerns: In industries like chemical manufacturing and oil & gas, safety standards necessitate the use of materials that can withstand sudden changes in temperature and chemical exposure, thereby reducing the risk of leaks and explosions.

Global High-Alloy Steel Process Equipment Industry

Chemical processing, petrochemical, oil, and gas, pharmaceutical, desalination, and energy sectors (such as LNG, biomass, and nuclear power) are among the industries that employ High-Alloy Steel process equipment. This is because of High-Alloy Steel's exceptional ability to withstand high temperatures and corrosion. Conveyor systems, filtration systems, mixers, pumps, compressors, valves, heat exchangers, boilers, cooling towers, and reactors are just a few examples of the equipment.

The market for High-Alloy Steel process equipment is predicted to increase at a CAGR of 5.6% between CY2023 and CY2028, rising from an estimated US\$ 9.5 Bn to US\$ 12.5 Bn.

Key Growth Drivers

Positive developments in the new energy industry have heightened its demand. Furthermore, the Asia Pacific region, fuelled by rapid industrialization and infrastructure growth, is poised to emerge as the largest consumer of High-Alloy Steel process equipment.

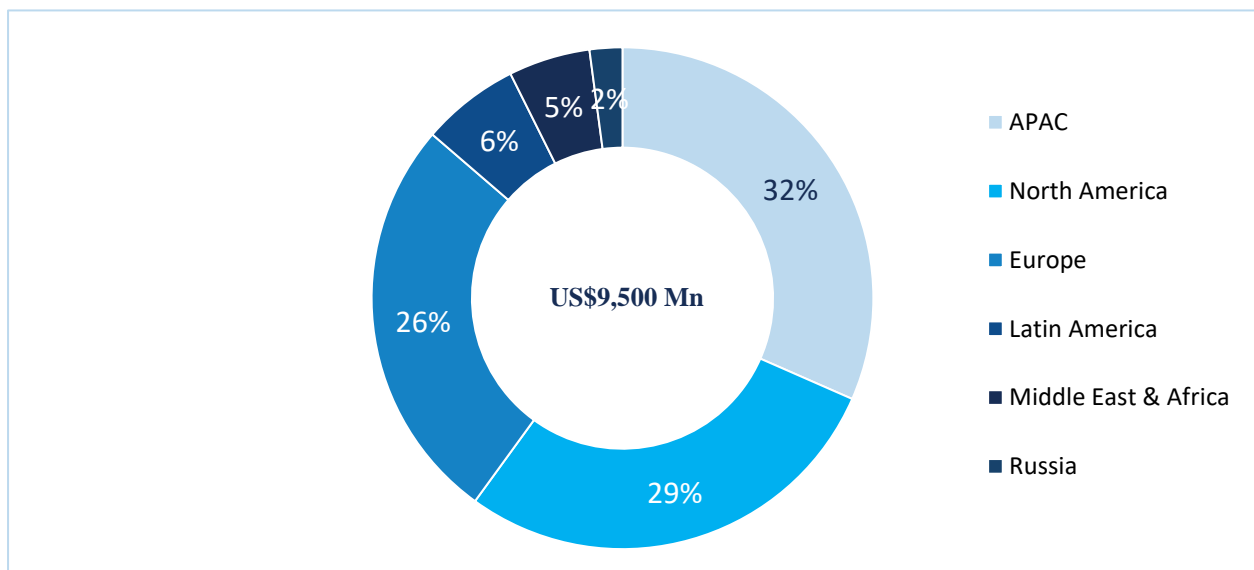
Technological Advancements: Manufacturing processes like additive manufacturing are expanding the possibilities for High-Alloy Steel components, fostering innovation and broadening application areas.

Global High-Alloy Steel Process Equipment - Market Split by Region

Asia Pacific, led by China, India, and Southeast Asia, emerges as the top consumer of High-Alloy Steel alloys amid rapid industrialization. North America, Europe, and the Middle East drive demand in key sectors like oil and gas and chemical processing.

- **Asia Pacific:** Because of the rapid industrialization and infrastructural growth of nations like China, India, and Southeast Asia, this region is expected to overtake all others as the biggest buyer of High-Alloy Steel process equipment.

High-Alloy Steel Process Equipment Market, Global, Split by Region, CY23 (%)



Source: Primary Research, Frost & Sullivan Analysis

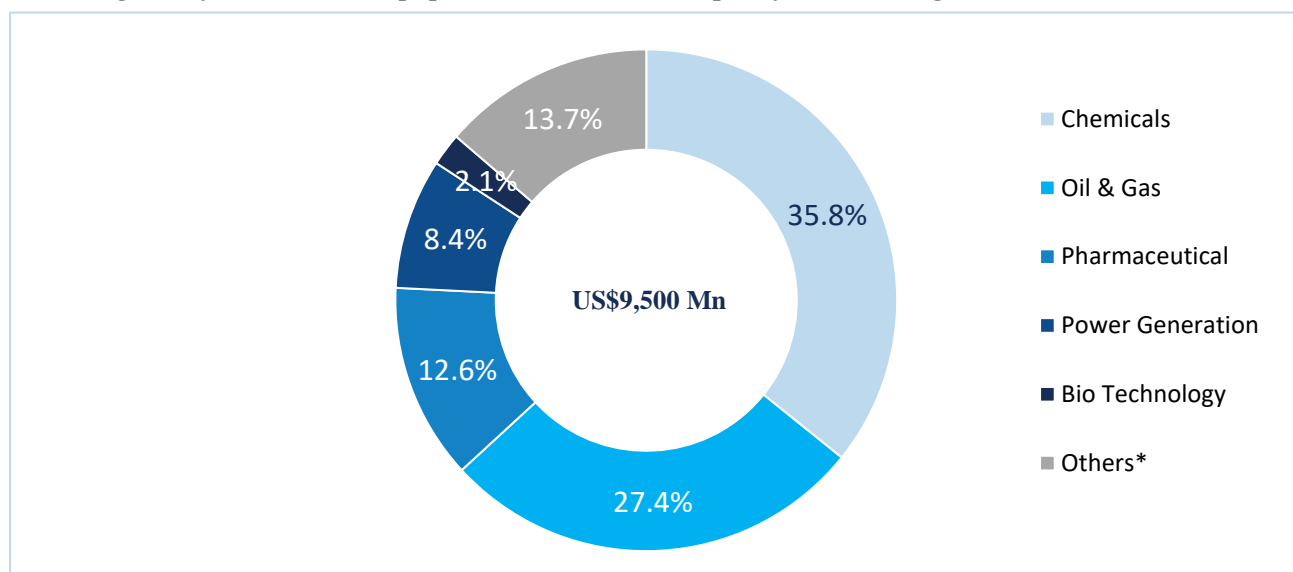
- **North America:** NA is a major market for High-Alloy Steel process equipment, especially the United States. The need is driven by the existence of a thriving industrial sector that includes oil and gas, Pharmaceutical, and chemical processing.
- **Europe:** The need for High-Alloy Steel process equipment is driven by chemical processing, and pharmaceuticals, making Europe an important market.
- **Middle East and Africa:** The need for High-Alloy Steel process equipment is fuelled by the region's oil and gas sector.

- **Latin America:** Although the market may not be as large as in other regions, nations like Brazil and Mexico have room to expand.

Global High-Alloy Steel Process Equipment - Market Split by End-user Segments

The chemical & petrochemicals segment accounted for the highest revenue in the global market in 2023 owing to the expansion of small and large chemical industries. The chemicals Processing and Oil & gas sector is the largest global end-user vertical for the High-Alloy Steel process equipment, generating a revenue of US\$ 6,000.0 Mn in 2023, representing a revenue share of 63.0%. An increase in investments in the pharmaceutical segment is expected to experience significant advances that will accelerate market growth.

High-Alloy Steel Process Equipment Market, Global, Split by End-user Segment, CY23 (%)



Source: Primary Research, Frost & Sullivan Analysis

**Others include F&B, Aerospace, Water and wastewater, Renewables, Marine etc.*

The adaptability of High-Alloy Steel across these sectors underscores its versatility and reliability in ensuring the integrity and efficiency of critical processes, where corrosion resistance is paramount.

Global – Key Players

Companies such as Haynes International, Special Metals Corporation, and Sandvik are prominent manufacturers of High-Alloy Steel alloys and related equipment, offering various products tailored for harsh industrial environments.

India High-Alloy Steel Process Equipment Market

The India High-Alloy Steel Process Equipment market was estimated to be worth INR 280.0 Bn by FY2024. The market is expected to grow at a 7.4% compound annual growth rate (CAGR) and generate INR 400.0 Bn in sales during the forecast period (FY2023-FY2028).

Growth Drivers

High-Alloy Steel is becoming the modern solution for chemical processing due to the low maintenance and longevity of process equipment. It has become a preferred choice in the process equipment market when compared to other materials such as stainless steel due to its high corrosion resistance. The exceptional mechanical properties and long- term cost-effectiveness is favoring High-Alloy Steel usage in the chemical processing industry.

India - Key players

The Indian High-Alloy Steel market is consolidated. There are about 12 players in the market. In India, the leading manufacturers of High-Alloy Steel process equipment include Artson Engineering, Godrej Process Equipment,

Tinita Engineering, Kalina Engineering. Other key players in the market are Samarth Engineers, Apex Metal India, Special Metals, Jain Steels Corporation, Neo Impex Stainless Pvt. Ltd, Siddhagiri Metals & Tubes, Chandan Steel World, Kalina Engineering, System Engitech Pvt Ltd, Ambika Process Equipment, Omniscient Process Equipment, SVAAR Process Solutions, Nanomag tech, Satyam Industries.

Standard Glass Lining Technology Limited is a renowned manufacturer of specialized technical equipment for India's pharmaceutical and chemical sectors., SGLT is one of India's top 3 manufacturers (in revenue terms) of stainless steel and nickel alloy based specialized engineering equipment for the Pharmaceutical and Chemical sectors in Fiscal 2024.

PTFE LINED PIPES AND FITTINGS

PTFE Lined Pipes and Fittings - Overview

PTFE-lined pipes are mild steel pipes with a layer of polytetrafluoroethylene (PTFE) liner fused to the inside walls. PTFE is well-known for its remarkable chemical resistance, non-stick characteristics, durability at high temperatures, and low friction coefficient. These properties make PTFE an excellent material for lining the interior surfaces of pipes, providing corrosion protection, and assuring smooth fluid flow in a wide range of industrial applications. The market for PTFE-lined pipes includes petrochemicals, chemical processing, pharmaceuticals, water treatment, and other industries that require the conveyance of corrosive or abrasive fluids. The effective avoidance of corrosion and contamination of chemicals transported through PTFE-coated pipes increases the longevity and durability of piping systems. The key demand drivers for PTFE-coated pipe and fittings are the need for dependable and long-lasting solutions in challenging chemical circumstances and rising knowledge of the negative effects of corrosion on conventional pipeline materials.

Advantages of PTFE Lined Pipes and Fittings:

- **Environmental Regulations:** Stringent environmental regulations mandate the safe handling and transportation of hazardous chemicals. PTFE-lined pipes help industries comply with these regulations by preventing leaks and spills.
- **Safety Concerns:** Ensuring workplace safety is a significant driver. PTFE-lined pipes contribute to safety by reducing the risk of leaks, chemical exposure, and accidents associated with corroded pipes.
- **Improve Efficiency and Reliability:** PTFE-lined pipes offer reliable fluid transport, reducing downtime due to maintenance and repair. This efficiency is particularly valuable in industries with continuous production processes.
- **Long-Term Cost Savings:** While the initial investment in PTFE-lined pipes might be higher, their extended lifespan and reduced maintenance needs lead to cost savings over the long term.

Key Growth Drivers - Global

The market is expanding due to substantial investments in industrial projects and the development of infrastructure across various regions. Furthermore, the increased emphasis on lowering maintenance costs and improving operational effectiveness is driving up the use of PTFE-lined pipes in a variety of applications.

The primary causes of the need for PTFE-coated pipes are the requirement for durable and dependable solutions in harsh chemical environments and the increasing awareness of the damaging effects of corrosion on traditional pipeline materials. Strict regulations about safety standards and environmental protection have also contributed to the acceptance of PTFE-coated pipes as a sustainable and compatible alternative.

Product Types and Applications

PTFE Lined Pipes: Segment by Type - PTFE Lined carbon steel Pipes and PTFE Lined Stainless Steel Pipes

PTFE Lined Fittings: These fittings come in a variety of parts, such as tees, reducers, and elbows. They are employed to join various tubes or pipes. PTFE or PFA linings are applied to pipes and fittings using the most appropriate method based on the dimensions and form of the products.

PTFE/PFA lined pipes and fittings are further categorized into various types:

- **Straight Sections:** These are the linear segments of pipes coated with PTFE or PFA for corrosion resistance.
- **Curved Sections (Elbows):** These curved components alter the direction of fluid flow and are also lined with PTFE or PFA.
- **Junctions (Tees):** These fittings are employed to merge or divide the flow of corrosive fluids and feature PTFE or PFA linings.
- **Reducers (Concentric and Eccentric):** Used to link pipes of varying diameters, these fittings are lined with PTFE or PFA.

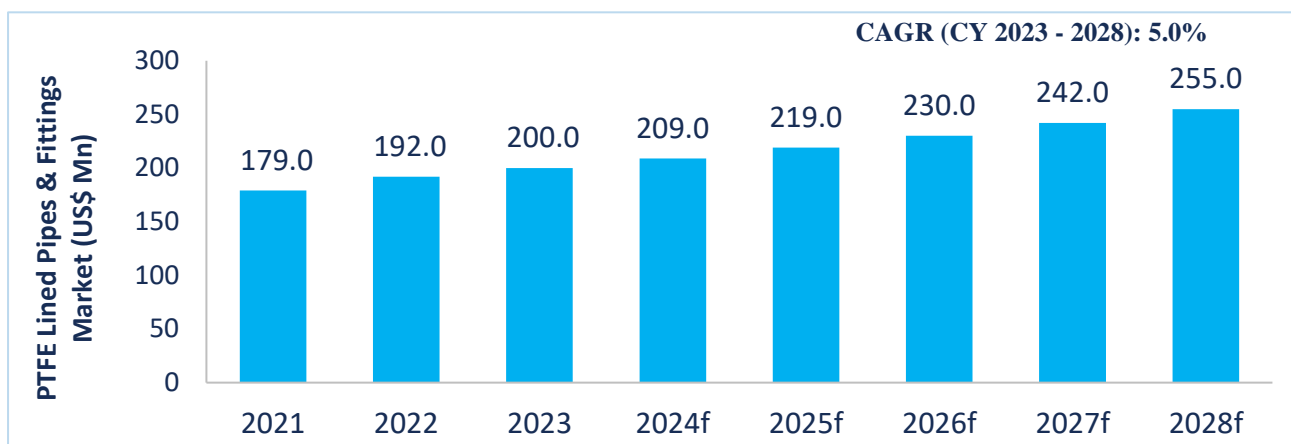
Key Application Areas

PTFE-lined pipes and fittings offer numerous benefits, including high-temperature resistance, chemical resistance, a nonstick surface, and longer intervals between maintenance and rebuilds. They are designed to last longer than ordinary pipe fittings, lowering replacement costs over time while increasing reliability and safety.

- **Chemical Industry:** PTFE-lined pipes and fittings have a high level of resistance to most chemicals; they are employed extensively in this sector. Pipes are ideal for transporting caustic liquids because their contents do not affect them. They also handle acids and other extremely hostile substances.
- **Oil and gas industry:** PTFE-lined pipes to convey corrosive fluids and chemicals encountered during exploration, production, and refining operations.
- **Pharmaceutical and Biotech Industry:** In the pharmaceutical and biotech sectors, PTFE-lined pipes are essential for transporting chemicals and fluids during drug manufacturing and research processes, ensuring product purity and quality.
- **Paper Industry:** The paper industry uses PTFE-lined pipes and fittings to handle corrosive liquids like chlorine dioxide (ClO₂), NaOH, H₂SO₄ acid, etc. They offer a long-term, reasonably priced way to move or store extremely corrosive fluids.
- **Water Treatment Facilities:** PTFE-lined pipes and fittings have a high level of corrosion resistance and can withstand harsh chemicals; they are utilized in water treatment facilities. They lessen the chance of corrosive wear-related device failures, leaks, and system outages.
- **Power Plants:** To regulate the temperature, pressure, and flow in pipes, power plants use PTFE-lined pipes and fittings. Their exceptional resistance to corrosion, strength, durability, and chemical resistance renders them perfect for use in commercial and industrial settings.
- **Food and Beverages:** It uses PTFE-lined stainless-steel pipes because of their corrosion resistance and nonstick surface. They are perfect for transporting caustic substances and satisfy the strict hygienic requirements of the food and beverage sector.
- **Semiconductor Manufacturing:** PTFE-lined pipes are used in semiconductor manufacturing to transmit high-purity chemicals and solvents while avoiding impurities that could disrupt sensitive operations.
- **Acid Handling:** Industries such as mining, metallurgy, and automobile manufacture rely on PTFE-lined pipes to transport corrosive acids in a variety of applications.

Market Size and Growth Outlook

PTFE Lines Pipes & Fittings Market, Global, CY2021-2028F



Source: Primary Research, Frost & Sullivan Analysis

The estimated value of the global market for PTFE Lined Pipes & Fittings was US\$ 200.0 Mn in CY2023, projected to grow to US\$ 255.0 Mn by CY2028. The market for PTFE-lined pipes and fittings is anticipated to expand at a compound annual growth rate (CAGR) of 5.0% between CY2023 and CY2028, driven by increasing demand for corrosion-resistant materials from various industries such as water treatment, chemical processing, food and beverage, steel (pickling), power generation, and others. Severe laws and standards governing the usage of materials in industries such as chemical processing and pharmaceuticals are also driving up demand for PTFE-lined pipes and fittings.

North America, Europe, and Asia-Pacific are the regions where the market is expanding the fastest. Asia-Pacific has the biggest market share in the globe, accounting for over 37.0% of the total, followed by North America and Europe, at roughly 29.0% and 27.0%, respectively.

- In the Asia-Pacific region, rapid industrialization in countries like India, China, and Japan is boosting adoption, particularly in chemical manufacturing, infrastructure development, and wastewater treatment sectors.
- North America's market is driven by the need for corrosion-resistant pipes in industries like chemicals, pharmaceuticals, and oil and gas, alongside strict environmental regulations necessitating the use of PTFE-lined pipes for the prevention of leakage and contamination.
- In Europe, the demand remains steady, propelled by key industries such as chemicals, food and beverages, and pharmaceuticals, with stringent regulations emphasizing product quality and safety as key growth factors.

In terms of application, oil, gas, and petrochemicals have the largest share, approximately 27.0%.

Key Players in the Global Market

The global market for PTFE Lined Pipes and Fittings is quite diverse with several players. The leading manufacturers of PTFE-lined pipes and fittings worldwide include SGLT Carbon, BAUM, Mersen, Crane Chem Pharma & Energy, and Corrosion Resistant Products (CRP), among others. About 50% of all global revenue is generated by the top five players. SGLT Carbon, Crane Chem, BAUM, and Mersen have a strong presence across all regional markets. The other notable players are NICHIAS, DuFlon, Allied Supreme, Fluonics Co. Ltd, Hi-Tech Applicator, Arconi S.A., Italportec, Sigma Polymers, Diflon Technology, Galaxy Thermoplast, Fusibond etc.

India Market Scenario

The estimated value of the Indian market for PTFE Lined Pipes & Fittings was INR 1230 Mn in FY2024, projected to grow to INR 1820.4 Mn by FY2028. The market for PTFE-lined pipes and fittings is anticipated to expand at a CAGR of 10.3% between FY2024 and FY2028.

In terms of product type, PTFE-lined stainless-steel pipes and fittings are the largest market segment, accounting for about 55.0% of the market share. In terms of application, the chemical industry has the highest share, over 24.0%, followed by oil and gas, food and beverage, and pharmaceuticals. The growth of the healthcare industry in India, including pharmaceuticals and biotechnology, contributes to the demand for PTFE-lined pipes for handling corrosive substances in medical applications.

Standard Glass Lining Technology Limited has an ambitious product roadmap and company vision for its future growth. SGLT focuses on inorganic growth through strategic acquisitions and alliances.

Standard Glass Lining Technology Limited (SGLT) is a top-three supplier of PTFE lined pipeline and fittings in India. It has acquired Higenic Flora Polymers and Yashasve Glass Lining Industries, enabling it to gain a 23.3% market share (in revenue terms) in Fiscal 2024. These partnerships have enabled SGLT to grow at a faster pace as compared to its peers and established its leadership position in the industry.

Growth Outlook- India

- **Government Initiatives:** The Indian government promotes a wide range of businesses, including chemicals and pharmaceuticals, through initiatives such as "Made in India" and infrastructure development projects. As a result, PTFE-lined pipes are becoming increasingly popular to address the growing demand for corrosion-resistant solutions.
- **Industrial Growth:** India's economy is growing quickly, and there are huge investments in the food processing, chemical, and pharmaceutical industries. The PTFE-lined pipes and fittings are useful in these industries because they can handle high temperatures and strong chemicals.
- **Environmental Concerns:** PTFE-lined pipes and fittings are more environmentally benign. Companies are increasingly adopting environmentally friendly solutions to reduce the impact of industrial processes. PTFE-lined pipes help prevent chemical leaks and spills, contributing to environmental protection. It will not release toxic elements into the environment becoming more significant as India continues to face environmental challenges.

Strong investments in infrastructure development and industrial projects in India drive the overall market growth. Additionally, the rising focus on reducing maintenance costs and enhancing operational efficiency is further boosting the adoption of PTFE-lined pipes in various applications.

Key Demand Trends in PTFE Lined Pipes and Fittings: India

- **Increasing demand for corrosion-resistant solutions:** Because of their high corrosion resistance, PTFE-lined pipes and fittings are increasingly being used in industries such as chemicals, pharmaceuticals, and oil & gas, resulting in market growth.
- **Growing Concerns about Environmental Sustainability:** Because they help limit the likelihood of leaks, spills, and pollution, PTFE-lined pipes and fittings are considered environmentally benign. This factor has contributed to an increase in the use of PTFE-lined solutions.

Key players in India

The Indian PTFE Lined Pipes and Fittings market is fragmented, with small and medium-sized providers. There are about 10 players in the market. In India, the leading manufacturers of PTFE-lined pipes and fittings include Standard Glass Lining Technology, D.V. Polymers, Siflon Polymers, Sigma Polymers, PTFEON, and Hi-Tech Applicator. The other notable players in the market include Polyfluro, Horizon Polymer, VESCOAT, MERSEN, etc.

COMPETITIVE BENCHMARKING OF KEY COMPANIES COMPETING WITH SPECIALIZED INDUSTRIAL PROCESS EQUIPMENT

Competitive Benchmarking

Key Competitor Profiles

Name of the Company	Year of Incorporation	Current Capabilities / Infrastructure	Product Offerings	Industries/ Segments serve
Thermotech Engineering Pvt. Ltd.	1991	<ul style="list-style-type: none"> 2 state-of-the-art manufacturing facilities. One factory is in the industrial township of Chinchwad. The second is in the Chakan industrial area (near Pune) Employee count - 150 Produce nearly 250 reactors per annum 	<ul style="list-style-type: none"> C GMP Reactors Gas Induction Reactors Tubular Heat Exchangers Agitators/ Mixers Distillation Columns Process Skids Pressure vessels / Storage tanks Exotic material fabrication 	<ul style="list-style-type: none"> Biotech and Pharmaceuticals Food, Beverage, and Personal care Fine Chemicals, Paints, Dyestuffs Oil and Gas Petrochemicals
GMM Pfaudler Ltd.	1963	<ul style="list-style-type: none"> Presence in 4 Continents, 80+ countries (Global) Have 20 global manufacturing facilities around the world The company's production facility is spread across a 20- acre factory at Karamsad, Gujarat. It has a subsidiary Mavag, based out of Switzerland, which manufactures proprietary products. 	<p>Glass-Lined Equipment - Reactors, Cryo-Lock Agitators, Conical Blenders, Vessels</p> <p>Heavy Engineering - Agitated Reactors, Heat Exchangers, Pressure Vessels and Columns</p> <p>Proprietary Product - Mixing Systems, Filtration and drying systems, Systems for Evaporation, drying, heating and cooling</p>	<ul style="list-style-type: none"> Chemicals Pharmaceuticals Biotech Food, Beverage Refineries Petrochemicals Paper
HLE Glascoat Ltd	1991	<ul style="list-style-type: none"> The company operates from its sole manufacturing facility at Anand, Gujarat and was incorporated in 1991. One of a kind pilot-plant and R&D facility. 	<ul style="list-style-type: none"> Filtration & Drying Equipment Agitated Nutsche Filter Dryers, Rotary Vacuum Paddle Dryers, Kilo-Lab Filter Dryers Glass Lined Equipment Reactors, Vessels, Columns, Heat Exchangers, ANFDs, RCVDs, Pipes, Fittings & Accessories Exotic Metal Equipment cGMP Pharma Models 	<ul style="list-style-type: none"> Pharmaceuticals Chemicals Food Processing

Name of the Company	Focus Geographies	Expansion/ Investment Plans	Strength Analysis	Select Key Customers
Thermotech Engineering Pvt. Ltd.	<ul style="list-style-type: none"> Middle East South East Asia Africa 	<ul style="list-style-type: none"> No Specific details are available 	<ul style="list-style-type: none"> Strong Brand Recognition in Pharma and Chemicals segment (India) Extensive Customer base 	<ul style="list-style-type: none"> Biocon Ltd. BASF Sartorius Helix Biotech RPG Life Science
GMM Pfaudler Ltd.	Strong export potential by leveraging Pfaudler's global network	<ul style="list-style-type: none"> It has announced the expansion of its Hyderabad site. The business would invest an extra \$3.7 million (about Rs 28 crore) to improve capacity. 	<ul style="list-style-type: none"> Strong relationships with brand pull Leader in glass – lined equipment Preferred choice in large reactors segment 	<ul style="list-style-type: none"> Deccan Fine Chemicals PI Industries Sun Pharma Cipla Hikal SRF
HLE Glascoat Ltd.	Global – Specifically high-growth regions/ markets	<ul style="list-style-type: none"> HLE Glascoat plans to expand its reach to global markets, supported by its recent acquisition of Thaletec, for its key product segments. The company is in the process of expanding its capacities in both the Filtration & Drying Equipment segment and the Glass Lined Equipment segment. 	<ul style="list-style-type: none"> Established position in domestic glass-lined, filtration and drying equipment market Reputed and diversified clientele base Strong brand recall 	<ul style="list-style-type: none"> BAYER GSK LANXESS Sanofi Aventis MERCK Kemira Atul Glenmark

Name of the Company	Year of Incorporation	Current Capabilities / Infrastructure	Product Offerings	Industries/ Segments serve
Edwards Vacuum (Atlas Copco)	1919	<ul style="list-style-type: none"> Part of Atlas Copco Group. Have nationwide sales agents and distributors 	<ul style="list-style-type: none"> Small Dry Pumps Industrial Dry Pumps Chemical Dry Pumps Semiconductor Dry Pumps - iXM, iXH, iXL Turbomolecular Pumps Ultra High Vacuum Pumps Oil Sealed Pumps 	<ul style="list-style-type: none"> Chemical Processing F&B
HRS Process System	2003	<ul style="list-style-type: none"> They have state of art manufacturing facility spread over five acres of land at Koregaon Bhima, Pune Have a strong network all across India to meet the ever-growing needs of the industry in the domestic market 	<ul style="list-style-type: none"> Heat Exchangers Food Processing equipment's - pre-heaters, chillers, pasteurizers, aseptic process lines, turnkey processing lines, diced food pasteurizers, 	<ul style="list-style-type: none"> Chemicals Pharmaceutical Fertilizers Petrochemicals Agrochemicals Food & Beverage
Praj Industries	1983	<ul style="list-style-type: none"> Multi-disciplinary engineering team of ~50 dedicated to this business. The manufacturing capabilities are substantiated by four world-class manufacturing facilities in Maharashtra and Gujarat. Presence across 100+ countries 	<p>Critical Process equipment</p> <ul style="list-style-type: none"> Reactors High pressure vessels Heat exchangers Process columns / Towers Proprietary Equipment ZLD 	<ul style="list-style-type: none"> Oil & Gas Refineries Petrochemicals Fertilizers

Name of the Company	Focus Geographies	Expansion/ Investment Plans	Strength Analysis	Select Key Customers
Edwards Vacuum (Atlas Copco)	<ul style="list-style-type: none"> Middle East India 	<ul style="list-style-type: none"> No Specific details are available 	<ul style="list-style-type: none"> Wide range of Vacuum pumps portfolio Strong brand recognition and Global Presence Focus on providing innovative solutions in the Vacuum pumps industry 	<ul style="list-style-type: none"> No Specific details are available
HRS Process System	HRS has a presence through its group companies in the UK, Spain, USA, Malaysia, Australia and New Zealand.	<ul style="list-style-type: none"> No Specific details are available 	<ul style="list-style-type: none"> Wide range of Heat Exchangers Portfolio Strong presence in Chemical, F&B, Pharma industry 	<ul style="list-style-type: none"> Dr.Reddy's Laboratories Arch Pharma Labs India Glycols Jadli Foods Wintech Taparia
Praj Industries	With over 70% of market share in India and experience of installing projects in Africa and Southeast Asia Target markets – Middle East, Africa, Southeast Asia	<ul style="list-style-type: none"> Focus on offering integrated energy-efficient solutions for effluent recycling and zero liquid discharge for various industrial applications Focus on opportunities in complex injectable, high-capacity fermenters and Bio-pharma space for PHS 	<ul style="list-style-type: none"> 1000+ customer references in 100+ countries across 5 continents Team of 90+ technologists, 300+ patents filings, and 24 Indian and 60 international patents being granted. Known for its TEMPO (Technology, Engineering, Manufacturing, Project Management, and Operations & Maintenance) capabilities. 	<ul style="list-style-type: none"> Indian Oil Corporation HP BP Fluor United Breweries

Name of the Company	Year of Incorporation	Current Capabilities / Infrastructure	Product Offerings	Industries/ Segments serve
Thermax	1966	<ul style="list-style-type: none"> Operate globally through 34 international and 22 domestic offices, 14 manufacturing facilities – 10 in India and 4 overseas, spanning Europe and <u>South East Asia</u>. 	<ul style="list-style-type: none"> Heating and Cooling solutions Renewable Energy products Steam Engineering solutions Air Pollution Control equipment 	<ul style="list-style-type: none"> Chemicals F&B Petrochemicals Refineries Pharmaceuticals Power
BEW Engineering	2011	<ul style="list-style-type: none"> The manufacturing unit is outfitted with the requisite machines, tools and equipment. The production process are designed and carried out as per the industry standards. 	<p>Filters and Dryers</p> <ul style="list-style-type: none"> Agitated Pressure, Nutsche Filter Dryer (ANFD), Rotocone Vacuum Filter Dryers (RVFD), Cantilever Rotocone Vacuum Dryer (RCVD), Retractable Plough Shear Mixer, Dryer Agitated Pan Dryer Rotary Vacuum Paddle Dryer (RVPD) and Spherical Dryer 	<ul style="list-style-type: none"> Agro Chemicals Pharmaceuticals Specialty Chemicals
Anup Engineering	1962	<ul style="list-style-type: none"> New plant set up in Kheda project 	<ul style="list-style-type: none"> Reactors Pressure vessels Shell & Tube Heat Exchangers Columns/Towers Centrifuge 	<ul style="list-style-type: none"> Refineries Chemicals Fertilizers Petrochemicals Power Water

Name of the Company	Focus Geographies	Expansion/ Investment Plans	Strength Analysis	Select Key Customers
Thermax	<ul style="list-style-type: none"> Europe US Asia Africa Middle East Southeast Asia 	<ul style="list-style-type: none"> Thermax anticipates significant growth by 2030, focusing on energy transition, market optimism, and new technologies. 	<ul style="list-style-type: none"> Strong brand value Deliver high quality solutions to customers at competitive costs through operational excellence. 	<ul style="list-style-type: none"> Key chemical, Oil& Gas companies
BEW Engineering	<ul style="list-style-type: none"> South Asia Middle East Central Asia Southeast Asia US 	<ul style="list-style-type: none"> No specific details are available 	<ul style="list-style-type: none"> Strong Brand value and repeat Customer orders Cost-effective and Quality Manufacturing Efficient after sales Support Teams 	<ul style="list-style-type: none"> Aarti Drugs Dabur Zydus Cadila GSK Reliance Sun Pharma
Anup Engineering	<ul style="list-style-type: none"> India Middle East Africa <u>South East Asia</u> CIS Countries 	<ul style="list-style-type: none"> No specific details are available 	<ul style="list-style-type: none"> Strong brand recognition Supplying process equipment to nearly all major projects in Oil & gas, petrochemicals, Chemicals, Fertilizer, and other process Industries in India and worldwide 	<ul style="list-style-type: none"> Sasol IOC HP Reliance BASF

Operating Revenue and EBITDA of key companies, India, Value in INR Million, FY22 - FY24

Name of the Company	Operating Revenue (INR million)				EBITDA (INR million)			EBITDA margin ² (%)		
	FY22	FY23	FY24	CAGR*	FY22	FY23	FY24	FY22	FY23	FY24
Standard Glass	2,401.87	4,975.88	5,436.69	50.0%	417.79	882.56	1,009.19	17.30%	17.65%	18.36%
Thermotech	607.00	NA	NA	-	11.00	NA	NA	1.8%	NA	NA
GMM Pfaudler	25,405.70	31,775.50	34,464.80	16.0%	2,906.00	4,810.10	4,968.20	11.41%	14.90%	14.33%
HLE Glascoat	6,522.18	9,320.23	9,679.20	22.0%	1,176.29	1,450.73	1,208.77	17.80%	15.43%	12.38%
HRS Process System Limited	1,799.02	2,488.20	NA	-	293.40	458.10	NA	16.33%	18.41%	NA
EDWARDS VACCUM	1,269.10	1,592.00	NA	-	89.30	132.30	NA	7.04%	8.13%	NA
Praj Industries	23,432.74	35,280.38	34,662.78	22.0%	2,299.74	3,536.01	4,315.05	9.71%	9.92%	12.29%
Anup Engineering	2,882.00	4,113.20	5,504.20	38.0%	737.60	839.02	1,268.00	25.62%	20.41%	23.01%
Thermax	61,283.30	80,898.10	93,234.60	23.0%	5,483.80	7,577.40	10,299.60	8.77%	9.18%	10.78%
BEW Engineering	994.02	1,056.10	1,208.50	10.0%	78.00	98.0	182.0	7.91%	9.23%	15.10%

NA – Data not available

Source: Annual Reports of Companies published in RoC, MCA; Frost & Sullivan Analysis

PAT and PAT margin of key companies, India, Ratio in %, FY22 - FY24

Name of the Company	PAT (INR million)				PAT margin ³ (%)		
	FY22	FY23	FY24	CAGR*	FY22	FY23	FY24
Standard Glass	251.45	534.24	600.11	55.0%	10.41%	10.68%	10.92%
Thermotech	3.01	NA	NA	-	-0.41%	NA	NA
GMM Pfaudler	753.60	2,103.70	1,741.00	52.0%	2.96%	6.51%	5.02%
HLE Glascoat	582.02	698.15	408.89	-16.0%	8.82%	7.43%	4.19%
HRS Process System Limited	207.04	320.00	NA	-	11.5%	12.19%	NA
EDWARDS VACCUM	58.05	75.02		-	4.51%	4.27%	NA
Praj Industries	1,502.39	2,398.18	2,833.91	37.0%	6.35%	6.73%	8.07%
Anup Engineering	621.10	514.30	1,035.30	29.0%	21.15%	12.25%	18.18%
Thermax	3,123.10	4,507.00	6,431.90	44.0%	4.99%	5.46%	6.73%
BEW Engineering	56.00	73.01	136.02	56.0%	5.71%	6.91%	11.32%

RoE, RoCE, and RoA of key companies, India, Ratio in %, FY22 - FY24

Name of the Company	RoE ¹ (%)			RoCE ⁵ (%)			RoA (%)		
	FY22	FY23	FY24	FY22	FY23	FY24	FY22	FY23	FY24
Standard Glass	54.89%	47.56%	20.74%	42.03%	43.43%	25.49%	13.23%	16.54%	11.85%
Thermotech	0.61%	NA	NA	2.9%	NA	NA	-0.50%	NA	NA
GMM Pfaudler	18.22%	24.63%	20.23%	17.18%	28.26%	23.74%	2.93%	6.91%	5.34%
HLE Glascoat	29.97%	24.06%	7.99%	30.40%	24.51%	12.68%	10.24%	8.44%	3.90%
HRS Process System Limited	33.74%	37.15%	NA	37.63%	44.72%	NA	27.01%	32.01%	NA
EDWARDS VACCUM	20.36%	20.82%	NA	28.85%	33.76%	NA	20.04%	21.01%	NA
Praj Industries	17.50%	24.06%	24.09%	28.23%	36.80%	35.10%	7.88%	9.92%	10.28%
Anup Engineering	15.85%	11.86%	19.61%	15.51%	16.43%	21.24%	13.01%	14.41%	17.52%
Thermax	9.26%	12.24%	15.53%	19.15%	19.79%	23.02%	4.47%	5.53%	6.77%
BEW Engineering	29.21%	27.53%	19.10%	44.00%	37.12%	27.71%	6.82%	6.61%	9.21%

NA – Data not available

Source: Annual Reports of Companies published in RoC, MCA; Frost & Sullivan Analysis

Total Debt to Equity, Net Debt to Equity, and Net Fixed asset Turnover of key companies, India, , FY22 - FY24

Name of the Company	Total Debt to Equity(X)			Net Debt to Equity(X)*			Net Fixed Asset Turnover Ratio		
	FY22	FY23	FY24	FY22	FY23	FY24	FY22	FY23	FY24
Standard Glass	1.01x	0.53x	0.32x	1.01x	0.49x	0.19x	6.26x	7.60x	6.08x
Thermotech	2.41x	NA	NA	2.2x	NA	NA	3.7x	NA	NA
GMM Pfaudler	1.21x	1.21x	0.94x	0.58x	0.90x	0.58x	2.46x	2.82x	2.76x
HLE Glascoat	0.91x	0.79x	0.93x	0.7x	0.82x	0.93x	3.3x	3.14x	2.20x
HRS Process System Limited	0.20x	0.20x	NA	-0.1x	0.04x	NA	22.1x	28.6x	NA
EDWARDS VACCUM	0.04x	0.24x	NA	0.04x	0.2x	NA	51.0x	30.4x	NA
Praj Industries	0.02x	0.04x	0.13x	-0.15x	-0.10x	-0.03x	8.60x	12.07x	8.37x
Anup Engineering	0.00x	0.00x	0.04x	0.00x	0.00x	0.00x	1.3x	1.6x	1.8x
Thermax	0.11x	0.21x	0.29x	-0.17x	-0.08x	0.07x	4.89x	5.54x	4.53x
BEW Engineering	1.41x	1.60x	1.0x	1.41x	1.63x	1.0x	9.30x	10.0x	6.9x

NA – Data not available

Source: Annual Reports of Companies published in RoC, MCA; Frost & Sullivan Analysis

Adjusted ROCE of key companies, India , FY22 - FY24

Name of the Company	FY22	FY23	FY24
Standard Glass	42.03%	43.86%	29.70%
Thermotech	2.43%	NA	NA
GMM Pfaudler	18.02%	29.45%	24.43%
HLE Glascoat	NA	NA	NA
HRS Process System Limited	36.02%	70.42%	NA
EDWARDS VACCUM	27.69%	27.21%	NA
Praj Industries	28.97%	38.05%	36.30%
Anup Engineering	18.08%	16.09%	22.48%
Thermax	21.23%	22.96%	25.47%
BEW Engineering	29.03%	26.97%	17.58%

NA – Data not available

Source: Annual Reports of Companies published in RoC, MCA; Frost & Sullivan Analysis

Notes:

- (1) EBITDA is calculated as profit before tax expenses plus finance costs and depreciation and amortization expense and impairment of property, plant and equipment.
- (2) EBITDA Margin has been calculated as EBITDA divided by Total Income
- (3) PAT refers to Restated Profit for the year

- (4) PAT margin refers to PAT divided by Total Income
- (5) ROCE calculated as Profit before tax add finance cost divided by Average Capital employed. Capital employed refers to Total Equity plus total borrowings and lease liabilities (long term and short term) excluding cash and cash equivalents and Bank balances other than cash and cash equivalent
- (6) Return on Equity has been calculated as net income (owners share) divided by Average Net Worth = Aggregate value of equity share capital and other equity (excluding non-controlling interest). created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses but does not include reserves created out of revaluation of assets and write-back of depreciation.
- (7) RoA is calculated as PAT divided by Average Total Assets
- (8) Debt to equity ratio has been calculated as total borrowings and lease liabilities (including current maturities of long-term debt and lease liabilities) divided by Net Worth (excluding non-controlling interest)
- (9) Net debt/ Equity refers to Total borrowings and lease liabilities including current maturities of long-term debt and lease liabilities) less cash and cash equivalents and Bank balances other than cash and cash equivalents divided by Net Worth (excluding non-controlling interest)
- (10) Net Fixed asset turnover ratio calculated as Revenue from Operations/ Average Net Fixed Assets. Net Fixed assets includes Property, plant and equipment, Capital work-in-progress, Other intangible assets, goodwill, right of use assets and Intangible assets under development
- (11) Adjusted ROCE calculated as Profit before tax add finance cost divided by Average Capital employed. Capital employed refers to Total Equity plus total borrowings and lease liabilities (long term and short term) excluding cash and cash equivalents and Bank balances other than cash and cash equivalents and Fixed Deposits excluding Margin Money.

Despite a challenging market environment, Standard Glass Lining Technology financial performance has been remarkable year-on-year. In the Tier-1 category, Standard Glass Lining Technology Limited is one of the top three manufacturers (in terms of revenue) of glass-lined equipment, stainless steel equipment, and nickel alloy based equipment in fiscal 2024 in India. SGLT had a remarkable achievement of 107% revenue growth from FY 2022 (INR 2401.87 Mn) to FY 2023 (INR 4975.8 Mn). In FY 2024, SGL earned INR 5436.69 Bn in revenue (Consolidated), showcasing a growth rate of 9.3% compared to the previous year (FY 2023).

Standard Glass Lining Technology has been the fastest-growing company in the industry when compared to peers during the past three years

SGLT is optimistic about industry growth and continues to scale up its operations by taking advantage of an increasing customer base.

Criteria for peer classification:

Category	Revenue Range	Players
Tier -1	INR >2000 Million	GMM Pfaunder, HLE Glascoat, Thermax, Standard Glass, Anup Engineering, Praj Industries
Tier -2	INR >1000 -2000 Million	HRS Process system, Edwards Vacuum,
Tier -3	INR 100 -1000 Million	BEW Engineering, Thermotech

Analysis of Standard Glass Lining Technology (SGLT)

Standard Glass Lining Technology Limited - Introduction

Standard Glass Lining Technology Limited is a customer-driven, technology-oriented, and comprehensive equipment provider for the Chemical and Pharmaceutical industries. Standard Glass Lining Technology Limited was incorporated in the year 2012 and within a short span of twelve years of operations, it has established itself as one of the top 5 specialized engineering equipment manufacturers for pharmaceutical and chemical sectors in India in Fiscal 2024 (in revenue terms)

Standard Glass Lining Technology Limited is one of the few companies in India that offers end to end customized solutions in the specialized engineering equipment used in the pharmaceutical and chemical sectors. It can deliver

large and complex projects with a wide range of equipment, as a single point of contact. As a testament to their capabilities, they have delivered some of the largest and most complex equipment in India across their product portfolio.

Operational Efficiency

The Process engineering equipment market is highly competitive, and to remain relevant, market participants need to boost their operational efficiency in their businesses. SGLT strongly believes that internal operational efficiency translates into value to customers. Standard Glass Lining Technology Limited's end-to-end offerings, engineering expertise, and multiple manufacturing facilities equipped with advanced technological capabilities have allowed it to become one of the top 3 (in terms of revenue) process equipment manufacturers in the pharmaceutical industry in India in FY2023-24.

All of SGLT's eight manufacturing sites are located in Telangana, India, close to clients' pharmaceutical manufacturing facilities in Hyderabad, Telangana, India's Pharma hub.

SGLT has extensive geographic coverage and continuously invests in infrastructure (manufacturing facility) to improve operational efficiency. SGLT is expanding capacity at its existing production plants to capitalize on the surge in demand for process equipment such as reaction systems, separation, and drying systems in India. SGLT has displayed an exceptional commitment to increasing its operational efficiency in India and has made significant efforts to achieve strong revenue growth.

Financial Performance

SGLT's financial performance has been remarkable year-on-year despite a challenging market environment. SGLT is one of the top three manufacturers (in terms of revenue) of glass-lined equipment, stainless steel equipment, and nickel alloy based equipment in fiscal 2024 in India. SGLT had a remarkable achievement of 107% revenue growth from FY 2022 (INR 2401.8 Mn) to FY 2023 (INR 4975.8 Mn). In FY 2024, SGLT earned INR 5,439.9 Bn in revenue (Consolidated), showcasing a growth rate of 9.3% compared to the previous year (FY 2023).

SGLT is optimistic about industry growth and continues to scale up its operations by taking advantage of an increasing customer base.

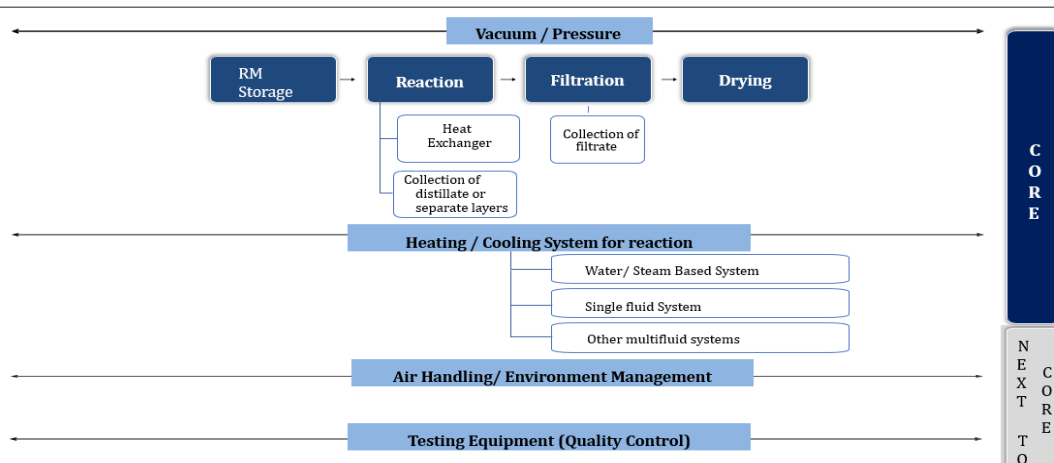
SGLT is one of the top 3 (in revenue terms) specialized Engineering equipment manufacturing companies for Pharma and Chemical Sectors in India in FY2024.

SGLT is the fastest growing company (in revenue terms) in the industry in which it operates during the past three completed Fiscals when compared to its peers

Addressing unmet/emerging needs

SGLT's ability to identify and adapt to emerging industry trends is another distinguishing factor that sets it apart from its competitors. The company's growth strategy is centered on enhancing its presence across specialized engineering equipment manufacturing and penetrating deeper across the global market, with the mission to increase its overall market share. SGLT has emerged as a one-stop process equipment solution provider for the Pharma, Chemical, and Food Processing industries.

Typical Setup in Pharma API / Fine Chemical manufacturing



SGLT has an in-house position across the value chain including design, engineering, manufacturing, assembly, installation and commissioning solutions as well as establishing standard operating procedures for pharmaceutical and chemical manufacturers on a turnkey basis. It possesses in-house capabilities to manufacture all the core specialised engineering equipment required in **API** and fine chemical products manufacturing process

SGLT has a wide product portfolio consisting of Reaction systems, Filtration & Drying, Heat transfer systems, Storage tanks, PTFE-lined pipes and Fittings, Glass Lined Solutions, Vacuum Pumps, Utility Systems, etc.

Standard Glass has successfully served 30 out of approximately 80 pharmaceutical and chemical companies in the NSE 500 Index as of June 30, 2024

Market Performance

SGLT is a renowned manufacturer of specialized technical equipment for India's pharmaceutical and chemical sectors, SGLT is one of the top 3 manufacturers (in revenue terms) of stainless steel and nickel alloy based specialized engineering equipment for India's Pharmaceutical and Chemical sectors in FY2023-24. Its products are known for being reliable. Its leading position in specialized engineering equipment manufacturing, innovative product offerings, acquisitions, and partnerships are favorably placed to boost revenue growth in the short to medium term.

SGLT is a pioneer in developing the antistatic "StanGlass 9500" Series to prevent accidents in manufacturing, including ignition and explosions from sparks during the production of raw materials generating static electricity.

Growth Potential

SGLT's ability to identify emerging market trends and then develop the most advanced and innovative products (material types) in the Process equipment industry is another distinguishing factor that sets it apart from its competitors.

It has an ambitious product roadmap and company vision for its future growth. SGLT focuses on inorganic growth through strategic acquisitions and alliances. SGLT is providing all comprehensive process equipment needs of the pharma and Chemical industries.

It is a top-three supplier of PTFE lined pipes and fittings in India. It has acquired Higenic Flora Polymers and Yashasve Glass Lining Industries, enabling it to gain a 23.3% market share (in revenue terms) in FY2023-24.

These partnerships have enabled SGLT to grow at a faster pace as compared to its peers and established its leadership position in the industry.

Standard Glass Lining Technology Limited’s growth has been compounded by its strategic partnership with various industry leaders. SGLT has a strategic alliance with Asahi Glassplant Inc. (“AGI Japan”) for providing private label arrangements, co-branding initiatives, and the supply of components while adhering to stringent quality standards. This partnership will allow them to explore the Japanese market.

It has entered into an agreement with HHV Pumps, a subsidiary of Atlas Copco to manufacture vacuum pumps. It also has a tie up with Japan based with GL Hakko for procurement of specified grades of glass for their glass lining division. These partnerships have enabled SGLT to fortify its position in the Glass Lining and Vacuum Pumps market in India

SGLT is actively exploring potential partnerships in regions such as Russia and the Middle East. The company’s growth strategy includes enhancing sales across the global market by increasing its overall market share in the untapped markets. It is expected that the increasing focus on inorganic growth through strategic alliances and partnerships, and continuous improvement in operational excellence would further support SGLT’s in the Global and domestic market in 2024 and beyond.

Brand Equity

SGLT is a respected brand in the specialized engineering equipment marketplace in India. It is also providing all comprehensive process equipment needs of the pharma and chemical industries. The company has created strong brand equity through decades of industry expertise, technology prowess, innovative product offerings, high-reliability solutions, and the ability to deliver value to customers.

SGLT enhances brand visibility by strategically developing its strong clientele base in domestic market and focuses on engaging with customers through its strong sales and distribution network to promote its products and demonstrate its capabilities.

Total TAM Potential.

Product Types	Global Market Size (US\$ Bn) - CY 2023	India Market Size (INR Bn) - FY 2024	SGLT Revenue (INR Bn)	Domestic Market Share %
Reaction Systems	76.12	114.51	3.08	2.7%
Separation and Drying Systems	17.45	33.12	1.64	5.0%
Plant Engineering & Services	14.00	30.00	0.71	2.4%
Total	107.57	177.63	5.43	3.1%

Note:

Reaction Systems include: (i) heat transfer systems; (ii) pipes and fittings; (iii) pumps; and (iv) reactors.

2. Storage, Separation and Drying Systems include: (i) Filtration and Drying; (ii) storage and (iii) vessels.

3. Plant, Engineering and Services include: (i) services; (ii) utility systems; and (iii) others

New Product Type - Pipeline	Global Market Size (US\$ Bn) - CY 2023	India Market Size (INR Bn) - FY 2024
Powder Mixing Equipment	5.78	32.80
ZLD Equipment	6.81	36.90
Solvent Separation	0.97	-
Fermentation Equipment	1.91	16.41
Heavy Engineering Equipment	670.00	11,890.20
Precision Parts	13.12	131.20

Exchange rate US\$ 1 = INR 82

Threats and Challenges to the Issuer Company (SGLT)

- 1) A decline in economic growth or political instability nationally or internationally could adversely affect the issuer company's (SGLT) business - the performance and the growth of the issuer company's business are necessarily dependent on the health and performance of the overall Indian economy. In the recent past, the Indian economy has been affected by global economic uncertainties and liquidity crisis, domestic policy and political environment, volatility in interest rates, currency exchange rates, rising inflation rates, and various other factors.
- 2) Process equipment's manufactured by the issuer company (SGLT) find application in projects with long gestation period and payments for sale of these process equipments can be fully realized only after the timely delivery. Issuer company deals in capital goods like reactor systems, separation, and dryer equipment manufacturing. The process starts with understanding the issue faced by consumers and arriving at a suitable solution, then procurement of raw materials, bought-out items, and assembling process is done and ends with delivery of the product. A significant amount of funds is tied to one order which involves working capital, employees, and machines.
- 3) *Capital Expenditure (Capex) declines due to global uncertainty in the key markets:* A decline in the focus process industries' (Pharmaceutical, Chemical, F&B) annual production capacity or Capex due to an economic downturn adversely affects the issuer company's business and impacts its operations and financial condition. The slowdown resulting from political uncertainty, foreign policy changes, regional hostilities, imposition of taxes or surcharges by regulatory authorities, changes in regulations, policies, or conditions related to sustainability, including climate change, etc. could also impact the business for the issuer company
- 4) *Issuer Company (SGLT) is dependent on certain suppliers from whom they procure raw materials regularly.* The operations are dependent on the supply and availability of products. Any disruption of the supply chain from such entities may affect their business operations. Manufacturers' failure to meet necessary quantities, schedules, quality standards, and technical specifications could negatively impact their business operations and ability to deliver orders on time and at the desired quality.
- 5) *Constant vigil on the changing regulations for product upgrades:* Process industries need to adhere to the various regulations from agencies such as the Food and Drug Administration, the Environmental Protection Agency, and other similar organizations. These regulations are designed to protect consumers and the environment from potential biohazards and, if violated, irreparable damage to a process manufacturer's brand reputation. For this reason, it's vitally important that the issuer company conducts regular upgrades of process equipment, enhances design processes, adopts new materials, and ensures finished products adhere to the regulations/code.
- 6) An inability to renew quality accreditations promptly or any deficiencies in the quality of issuer company business may potentially lead to product liability claims and negatively affect their business prospects and financial performance. If the issuer company fails to comply with applicable quality standards or if they are unable to obtain such quality accreditations in the future, their business prospects and financial performance may be negatively affected.

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 22 for a discussion of the risks and uncertainties related to those statements and also “Risk Factors” on page 42 for a discussion of certain risks that may affect our business, financial condition, cash flows or results of operations, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 410, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

We have included certain non-GAAP financial measures and other performance indicators relating to our financial performance and business in this Draft Red Herring Prospectus, each of which is a supplemental measure of our performance and liquidity and not required by, or presented in accordance with Ind AS, IFRS or U.S. GAAP. Furthermore, such measures and indicators are not defined under Ind AS, IFRS, U.S. GAAP or other accounting standards, and therefore should not be viewed as substitutes for performance, liquidity or profitability measures under such accounting standards. In addition, such measures and indicators, are not standardized terms, hence a direct comparison of these measures and indicators between companies may not be possible. Other companies may calculate these measures and indicators differently from us, limiting their usefulness as a comparative measure. Although such measures and indicators are not a measure of performance calculated in accordance with applicable accounting standards, our management believes that they are useful to an investor in evaluating our operating performance.

Unless otherwise indicated, industry and market data used in this section have been derived from the report titled “Assessing the Opportunity of Specialized Industrial Process Equipment in the Pharma, Chemicals and Food Processing Sector” dated July 22, 2024 (the “F&S Report”), prepared and issued by Frost & Sullivan (India) Private Limited (“F&S”), appointed by us pursuant to engagement letter dated April 8, 2024, and exclusively commissioned and paid for by us in connection with the Offer, for the purpose of understanding the industry in connection with this Offer. A copy of the F&S Report is available on the website of our Company at <https://www.standardglr.com/investors#f-s-industry-report>. See “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data” and “Risk Factors - Extracts of industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by Frost & Sullivan (India) Private Limited exclusively commissioned and paid for by us for such purpose.” on pages 18 and 71, respectively.

Our Financial Year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Financial Year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, financial information for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 included herein is derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus. See “Restated Consolidated Financial Information” on page 326.

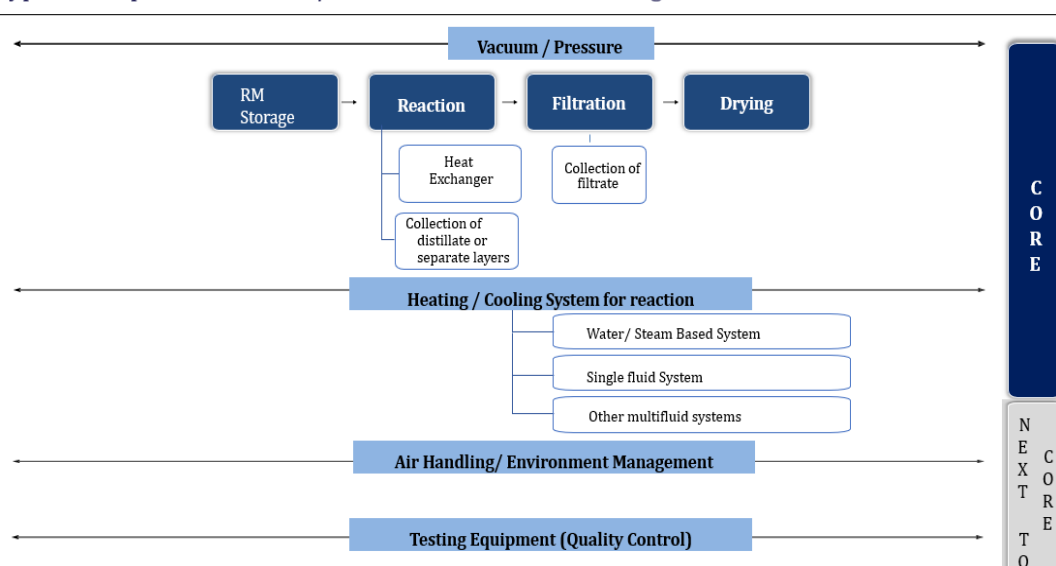
Overview

We are one of the top five specialised engineering equipment manufacturer for pharmaceutical and chemical sectors in India, in terms of revenue in Fiscal 2024 (*Source: F&S Report*), with in house capabilities across the entire value chain. Our capabilities include designing, engineering, manufacturing, assembly, installation and commissioning solutions as well as establishing standard operating procedures for pharmaceutical and chemical manufacturers on a turnkey basis. Our portfolio comprises core equipments used in the manufacturing of pharmaceutical and chemical products, which can be categorized into: (i) Reaction Systems; (ii) Storage, Separation and Drying Systems; and (iii) Plant, Engineering and Services (including other ancillary parts). We are also one of India’s top three manufacturers of glass-lined, stainless steel, and nickel alloy based specialised engineering equipment, in terms of revenue in Fiscal 2024 (*Source: F&S Report*). We are also one of the top three suppliers of polytetrafluoroethylene (“PTFE”) lined pipelines and fittings in India, in terms of revenue in Fiscal 2024 (*Source: F&S Report*). We have been the fastest-growing company in the industry in which we operate during the past three completed Fiscals in terms of revenue (*Source: F&S Report*).

We possess in-house capabilities to manufacture all the core specialised engineering equipment required in the active pharmaceutical ingredient (“API”) and fine chemical products manufacturing process (*Source: F&S*

Report). Over the last decade we have supplied over 11,000 products. The below graphic illustrates our presence across the core functions of API or fine chemical product manufacturing process:

Typical Setup in Pharma API / Fine Chemical manufacturing



(Source: F&S Report)

Our engineered solutions are used in processes across pharmaceutical, chemical, food and beverage, biotechnology and fertilizer sectors. We customise our products basis the unique process requirements of our customers. We also provide turnkey automated equipment solutions, optimising processes like vacuum distillation, solvent recovery and gas dispersion.

We have a diversified customer base including end users operating in a range of sectors across pharmaceutical, chemicals, paint, bio technology and food and beverages. Our marquee customer base includes 30 out of approximately 80 pharmaceutical and chemical companies in the NSE 500 index as of June 30, 2024 (Source: F&S Report). Some of our customers include Apitoria Pharma Private Limited, Aurobindo Pharma Limited, CCL Food and Beverages Private Limited, Cohance Lifesciences Limited, Cadila Pharmaceutical Limited, Deccan Fine Chemicals (India) Private Limited, Dasami Lab Private Limited, Laurus Labs Limited, Granules India Limited, Macleods Pharmaceuticals Limited, MSN Laboratories Private Limited, Natco Pharma Limited, Honour Lab Limited, Hetero Drugs Limited, Hetero Labs Limited, Hazelo Lab Private Limited, Piramal Pharma Limited, Sanvira Biosciences Private Limited, Suven Pharmaceuticals Limited, Tagros Chemicals India Private Limited, Vamsi Labs Limited and Vijash Life Sciences Private Limited.

The following table sets forth our revenues by end user industries for Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively.

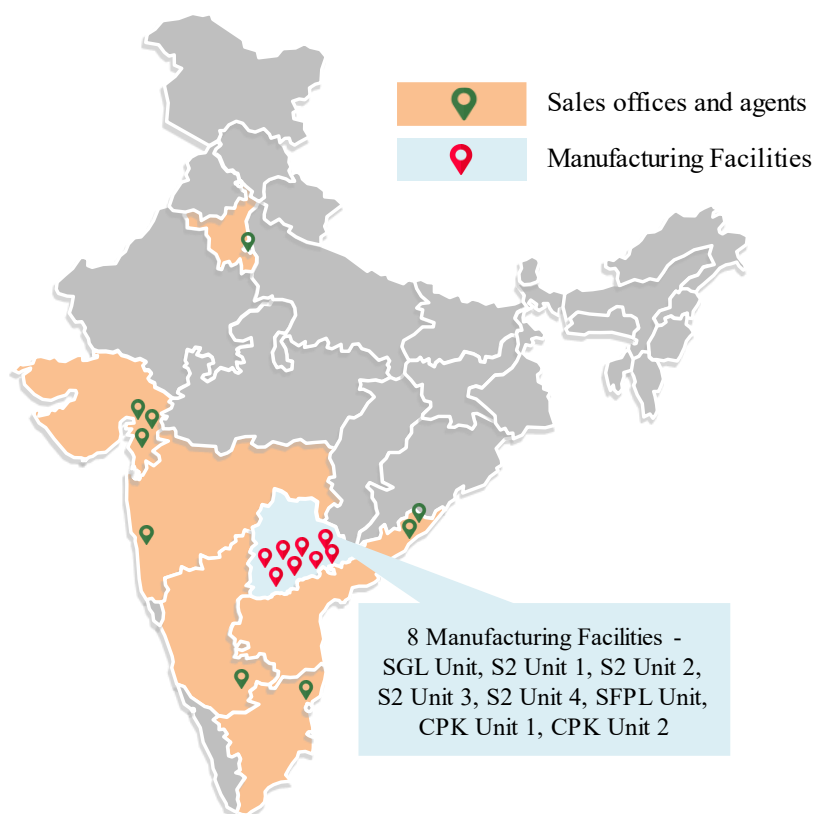
Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of total revenue from operations	Amount (₹ in million)	% of total revenue from operations	Amount (₹ in million)	% of total revenue from operations
Pharmaceuticals	4,446.70	81.79%	4,119.79	82.80%	2,054.33	85.53%
Chemicals	681.72	12.54%	713.37	14.34%	324.48	13.51%
Others*	308.27	5.67%	142.72	2.86%	23.06	0.96%
Total	5,436.69	100.00%	4,975.88	100.00%	2,401.87	100.00%

*Others includes: (i) paint; (ii) bio technology; (iii) food and beverages and (iv) other industries

We operate through our eight manufacturing facilities spread across built-up/floor area of over 400,000 sq. ft., strategically located in Hyderabad, Telangana, the “Pharma Hub” of India, which accounted for 40.00% of the total Indian bulk drug production in Fiscal 2024 (Source: F&S Report). Our manufacturing capabilities are complemented by a sales ,service and distribution network operating from four sales offices located in Vadodara,

Gujarat, Ankleshwar, Gujarat, Mumbai, Maharashtra and Vishakhapatnam, Andhra Pradesh and sales team members in Jhagadia, Gujarat, Chennai, Tamil Nadu, New Delhi, Bengaluru, Karnataka and Vijayawada, Andhra Pradesh with pan-India reach. We also have agency arrangements for sale and marketing of our products in Bangladesh as well as agency and distribution agreement for sale, marketing and distribution of our products in Russia. Further, we have resale arrangements for North America (excluding Cuba), South America, Europe (excluding Belarus and Russia) and certain countries in Asia and Africa.

Set out below are the locations of our various manufacturing facilities, branches, headquarters and sales touchpoints.



(Map not to scale. This map is only for the purpose of representation and is not to be considered an accurate geopolitical representation)

Our growth has been compounded by our partnerships. We have entered into an agreement with HHV Pumps Private Limited (“**HHV**”), for supply of vacuum pumps along with a private label arrangement. We also have a supply and purchase arrangement for India with Japan based Asahi Glassplant Inc. and GL Hakko Co. Ltd (“**GL Hakko**”) for procurement of specified grades of glass for our glass lining division. These partnerships have enabled us to fortify our position in the Glass Lining and Vacuum Pumps market in India (*Source: F&S Report*).

Our revenues from our various lines of business were as follows:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of total revenue from operatio ns	Amount (₹ in million)	% of total revenue from operatio ns	Amount (₹ in million)	% of total revenue from operatio ns
Reaction Systems	3,083.79	56.71%	3,047.86	61.25%	1,638.78	68.23%

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of total revenue from operatio ns	Amount (₹ in million)	% of total revenue from operatio ns	Amount (₹ in million)	% of total revenue from operatio ns
Storage, Separation and Drying Systems	1,635.49	30.08%	1,540.98	30.97%	626.22	26.07%
Plant, Engineering and Services	718.11	13.21%	387.04	7.78%	136.87	5.70%
Total	5,436.69	100.00%	4,975.88	100.00%	2,401.87	100.00%

Note:

1. Reaction Systems include: (i) heat transfer systems; (ii) pipes and fittings; (iii) pumps; and (iv) reactors.
2. Storage, Separation and Drying Systems include: (i) Filtration and Drying; (ii) storage and (iii) vessels.
3. Plant, Engineering and Services include: (i) services; (ii) utility systems; and (iii) others

We also benefit from an experienced management team, which is supported by a capable and motivated pool of employees. Our senior management team has diverse experience in manufacturing and functions related to our business, and an in-depth understanding of the specific industry, products and geographic regions they cover, which enables them to appropriately support and guide our employees. Our management team is guided by our seasoned Board, who have extensive experience in the pharmaceutical, chemicals and engineering sectors.

Financial and operational metrics

The following table sets forth certain key financial information relating to our business for the periods indicated:

(in ₹ million, unless otherwise stated)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from Operations (₹ in millions)	5,436.69	4,975.88	2,401.87
YoY Growth Rate (%)	9.26%	107.17%	-
2Y CAGR (%)	50.45%	-	-
EBITDA ⁽¹⁾ (₹ in millions)	1,009.19	882.56	417.79
EBITDA Margin (%) ⁽²⁾	18.36%	17.65%	17.30%
PAT ⁽³⁾ (₹ in millions)	600.11	534.24	251.45
YoY Growth Rate (%)	12.33%	112.46%	-
PAT Margin (%) ⁽⁴⁾	10.92%	10.68%	10.41%
ROCE (%) ⁽⁵⁾	25.49%	43.43%	42.03%
ROE (%) ⁽⁶⁾	20.74%	47.56%	54.89%
RoA (%) ⁽⁷⁾	11.85%	16.54%	13.23%
Total Debt to Equity ⁽⁸⁾	0.32	0.53	1.01
Net Debt to Equity ⁽⁹⁾	0.19	0.49	1.01
Net Fixed Asset Turnover Ratio ⁽¹⁰⁾	6.08	7.60	6.26
Adjusted ROCE (%) ⁽¹¹⁾	29.70%	43.86%	42.03%

Notes:

- (1) EBITDA is calculated as profit before tax expenses plus finance costs and depreciation and amortization expense and impairment of property, plant and equipment for the year/period.
- (2) EBITDA Margin has been calculated, as EBITDA divided by Total Income
- (3) PAT refers to Restated Profit for the year
- (4) PAT margin refers to PAT divided by Total Income
- (5) ROCE calculated as Profit before tax add finance cost divided by Average Capital employed. Capital employed refers to Total Equity plus total borrowings and lease liabilities (long term and short term) excluding cash and cash equivalents and Bank balances other than cash and cash equivalents
- (6) Return on Equity has been calculated as net income (owners share) divided by Average Net Worth
Net Worth = Aggregate value of equity share capital (excluding non- controlling interest) and other equity created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses but does not include reserves created out of revaluation of assets and write-back of depreciation.
- (7) RoA is calculated as PAT divided by Average Total Assets

- (8) Debt to equity ratio has been calculated as total borrowings and lease liabilities (including current maturities of long-term debt and lease liabilities) divided by Net Worth (excluding non-controlling interest)
- (9) Net debt/ Equity refers to Total borrowings and lease liabilities including current maturities of long-term debt and lease liabilities) less cash and cash equivalents and Bank balances other than cash and cash equivalents divided by Net Worth (excluding non-controlling interest)
- (10) Net Fixed asset turnover ratio calculated as Revenue from Operations/ Average Net Fixed Assets. Net Fixed assets includes Property, plant and equipment, Capital work-in-progress, Other intangible assets, goodwill, right of use assets and Intangible assets under development.
- (11) Adjusted ROCE calculated as Profit before tax add finance cost divided by Average Capital employed. Capital employed refers to Total Equity plus total borrowings and lease liabilities (long term and short term) excluding cash and cash equivalents and Bank balances other than cash and cash equivalents and Fixed Deposits excluding Margin Money.

OUR STRENGTHS

One of the top five specialised engineering equipment manufacturers for pharmaceutical and chemical sectors in India with products across entire value chain.

We are one of the top five specialised engineering equipment manufacturers for pharmaceutical and chemical sectors in India, in terms of revenue, in Fiscal 2024 (*Source: F&S Report*) with an in house capabilities across the value chain including design, engineering, manufacturing, assembly, installation and commissioning solutions as well as establishing standard operating procedures for pharmaceutical and chemical manufacturers on a turnkey basis. We are one of the top three manufacturers of glass-lined, stainless steel, and nickel alloy based specialised engineering equipment in Fiscal 2024, in India, in terms of revenue (*Source: F&S Report*). We attribute our leading market positions to various factors including our diverse product portfolio with a focus on customisation, our technical abilities including the quality and experience of our senior management and technically qualified employees, our Promoters' presence in the industry for over two decades, the quality of our products, our ability to deliver highly customised solutions in a timebound manner and our distribution network. Further, we have leveraged our market position along with our arrangements with HHV Pumps Private Limited for supply of vacuum pumps, and GL Hakko for our glass lining division, each done to increase our competitive advantage, sourcing raw materials, scalability, at competitive prices and broader customer reach across diverse segments by cross selling to existing customers.

We primarily cater to end users operating in the pharmaceutical and chemical industries. Growth in the end user's industry, also provides us scope for further growth due to our in-house capabilities to manufacture all of the core specialised engineering equipment required in the pharmaceutical and chemical sectors (*Source: F&S Report*).

The Indian pharmaceutical market has experienced robust growth as a result of opportunities created by the pandemic and a rebound in demand for non-covid acute and chronic treatment, as well as anti-inflammatory medications used after surgery. While the epidemic's impact lessened, pent-up demand for elective procedures, medical equipment, and therapies that had been postponed throughout the pandemic returned. Additionally, demand in the foreign market aided the rise of Indian pharmaceutical items. While the sector is likely to continue to grow at a strong rate, businesses must engage in capacity expansion to meet increased demand and develop new products (*Source: F&S Report*). Capital spending is likely to remain at the current level or perhaps increase to between ₹120 billion and ₹ 150 billion per year up to Fiscal 2027, owing to local and export demand from semi-regulated markets. Furthermore, the government's Production Linked Incentives ("PLI") policy, which envisions India as the world's pharmacy, would provide additional help (*Source: F&S Report*).

The demand for chemicals manufactured in India in the worldwide market is likely to grow in the coming years, as key markets move their demand away from China to avoid potential disruptions (*Source: F&S Report*). This will incentivize industry players to increase their capacity to meet future demand (*Source: F&S Report*). Further, it is predicted that the players' capex will increase by 7% to 9% CAGR until FY2025-26, to reach INR 70 Bn per year in FY2025-26 (*Source: F&S Report*). This predicted rise in expenditure is on account of robust demand potential from overseas markets owing to China plus one trend, as well as government backing to ramp up capacity through PLI scheme (*Source: F&S Report*).

Customized and innovative product offering across the entire pharmaceutical and chemical manufacturing value chain

We are one of the few companies in India offering end to end customised solutions in the specialised engineering equipment used in the pharmaceutical and chemical sectors (*Source: F&S Report*). As of March 31, 2024, our comprehensive product portfolio consists of more than 65 products and offerings across pharmaceutical and chemical industries. Our portfolio consists of: (i) Reaction Systems; (ii) Storage, Separation and Drying Systems; and (iii) Plant, Engineering and Services (including other ancillary parts). Our products are manufactured using

various materials including stainless steel, carbon/ mild steel and nickel alloy, etc. Our capabilities include producing process equipment customised to the requirements of our customers. We can manufacture process equipment using various types of alloys with thickness ranging from 1 mm to 60 mm, which are used in food, pharmaceutical and fine chemical industries. For a detailed list of products manufactured by us, see “-Portfolio of products and services” on page 255.

Our service offerings include design, engineering, manufacturing, assembly, installation and commissioning solutions of pharmaceutical and chemical facilities on a turnkey basis. We also provide turnkey automated equipment solutions, optimising processes like vacuum distillation, solvent recovery and gas dispersion.

We also have the capability to cater to customized process needs of our end users and to deliver large and complex projects with a wide range of equipment, as a single point of contact. As a testament to our capabilities, we have delivered some of the largest and most complex equipment in India across our product portfolios (*Source: F&S Report*). Further, we are the only stainless steel glass lined reactor supplier in India with the potential to manufacture up to 10KL capacity (*Source: F&S Report*).

Our products are known for being reliable (*Source: F&S Report*). We have ensured that our range of products meet international standards of the market in which we operate. To such extent we believe that we offer our customers certain unique product features, based on our industry experience. Set out below are the details of some of the unique offerings from us:

1. **STANGLASS** – The chemical and pharmaceutical industry faces the challenge of ignition and explosions caused by sparks during the production of raw materials that generate static electricity. To combat that, we use innovative technology that aids end users address these current challenges. To suppress ignition and explosion problems caused by sparks, we have a supply and purchase agreement for India with GL HAKKO and Asahi for procurement of certain grades of specialised glass. We offer “STANGLASS” that contributes to antistatic action. “STANGLASS” obtains its conductive performance by building a very fine network of conductive ceramics in the glass (*Source: F&S Report*).
2. **No Stain Glass** – Our customers in the past faced the challenge of stains forming on the glass lining of their reactors. To meet the customer challenge, we developed a type of glass, called "No Stain Glass", which effectively prevents these stains from forming.
3. **Shell and tube heat exchanger** – We are the only manufacturer of glass lined shell and tube heat exchanger in India (*Source: F&S Report*). We provide a state-of-the-art shell and tube heat exchanger featuring advanced corrosion-resistant technology. The glass lining effectively combats corrosion, significantly enhancing the longevity and reliability of the heat exchanger. This innovative design also boosts heat transfer efficiency, making the system more effective and energy-efficient (*Source: F&S Report*). We have also filed a patent application for the same.
4. **Smart Seal** – Smart Seal is a protective bush designed to fit snugly around the manhole cover of a glass-lined reactor, providing a barrier to prevent the maintenance hole cover from hitting the vessel. The protective bush is made of a durable, non-contaminating material and is designed to be easily removable for cleaning or maintenance purposes. The invention addresses the need for a more efficient and reliable mechanism for manholes, eliminating the dependence on traditional gaskets and the skilled process of shimmying to prevent leaks (*Source: F&S Report*). We have filed a patent application for this technology.
5. **Clampless Manhole** – In the reactors, clamping the manhole is a major challenge and requires a huge effort from the customer’s side. Instead of using clamps, we use bolting cleats, which require less torque and is easy to operate with long durability (*Source: F&S Report*).
6. **Extended Nozzles** – The traditional ways of lining nozzles generally damages them due to spillage of the corrosive chemicals on the mild steel surface. Improper vapor column assembly, charging lines, or any other lines cause leakage and damage to the mild steel surface. We have developed and provided glass lining on the outer periphery of the nozzle to resolve this issue (*Source: F&S Report*).

With a monthly installed capacity of 150-200 glass lined vessels, we are one of India's top three glass-lined equipment manufacturers in Fiscal 2024 in terms of revenue (*Source: F&S Report*). We are also a key supplier

of GMP-compliant accessories for stainless steel glass-lined equipment (*Source: F&S Report*). We are one of the top three suppliers of multistage claw vacuum pumps in India in terms of revenue in Fiscal 2024 (*Source: F&S Report*).

With a view towards offering complementary products and increasing our capabilities, especially in the stainless steel equipment industry and PTFE lined pipes and fittings sector, we have acquired the business of M/s Yashasve Glass Lining Industries and M/s Higenic Flora Polymers, which has positioned us as one of the top three suppliers of PTFE lined pipelines and fittings in India, in terms of revenue, in Fiscal 2024 and enabled us to gain a 23.30% market share in India, in terms of revenue in Fiscal 2024 (*Source: F&S Report*). We have also acquired the business of C.P.K Engineers Private Limited, an entity engaged in the similar line of business and products as ours, which is expected to complement our existing production capabilities.

Strategically located manufacturing facilities with advanced technological capabilities

We operate through our eight manufacturing facilities spread across built-up/floor area of more than 400,000 sq. ft., strategically located in Hyderabad, Telangana, the “Pharma Hub” of India, which accounts for 40.00% of the total Indian bulk drug production (*Source: F&S Report*). We have the capabilities to manufacture reactors, receivers, and storage tanks ranging from 30 litres to 40,000 litres in size. We also have the capacity to manufacture around 300-350 equipments per month across our product portfolio of (i) Reaction Systems; (ii) Storage, Separation and Drying Systems; and (iii) Plant, Engineering and Services (including other ancillary parts). Our manufacturing facility can also produce up to 100 reactors per month. Further, we have an exclusive facility to make 30 ANFDs per month. We also have the capacity to manufacture 9,000 units per month of PTFE lined pipes and fittings. Further, we also provide supply and service of pumps. For further details of our manufacturing facilities, please see “- *Manufacturing Facilities*” on page 259.

Our manufacturing facilities are equipped with technologies and tools like 3D computer aided design (“CAD”), robotic welding and precision computer numerical control (“CNC”) manufacturing. We have implemented several technological improvements in our production processes. Set out below are some of the key machinery installed at our manufacturing facilities:

1. *Cutting* - We use: (i) CNC plasma; (ii) CNC fiber laser; (iii) CNC nozzle bevel; (iv) CNC nozzle height; (v) CNC dish height; (vi) CNC plate bevelling machine cutting machines at our facilities which offer several advantages in terms of precision, speed, cost and versatility as compared to manual cutting machines. These allow us to manufacture process equipment as fine as 1 mm thickness.
2. *Production* – We use CNC vertical machining centre, which is a highly automated machine tool capable of performing multiple types of machining operations, such as milling, drilling, and tapping, with high precision and efficiency, allowing for the production of parts with tight tolerances and minimal errors. Once set-up, it can produce identical parts consistently and repeatedly, ensuring uniformity in production. It operates at high speeds and can perform multiple operations in one setup, significantly reducing cycle times and increasing productivity. It can handle a wide variety of materials, including metals, plastics, and composites, and can perform diverse operations such as milling, drilling, tapping, and contouring.
3. *Welding* – We rely on robotic welding or automated welding process which involves the use of mechanized programmable tools/robots that completely automate the welding process by performing the weld and handling the part. This technology is used to improve welding efficiency, quality, and consistency. It provides uniform and high-quality welds with minimal variability and offers precise control over welding parameters, ensuring accurate welds
4. *Machining*- We use vertical turning lathe machine, which is a type of lathe that has a vertically oriented spindle, useful for machining large, heavy, and asymmetrical parts that are difficult to mount and turn on a horizontal lathe. It offers high precision and accuracy due to its rigid structure and stable workpiece support, leading to better surface finishes and tighter tolerances. The vertical design allows for easier loading and unloading of large workpieces, reducing setup time and increasing overall productivity.
5. *Finishing*- We use automatic buffing technology for giving a finish to our products. Buffing is a process used to polish and enhance the surface of materials, typically metals, plastics, and sometimes wood. The process involves using a buffing wheel and a polishing compound to achieve a smooth, shiny surface.

We have also migrated to inhouse manufacturing of gaskets through CNC gasket machinery. With in-house CNC gasket cutting, we have the flexibility to produce gaskets tailored to specific dimensions, materials, and design requirements of our applications. This customization capability allows us to meet unique customer demands and address specific operational challenges effectively. It has also provided us with greater control over the entire production process, including material selection, cutting accuracy, and quality assurance. This control helps ensure consistent product quality and adherence to industry standards, reducing the risk of defects and improving reliability. We have also implemented a process to use carbon/ mild steel scrap, generated from sheet cutting, to produce flanges. This initiative not only reduces waste but also adds value to the scrap material by converting it into a sellable product for our group company.

Our business success depends on the quality of our products and services, and we believe we have invested in robust manufacturing and documentation practices. We have developed systems to ensure product quality and client satisfaction, which are focused on providing products conforming to applicable standards, meeting client requirements, and ensuring the safety of our products.

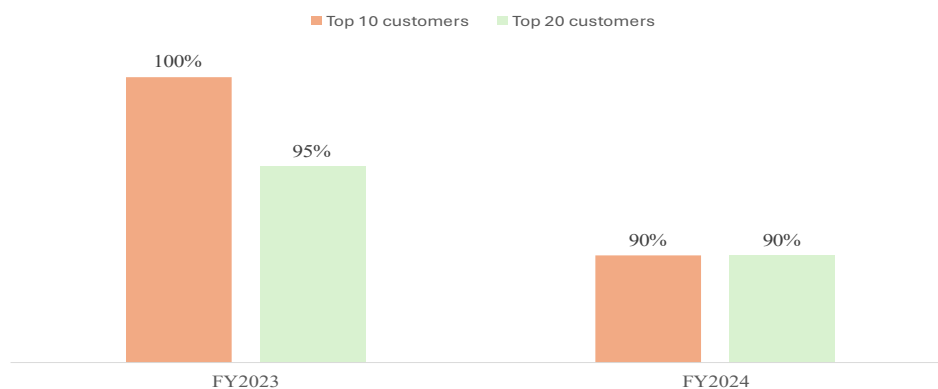
We also offer design capabilities to supplement our manufacturing capabilities. We have also filed for grant of patents for certain glass lined equipment, which are presently under process at various stages. Further, our design capabilities allow us to offer holistic solutions to our customers from designing of equipment to manufacture of such equipment to assembly and installation.

Long term relationships with marquee clientele across sectors

We have been able to establish long-standing relationships with some of the marquee clientele present in the pharmaceutical and chemical industries, in a relatively short period of time. Our ability to cater to customised processes addressing the requirements of our customers, technical know-how and our track record of timely fulfilment of customer orders, has helped us to establish these long-standing relationships in each of the product categories.

In Fiscal 2024, our customer base included 443 companies. Some of our customers are Apitoria Pharma Private Limited, Aurobindo Pharma Limited, CCL Food and Beverages Private Limited, Cohance Lifesciences Limited, Cadila Pharmaceutical Limited, Deccan Fine Chemicals (India) Private Limited, Dasami Lab Private Limited, Laurus Labs Limited, Granules India Limited, Macleods Pharmaceuticals Limited, MSN Laboratories Private Limited, Natco Pharma Limited, Honour Lab Limited, Hetero Drugs Limited, Hetero Labs Limited, Hazelo Lab Private Limited, Piramal Pharma Limited, Sanvira Biosciences Private Limited, Suven Pharmaceuticals Limited, Tagros Chemicals India Private Limited, Vamsi Labs Limited and Viyash Life Sciences Private Limited.

We enjoyed long-standing relationships in excess of 3 years with 17 of our top 20 customers, as of March 31, 2024. Our long-term relationships and ongoing active engagements with customers also allow us to plan our capital expenditure and enhance our ability to benefit from increasing economies of scale. Further, we have been able to obtain repeat orders from our existing customers, with repeat orders from more than 85.00% of our top 20 customers in each of the last three Fiscals. The following diagrams set forth percentage of our top 10 and top 20 clients of Fiscal 2022 who have given repeat orders in Fiscal 2023 and our top 10 and top 20 clients of Fiscal 2023 who have given repeat orders in Fiscal 2024:



Select Case Studies of Enhancing Customer Relationships

- We started our customer relationship with a pharmaceutical company approximately ten years ago by supplying a 1KL glass-lined reactor equipment. Over the course of the last decade, we expanded our offerings to the customer and have supplied multiple types of specialised manufacturing equipment used in their production. Subsequently we have supplied this customer with a 20 KL glass-lined reactor. Our relationship has continued to grow with this customer across other products. As of March 31, 2024, we have supplied them with various additional categories of equipment such as glass-lined reactors, glass-lined storage tanks and receivers, stainless steel reactors and heat exchangers.
- We have a large chemical manufacturer company as a customer, with whom we began an association by supplying a 5KL glass-lined reactor in the year 2015. Our relationship has continued to grow with this customer across other products. As of March 31, 2024, we supplied them with glass-lined reactors of up to 16KL capacity, glass-lined storage tanks and receivers and vacuum pumps and related equipment.

We attribute our ability to attract and retain marquee clientele to our focus on quality products manufactured to industry and customer specifications in a time bound manner and providing end-to end customised solutions at competitive pricing.

Our dedicated team of 26 design professionals as of March 31, 2024, possess expertise in process equipment design, including glass-lined equipment design and use design software and tools to create designs that meet our customer requirements and industry standards. We constantly explore new technologies, materials, and manufacturing processes with a view to improve our products and to offer cutting-edge solutions to customers. Further, we monitor capacity utilisation levels at our manufacturing facilities to ensure maintenance of optimum capacities which reduces the delivery turnaround time for our customers. Additionally, the location of our manufacturing facilities in and around Hyderabad, Telangana provides us proximity to the facilities of our key clients which in turn enables us to interact with them on a regular basis to further understand their needs and the operational performance of our equipment or designs.

Consistent track record of profitable growth

We have enjoyed growth in our revenue from operations, EBITDA and profit after tax in the past three fiscal years. We have been the fastest-growing company when compared to our peers during the past three completed Fiscals (*Source: F&S Report*). We have been able to achieve 50.45% growth of revenue from operations on a consolidated basis from Fiscal 2022 to Fiscal 2024. Having commenced operations in 2012, we have supplied over 11,000 equipment, in the last ten years of our operations. Our growth has been aided by our inorganic acquisitions of business of M/s Stanpumps Engineering Industries, M/s S2 Engineering Services, M/s Higenic Flora Polymers, M/s Yashasve Glass Lining Industries and C.P.K Engineers Private Limited. We also rely on partnerships, such as with HHV Pumps Private Limited for supply of vacuum pumps and a supply and purchase agreements with Asahi Glassplant Inc. and GL Hakko for certain grades of glass.

For details of our certain key financial information relating to our business, please see “*Financial and operational metrics*” on page 247.

Experienced promoters and management team

We are led by a qualified and experienced management team that we believe has the expertise and vision to manage and grow our business. Our management team is guided by our seasoned Board, who have a extensive experience in the pharmaceutical, chemicals and engineering sectors which allows us unique insight into the manner in which our end customers offerings may be produced.

Our Board of Directors includes a combination of management executives and independent directors who bring in diverse expertise. We believe that the combination of our experienced Board of Directors and our Promoters positions us well to capitalize on future growth opportunities.

In addition to our Board, we believe that our senior management and employees are experienced and skilled, providing us access to a pool of capable and motivated employees. Our Promoters and certain of our Key Managerial Personnel and Senior Management have been with us for several years, demonstrating continuity and

commitment in our leadership. Our Senior Management has played an instrumental role in solidifying customer relationships. We rely on our leadership and management team's guidance to provide us with a competitive advantage as we seek to grow our business.

As of March 31, 2024 we had 378 permanent employees. Our Senior Management team has experience in manufacturing and finance functions, with our Promoters having significant experience in the pharmaceuticals and chemicals specialised engineering equipment industry. Our management team has also been able to create value through organic growth, including new business opportunities. The operational and management experience of our management team has also increased our ability to cater to the customized requirements of customers and proactively plan and deliver our products and services. We also have a robust corporate governance system in place to monitor, guide and support our operations, with oversight by an experienced Board of Directors.

OUR STRATEGIES

Continue to expand and improve our existing product portfolio and enter into additional end-user industries

We have consistently sought to diversify our portfolio of products which could cater to our customers across various segments and geographies, and we are well positioned to capitalize on industry opportunities. We intend to continue to strengthen our existing product portfolio in line with our capabilities and further diversify into products with prospects for increased growth and profitability. We are presently in the process of setting up additional manufacturing facilities. Further, we also plan to consolidate certain of our existing facilities to achieve cost efficiencies.

The demand for pharmaceutical and chemical equipment engineering products is expected to continue to grow over Fiscals 2025 to Fiscals 2027 (*Source: F&S Report*). Capital spending is likely to remain at the current level or perhaps increase to between ₹120 billion and ₹ 150 billion per year up to Fiscal 2027, owing to local and export demand from semi-regulated markets (*Source: F&S Report*). Further it is predicted that the players' capex will increase by 7% to 9% CAGR until FY2025-26, to reach INR 70 Bn per year in FY2025-26(*Source: F&S Report*). We anticipate that this will allow us to increase our operations through sales of existing products as well as newer products. We will continue to pursue new products within our existing segments as well as explore the use of our engineering capabilities to diversify our product offerings, especially in products from related segments.

Over the years, we have been able to increase our product portfolio due to our in-house capabilities, partnerships and acquisitions. The growth in our product portfolio has been undertaken in a systematic manner to offer complementary products and services to our existing portfolio of products and with a view towards increasing value addition to the overall ecosystem of a chemical or pharmaceutical manufacturing facility. For example, we have in Fiscal 2024 started production of PTFE lined pipes and supply of vacuum pumps in Fiscal 2022, which in turn has allowed us to increase our overall revenue share from a chemical or pharmaceutical manufacturing facility and a competitive edge for in our turnkey offerings.

In order to maintain our leadership position and to further develop our various product segments, we intend to further diversify our product offerings. We also propose to enter into additional end-user industries such as oil and gas, paint and coatings, edible oils, flavours and fragrances, aerospace and heavy engineering, etc.

As of March 31, 2024, our sales and marketing team in India consisted of 86 employees, with a focus on Southern and Western regions of India. We may seek to expand our team to expand our sales and marketing reach will allow us to target newer customers in these regions.

Expand our capacity by increasing the capabilities of our existing manufacturing plants as well as set up new manufacturing plants

Our capacity expansion is largely driven by customer demand and growth of the end-use industries. To cater to the growing demand from our existing customers and to meet requirements of new customers, we intend to expand our manufacturing capacities for existing products.

As of date, we operate eight manufacturing facilities. For further information of our existing manufacturing facilities see “-*Manufacturing Facilities*” on page 259. We have in the past, invested significant amounts towards capital expenditure in order to expand our manufacturing capacities. Our capital expenditure in each of Fiscal 2024, Fiscal 2023 and Fiscal 2022 was as follows:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ in million	% of total revenue from operations	₹ in million	% of total revenue from operations	₹ in million	% of total revenue from operations
Capital expenditure	372.50	6.85%	300.76	6.04%	118.94	4.95%

As part of our growth strategy, we intend to continue to invest in creation of additional capacities, both for our existing products as well as for creation of new products. Towards this end, we intend to utilise an amount of up to ₹ 400.00 million from the Net Proceeds towards expansion of our existing manufacturing units and upcoming facilities through funding of capital expenditure requirements of our Company towards purchase of machinery and equipment. We propose to purchase new machineries and equipment to build-up additional capacity for our glass lining and stainless steel and nickel alloy equipment operations from the Offer Proceeds. Some of the machineries and equipment that we intend to purchase are (i) welding machines, (ii) cranes; (ii) laser scanning cutting machines, etc. For more information on the machineries and equipment proposed to be purchased, see “*Objects of the Offer*” on page 129. Further, we have started the construction of an additional facility in Hyderabad, Telangana, S2 Unit 5, to complement our existing offerings of glass lining equipment and stainless steel and nickel alloy equipment.

The installation of new machinery and equipment as well addition of a new facility will enable us to increase our production capacity, scale our operations, onboard new customers, introduce new products, better serve our existing customers, enable us to better address the business requirements of large customers, further improve our customer service and facilitate our growth strategy. Expansion in our capacity will also lead to a reduction in our delivery time and which in turn would allow us to increase our orders in hand.

Capitalise on increasing demand from international markets to grow our exports

While our revenue from operations have grown at a CAGR of 50.45% between Fiscals 2022 and Fiscal 2024, we have been predominantly focussed on domestic market with exports contributing to less than one percent of our revenue from operations in each of Fiscal 2024, Fiscal 2023 and Fiscal 2022. With a view to increasing our share of revenues from international markets and to capitalise on increasing demand from international markets, we have agency arrangements for sale and marketing of our products in Bangladesh as well as agency and distribution agreement for sale, marketing and distribution of our products in Russia. We have also entered into an exclusive supply and purchase agreement of glass lined equipment and related parts, accessories and components manufactured by us, across identified territories globally, including the North America (excluding Cuba), South America, Europe (excluding Belarus and Russia) and certain countries in Asia and Africa.

The global glass lined equipment represents a significant opportunity with the TAM being expected to increase from US\$ 2.1 billion in CY 23 at a CAGR of 10.1% to US\$ 3.4 billion in CY 28. (*Source: F&S Report*).

We aim to leverage our diverse product portfolio, customer acceptance in domestic markets and end-to-end offerings for specialised engineering equipment for pharmaceutical and chemical sectors to expand into international markets. We believe that as we increase our exports to international markets, we will be able to increase our addressable market, expand our geographical footprint and augment our revenues. Furthermore, our strategy of diversifying our customer base and expanding our geographical footprint will help us mitigate the risks associated with economic fluctuations in any one region and our high dependence on select customers.

We have also received accreditations for U symbol from The American Society of Mechanical Engineers, NB mark from the National Board of Boiler & Pressure Inspectors and R symbol from the National Board of Boiler & Pressure Vessel Inspectors. These accreditations allow our products to be utilised by companies operating in various countries across the globe and allows competitive advantage against competitors whose products are not similarly qualified or certified.

Grow inorganically through strategic acquisitions and alliances

In terms of strategic acquisitions, we intend to explore and consider opportunities that can create synergies between the proposed target companies and us and are also in line with our growth strategy. With a view towards offering complementary products and increasing our capabilities, especially in the glass lining equipment industry

and PTFE lined pipes and fittings sector, we have recently acquired the business undertaken by M/s Higenic Flora Polymers and M/s Yashasve Glass Lining Industries, both firms engaged in the business of manufacturing, supply, installation and repair of PTFE lined pipes and fittings. We have also acquired the business of C.P.K Engineers Private Limited, which we believe will complement our existing production capabilities.

We have entered into agreement with HHV Pumps Private Limited for supply of vacuum pumps along with a private label arrangement. We also have a sale and purchase agreement with Asahi Glassplant Inc. and GL Hakkō for supply of certain grades of glass used by our glass lining division. These partnerships have enabled us to grow a faster pace as compared to our peers and established our leadership position in the industry (*Source: F&S Report*).

We plan to target entities that expand our opportunities in other end-markets, geographic regions, new customers and new products. We intend to maintain a disciplined approach to acquisitions and consider various selection criteria such as skills of the management team, operation scale, technological capability, product portfolio, customer base, end-market exposures, valuation and estimated costs, as well as cultural fit. We believe that the industry experience of our Promoters and Senior Management, financial strength and manufacturing capabilities will enable us to identify and secure appropriate acquisition opportunities in the future.

BUSINESS OPERATIONS

Portfolio of products and services

Our products cater to a range of end-use industries such as pharmaceutical, agrochemicals, speciality and fine chemicals, active pharmaceutical ingredients, food and bulk chemicals. We have significantly expanded and diversified our product portfolio in recent years, strategically focusing on glass lined reactors and receivers, stainless steel and nickel alloy equipment, filtration and drying equipment and heat exchangers used in the pharmaceutical, chemical and food industries.

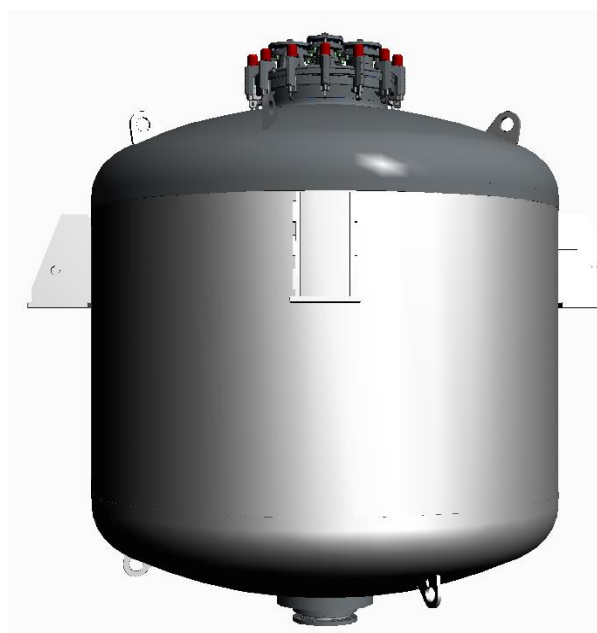
Our offerings cover a large range of designs and customisations. We offer over 65 unique designs across our range of products. An overview of our various offerings, is set out below:

Product Type	Sub Product	Material Used
<i>Reaction Systems</i>		
Heat Transfer System	Column	Glass Lined Equipment
Heat Transfer System	Column	Stainless steel and nickel alloy
Heat Transfer System	Condenser	Glass Lined Equipment
Heat Transfer System	Condenser	Stainless steel and nickel alloy
Heat Transfer System	Shell & Tube Heat Exchangers	Stainless steel and nickel alloy
Heat Transfer System	Box Heat Exchangers	Stainless steel and nickel alloy
Heat Transfer System	Distillation Columns	Stainless steel and nickel alloy
Heat Transfer System	Rising Film Evaporator	Stainless steel and nickel alloy
Heat Transfer System	Falling Film Evaporator	Stainless steel and nickel alloy
Heat Transfer System	Multi effect Evaporator with ATFD	Stainless steel and nickel alloy
Heat Transfer System	Forced Circulation Evaporator	Stainless steel and nickel alloy
Pipes and Fittings	PTFE lined pipes and Fittings	PTFE lined pipes and Fittings
Pumps	Multistage dry claw type	Pumps
Pumps	Multistage lobe and claw type	Pumps
Pumps	Single stage dry claw type	Pumps
Pumps	Single stage oil sealed rotary vane type	Pumps
Pumps	Double stage oil sealed rotary vane type	Pumps
Pumps	Roots booster type	Pumps
Pumps	Scroll vacuum type	Pumps
Reactors	AE	Glass Lined Equipment
Reactors	BE	Glass Lined Equipment
Reactors	CE	Glass Lined Equipment
Reactors	Reactor	Stainless steel and nickel alloy

Product Type	Sub Product	Material Used
Reactors	Receiver	Stainless steel and nickel alloy
Reactors	Hydrogenerator	Stainless steel and nickel alloy
Reactors	Fermenter	Stainless steel and nickel alloy
Reactors	Mixing vessels	Stainless steel and nickel alloy
Storage, Separation and Drying Systems		
Filtration and Drying	ANFD (Agitated Nutsche Filter Dryer)	Stainless steel and nickel alloy
Filtration and Drying	Nutsche filter	Stainless steel and nickel alloy
Filtration and Drying	Vacuum Tray Driver	Stainless steel and nickel alloy
Filtration and Drying	RCVD (Roto Cone Vacuum Dryer)	Stainless steel and nickel alloy
Filtration and Drying	Tray Dryer	Stainless steel and nickel alloy
Filtration and Drying	Paddle Dryer (TBV)	Stainless steel and nickel alloy
Filtration and Drying	Filtration & Drying	Stainless steel and nickel alloy
Filtration and Drying	Filters	Glass Lined Equipment
Filtration and Drying	Filters	Stainless steel and nickel alloy
Filtration and Drying	RCVD	Glass Lined Equipment
Filtration and Drying	Tray Dryer	Stainless steel and nickel alloy
Storage	Receivers	Glass Lined Equipment
Storage	Receivers	Stainless steel and nickel alloy
Storage	Tanks	Glass Lined Equipment
Storage	Tanks	Stainless steel and nickel alloy
Storage	Silos	Stainless steel and nickel alloy
Storage	Blenders	Stainless steel and nickel alloy
Vessel	Vessel	Stainless steel and nickel alloy
Plant Engineering and Services		
Services	Services	Others
Utility System	Hot Water System	Stainless steel and nickel alloy
Utility System	SKIDS	Stainless steel and nickel alloy
Utility System	Single fluid Heating & Cooling systems	Stainless steel and nickel alloy

Products and our Offerings

Below are the illustrations of some of the products manufactured by us:



BE Reactor

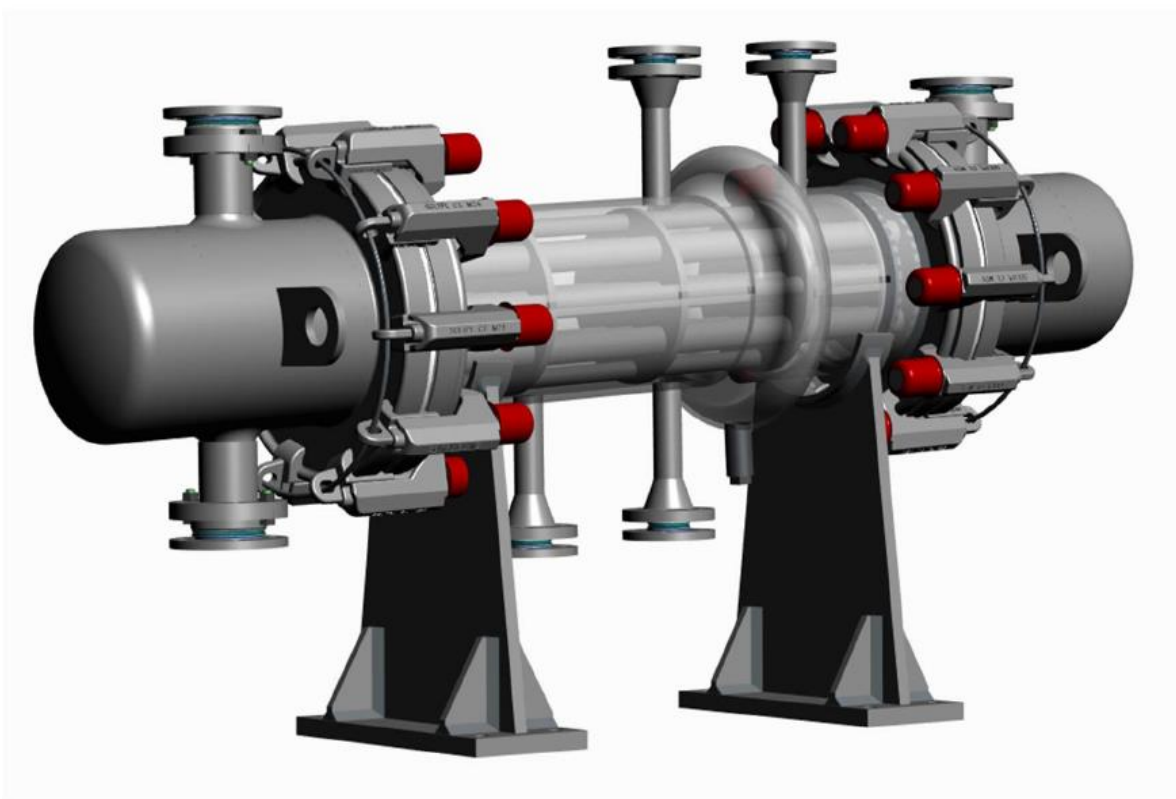
Storage Tanks



RCVD



AE Reactor



Heat Exchangers

Filtration & Drying:

Separation of solids and liquids is a common unit process in all chemical/pharmaceutical plants and filtration is the most common and effective way of doing so. We offer a range of equipment for this purpose. After filtration, the wet solids usually have to be dried by heating. Hence filtration & drying are usually consecutive or simultaneous processes.

However, each reaction in the manufacturing process may have slightly different requirements. Hence, we work closely with customers and offer bespoke solutions that meet their specific process needs. Some of the products we manufacture are ANFD, Vacuum Tray Driver, RCVD, Tray Dryer, Paddle Dryer, Filtration and drying Filters and RCVD.

Glass Lined Equipment:

Glass lining technology is extensively used in various industries for its corrosion resistance and durability. Glass-lined reactors are crucial for chemical synthesis and controlled reactions in the chemical and pharmaceutical sectors. They protect against corrosive chemicals and maintain substance purity. Receivers with glass lining are utilized in food and beverage, pharmaceutical, and chemical processing industries for collecting and storing materials. Glass-lined heat exchangers and equipment fittings are employed in industries requiring efficient heat transfer while preserving material integrity.

The various steps in a chemical process require storage, mixing, agitation, pressurizing, heating or cooling of different chemicals or mixtures thereof. While many different kinds of equipment need to be used for these processes, the material of construction of such equipment depends on the degree of corrosiveness of the chemical that needs to be handled. As the chemicals get more corrosive, the ability of metals to withstand the process for extended processes reduces or extremely expensive metals might be needed. Glass lined equipment are a relatively inexpensive solution to this specific need in the industry. Glass lined equipment are built primary from steel, hence they are strong (unlike pure glass). However, they are coated with glass on all surfaces which are intended to be in contact with corrosive chemicals.

Heat Exchangers

Heat Exchangers are devices or systems used to transfer heat from one medium to another and can be used for both cooling and heating purposes. Heat exchangers are used in API and chemical manufacturing process mainly in the distillation and drying unit operations.

Some of the key products include column, condenser, shell and tube heat exchangers and box heat exchangers.

Storage

Storage tanks are containers designed to store liquids or solids or gases at atmospheric or low pressures and are constructed using thin walled materials. Storage tanks are typically cylindrical and primarily serve the function of fluid storage.

PTFE lined pipes and fittings

PTFE-lined pipes are mild steel pipes with a layer of polytetrafluoroethylene (PTFE) liner fused to the inside walls. PTFE is well-known for its remarkable chemical resistance, non-stick characteristics, durability at high temperatures, and low friction coefficient. These properties make PTFE an excellent material for lining the interior surfaces of pipes, providing corrosion protection, and assuring smooth fluid flow in a wide range of industrial applications.

PTFE lined piping and fittings are primarily used for connecting equipment or transportation of corrosive fluid from one equipment to another equipment during the manufacturing process, for further processing. These pipes are usually made of mild steel or stainless steel and lined with PTFE to withstand corrosive properties of the manufacturing process. These can also withstand temperatures up to 200 degrees Centigrade. These pipes and fitting are primarily used in equipment for chemical, pharmaceuticals and food & beverages industries.

Other key products include valves made of spheroidal graphite iron or carbon steel and coated with fluorinated ethylene propylene, perfluoro alkoxy. Our fittings portfolio includes bends, tees, concentric and eccentric reducers, reducing flanges, PTFE lined sight glasses, PTFE lined expansion joints or bellows and valves.

Vacuum Pumps

Vacuum pump is a device that removes gas molecules or air particles from a sealed volume in order to achieve difference in pressure creating a partial vacuum. By reducing the pressure, vacuum pumps lower the boiling points of the substances, allowing distillation to occur at lower temperatures. This is particularly important for heat-sensitive materials that might decompose at higher temperatures. The decrease in the boiling point of liquids or solvents inside a product through use of vacuum pumps increases the rate of evaporation and results in an increased drying rate of the product.

Typical applications of vacuum pumps include in distillation systems, drying and filtration systems, solvent recovery systems and as centralised vacuums in pharmaceutical laboratories, freeze drying systems, short path distillation processes and steam sterilization processes. End user industries in which vacuum pumps find use include chemical and pharmaceuticals, electrical & power, food and beverage, medical and oil & gas.

Plant, Engineering and Services

Plant engineering services include the assistance in execution of API and chemical projects on a turn-key basis that involve the usage of many of our product offerings. This service involves providing inputs to our customers on improvements in plant design and subsequently project managing the construction of the API and chemical facility, installation of equipment manufactured by us and products from other suppliers that are necessary for the completion of the full plant. Our responsibility includes a combination or all of coordination, procurement, installation, commissioning and qualification of the facility.

Manufacturing Facilities

Our manufacturing capabilities consist of eight facilities located in Hyderabad, Telangana covering a total built-up/floor area of more than 400,000 sq. ft.



Set out below are the details of our manufacturing facilities:

SGL Unit - The SGL Unit is dedicated to manufacturing glass lined equipment with a capacity to manufacture more than 1,600 equipment on an annual basis. The facility is spread across an area of 187,000 sq. ft. and is equipped with 17 electric overhead traveling (“EOT”) cranes, 11 furnaces including three agitator furnaces and three component furnaces with a combined rated power exceeding 5.99 MW. The electric furnaces are equipped with precise temperature control systems. The manufacturing process is streamlined with the use of special purpose tooling, jigs, fixtures and automation. It is also equipped with a machine shop with six CNC and heavy machining equipment and a plasma cutting machine. The facility has the capability to machine components or entire fabricated equipment ranging up to 3.40 mts. in diameter and up to 12 mts. in length. The specialized tooling along with a machine shop enables us to achieve a high level of precision, repeatability and interchangeability of parts for our customers.

We also rely on robotic welding at SGL Unit for various materials such as carbon/ mild steel. The facility also has assembly capacity with dedicated infrastructure for surface preparation, painting, and pickling and passivation of equipment.

Our electricity requirements for this facility are sourced from a combination of electricity drawn from the grid and the captive renewable energy generation through a solar plant with a capacity to generate power up to 3,600KVA.

S2 Unit 1 - It is dedicated to manufacturing stainless steel and nickel alloy based reactors and ANFDs with assembling capacity and is spread across an area of more than 99,000 sq. ft. The facility is equipped with 16 EOT cranes, machine shop with vertical machining centres, CNC turn-mill, CNC drilling and vertical turning lathes, boring machine, hydraulic plate bending machine, CNC plasma cutting machines, CNC laser cutting machine, column and boom welding and manual machining centres and other equipment required to manufacture filter-dryers and reactors such as jigs, fixtures, welding manipulators.

S2 Unit 1 has a capacity to manufacture up to 458 equipment on an annual basis. Our electricity requirements for this facility are sourced from the grid.

S2 Unit 2 - The facility is dedicated to manufacturing stainless steel and nickel alloy filtration and drying, and storage equipment. The facility is spread over an area of more than 38,000 sq ft. and is equipped with 4 EOT cranes and welding machines.

S2 Unit 3 - This facility is dedicated to supply and service of vacuum pumps, covering an area over 18,000 sq. ft. It is equipped with four EOT cranes, welding machines, assembly bays, overhead cranes and electronics facilities

which are capable of providing automated pump control systems. The facility also has pump decontamination and cleaning capabilities along with overhead cranes for handling and pump refurbishment equipment for comprehensive overhauls of rotating equipment. In addition, the facility features a dedicated stores and assembly/testing area. The facility is capable to supply and service around 440 vacuum pumps annually. Our electricity requirements for this facility are sourced from the grid.

S2 Unit 4- This facility is dedicated to manufacturing heat transfer systems using stainless steel and nickel alloy. The facility is spread across an area of over 42,000 sq. ft. and is equipped with seven EOT cranes and welding machines, VTL, H boring machine, dish pressing machine and manual machining centre. The facility is capable of manufacturing 684 heat exchangers and nickel alloy equipment on an annual basis. Our electricity requirements for this facility are sourced from the grid.

SFPL Unit- This facility is dedicated to manufacturing PTFE lined pipes and fittings and is spread across an area of 35,000 sq. ft. and is equipped with four EOT cranes, welding machines, isostatic machinery, lathe machine, drilling machine, buffing machine, injection molding machine. The facility is capable of manufacturing 90,000 units per year.

CPK Unit 1 – This facility is engaged in the manufacturing stainless steel and nickel alloy equipment, storage tanks, receivers, RVPDs and VTDs and heat exchange systems. The facility is spread across more than 17,000 sq. ft. Equipped with three EOT cranes and welding machines, the facility is capable of manufacturing 180 units annually.

CPK Unit 2 -This facility manufactures stainless steel and nickel alloy equipment, storage tanks, receivers, RVPDs, VTDs and heat exchange systems. The facility is spread across more than 6,000 sq. ft. and is equipped with 2 EOT cranes and welding machines. The facility is capable of manufacturing 60 units annually.

S2 Unit 5- This is an under-construction facility, whereby we plan to manufacture stainless steel and nickel alloy based equipment. The facility is proposed to be built over an area of more than 1,00,000 sq. ft. The unit is expected to be completed by October 31, 2024.

Set out below are the details of our installed capacity, actual production and capacity utilisation (excluding CPK Unit 1 and CPK Unit 2) as of March 31, 2024, March 31, 2023 and March 31, 2022:

Manufacturing Facility	As of March 31, 2024			As of March 31, 2023			As of March 31, 2022		
	Installed Capacity (in number of units)	Actual Production (in number of units)*	Capacity Utilisation (%)#	Installed Capacity (in number of units)	Actual Production (in number of units)*	Capacity Utilisation (%)#	Installed Capacity (in number of units)	Actual Production (in number of units)*	Capacity Utilisation (%)#
SGL Unit	1,609	1,345	83.59%	1,609	1,166	72.47%	1,609	1,274	79.18%
S2 Unit 1	458	332	72.49%	458	382	83.41%	115	99	86.46%
S2 Unit 2	380	326	85.79%	380	223	58.68%	95	86	90.53%
S2 Unit 3	440	440	100.00%	440	323	73.41%	110	41	37.27%
S2 Unit 4	684	484	70.76%	684	684	100.00%	171	95	55.56%
SFPL Unit	90,000	57,484	63.87%	-	-	-	-	-	-

*The actual production details mentioned are a function of the orders received.

#The capacity utilization has been calculated on actual production during the relevant year divided by the installed capacity of the manufacturing unit.

Notes:

1. SGL Unit manufactures primarily glass lined equipments;
2. S2 Unit 1 manufactures primarily stainless steel and nickel alloy reactors and ANFDs;
3. S2 Unit 2 manufactures primarily stainless steel and nickel alloy filtration and drying, and storage equipment;
4. S2 Unit 3 undertakes supply and servicing of pumps;
5. S2 Unit 4 primarily manufactures stainless steel and nickel alloy heat transfer system, vessel and utility systems;
6. SFPL Unit primarily manufactures PTFE lined pipes and fittings;
7. SFPL Unit commenced production of PTFE lines pipes and fittings from June 1, 2023. Accordingly, the installed capacity disclosed for Fiscal 2024 has been calculated for a period of 10 months.
8. Each of S2 Unit 1, S2 Unit 2, S2 Unit 3 and S2 Unit 4 commenced production from December 26, 2021. Accordingly, the installed capacity for Fiscal 2022 has been calculated for a period of three months.

9. *In addition to our Manufacturing Units set out above, we have acquired the business of C.P.K. Engineers Private Limited in Fiscal 2025. Accordingly, CPK Unit 1 and CPK Unit 2 have commenced manufacturing of stainless steel and nickel alloy reactors, storage systems, utility systems, heat transfer systems and filtration and drying from May 1, 2024, with an annual capacity of 180 units and 60 units, respectively.*
10. *The S2 Unit 5 is presently under construction and the construction is expected to be completed by October 31, 2024.*
11. *The above table has been certified by Global Engineers & Industrial Consultants, vide their certificate dated July 24, 2024*

Raw materials

The key raw materials for our business requirements are stainless steel, carbon/ mild steel, nickel alloy, forgings, castings, chemicals and PTFE powder. Additionally, we also rely on certain bought out components such as motor, gear box, mechanical seals, etc.

Filtration and drying equipment are predominantly manufactured out of stainless steel and nickel alloy. These are predominantly standard grades and are purchased directly from the manufacturers based on agreements. The ability to source directly from the mill enables control over quality and a better pricing compared to the open market. We maintain a base inventory of stainless steel and nickel alloy based on our expectation of orders. This enables us to maintain predictability of the material cost while bidding for customer orders. We also use customer advances to book material upfront and lock in the raw material cost.

Glass lined equipment manufacturing uses carbon steel and forgings. However, these are customized grades which we get source from a select few steel manufacturers. Due to the proprietary nature of the material, we maintain a stock of these items based on estimated orders. This ensures continuity of supply, competitive pricing and predictability of input costs for projects under negotiation.

In addition to the above, bought out components that are installed on both these kinds of equipment are sourced from suppliers, based on customer approvals.

Marketing and sales

Our manufacturing capabilities are complemented by a sales, services and distribution network operating from four sales offices located in Vadodara, Gujarat, Ankleshwar, Gujarat, Mumbai, Maharashtra and Vishakhapatnam, Andhra Pradesh and sales team members in Jhagadia, Gujarat, Chennai, Tamil Nadu, New Delhi, Bengaluru, Karnataka and Vijayawada, Andhra Pradesh with pan-India reach. We also have agency arrangements for sale and marketing of our products in Bangladesh as well as agency and distribution agreement for sale, marketing and distribution of our products in Russia. Further, we have resale arrangements for North America (excluding Cuba), South America, Europe (excluding Belarus and Russia) and certain countries in Asia and Africa.

Logistics

We depend on various forms of transportation to either receive raw materials for our manufacturing purposes or to deliver the finished products to our customers, including for certain export sales. For these purposes, we rely on third-party transportation and logistics providers. We typically enter into non-exclusive agreements with such transportation providers for the delivery of our products.

Exports

While our focus is on the domestic market to meet the demand requirements of our customers, we also export some of our products to limited international markets with majority of them to Russia and Oman. In Fiscal 2024, we exported our products to only one country. In Fiscal 2024, Fiscal 2023 and Fiscal 2022, we derived ₹ 20.37 million, ₹ 13.42 million and ₹ 5.88 million from sales of our products with end customers in overseas markets, constituting 0.37%, 0.27% and 0.24%, of revenue from our operations, respectively.

Customer Service and Support

We offer maintenance and servicing for our products providing an additional revenue stream. These services include equipment inspection, repair, and replacement of components, ensuring customer satisfaction and generating recurring revenue.

Quality Control

Our business success depends on the quality of our products and services, and we believe we have invested in robust manufacturing and documentation practices. We have developed systems to ensure product quality and client satisfaction, which are focused on providing products conforming to applicable standards, meeting client requirements, and minimizing risks and ensuring the safety of our products. Further, our end customers in the pharmaceutical industries are dependent on the maintenance of our manufacturing standards, quality controls and testing procedures in order to comply with cGMP practices as our equipment is integral to the production process of APIs and other pharmaceutical products.

Some of our facilities are ISO 9001:2015 certified organization for Quality Management System, ISO 14001:2015 certified for Environmental Management System, ISO 27001:13 certified for Information Security management System and ISO 45001:2018 certified for Occupational Health and Safety Management System. We have also received certifications such as CE and NABL.

In addition to the inspections conducted by the external agencies, we also conduct internal inspection and incremental quality control of raw materials used for our projects in order to maintain quality assurance. We believe that strict procedures followed by us help us to ensure timely delivery and competitive prices of our products and services in the market. We also conduct prototyping and testing of our products to ensure their functionality, reliability, and performance. This iterative process allows us to validate our designs and make necessary improvements before the final production.

Further, in order to derive better insights into the markets for raw materials we maintain healthy relationships with our suppliers. This also helps us to manage our raw material supply chain and inventory, resulting in greater predictability of supply and, consequently, a greater ability to meet production schedules and achieve timely delivery of our products and services for our clients.

Competition

Our major competitors are HLE Glasscoat Ltd, BEW Engineering Pvt Ltd, Thermax Ltd, Praj Industries and GMM Pfaudler. For further details, please see “*Industry Overview*” on page 163.

Employees

As of March 31, 2024, we had 378 permanent employees, on a consolidated basis. The following table provides information about our permanent employees, as of March 31, 2024, on a consolidated basis:

Department	Number of Employees
Management	11
Operation	87
Design	26
Sales and Marketing	86
Maintenance and Quality Control	44
Finance and Accounts	22
Procurement and Store	46
Human Resources, Legal and Administrative	23
Information Technology	2
Service	30
TOTAL	378

In addition, as of March 31, 2024, we had 823 contract labourers and 74 trainees, interns and apprentices.

Our human resource practices are aimed at recruiting talented individuals, ensuring continuous development and addressing their grievances, if any, in a timely manner. We conduct training workshops for our employees to develop a variety of skill sets and organize modules at regular intervals to promote teamwork and the personal growth of employees. We train our employees in our manufacturing operations, including machine utilization, operations flow, quality management and work safety.

Our human resource department continuously focuses on employee engagement and motivation, which further helps in achieving the strategic objectives of the organization.

For Fiscal 2024, Fiscal 2023 and Fiscal 2022, our employee benefits expense were ₹ 207.68 million, ₹ 157.52 million and ₹ 135.21 million, constituting 3.82%, 3.17% and 5.63%, respectively, of our total revenue from operations.

The table below provides the attrition rate for our employees for Fiscal 2024, Fiscal 2023 and Fiscal 2022:

Particulars	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
Total number of employees	378	307	250
Employees Resigned during the Fiscal	139	99	52
Employees joined during the Fiscal	158	156	137
Attrition rate (%)	29.89%	24.38%	28.11%

Note:

- 52 employees of M/s Higenic Flora Polymers and M/s Yashasve Glass Lining Industries were transferred to our Company in Fiscal 2024 and 117 employees of M/s S2 Engineering Services and M/s Stanpumps Engineering Industries were transferred to our Company in Fiscal 2022, due to the slump sales during the respective Fiscals;
- Attrition rate has been calculated as the number of employees who have resigned during the period, divided by the number of employees existing as of the beginning of the period and the numbers of employees who have joined during the period.

Insurance

We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurance.

We have comprehensive insurance to protect our company against various hazards like burglary, fire, earthquakes, flood and other force majeure events, explosions, including hazards that may cause loss of life, severe damage to and the destruction of property and equipment and environmental damage. Our principal types of insurance coverage include motor vehicle insurance, fire insurance, property insurance, housebreaking insurance, commercial package insurance, marine cargo insurance, marine export import insurance, directors and officers' liability insurance, and burglary insurance. Further, we also hold employees' mediclaim which covers employees working for our Company.

Also see, "Risk Factors – An inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability." on page 55.

Intellectual Property

Our Company has one registered trademark. For further information, see "Government and Other Approvals – Intellectual Property related approvals" on page 448

Environmental, Social and Governance

We are committed to ensure responsible and safe operations and help us enrich the communities we work and live in. We believe in caring for and nurturing the environment and the community. We work collectively and individually towards a sustainable and green environment.

Our activities are subject to laws and government regulations, including in relation to safety, health, and environmental protection. These safety, health, and environmental protection laws and regulations impose controls on air and water release or discharge, noise levels, storage handling, the management, use, generation, treatment, processing, handling, storage, transport, or disposal of hazardous materials in relation to our manufacturing operations.

We continually aim to comply with the applicable health and safety regulations and other requirements in our business operations. This is further driven by our ESG focused practices within our organisation.

We aim to ensure a safe and healthy environment and further provide for safety measures in order to achieve zero accidents on a sustainable basis. We take initiatives to reduce the risk of accidents at our manufacturing facility including by providing training and safety manuals to our employees. We implement work safety measures to ensure a safe working environment including general guidelines for health and safety at our facilities. To ensure workplace safety, we also provide personal protective equipment to our employees.

Environmental requirements imposed by the regulatory authorities in India will continue to have an effect on our operations. We believe that we have materially complied, and will continue to comply, with all applicable environmental laws, rules and regulations. We have obtained, or are in the process of obtaining or renewing, environmental consents and licenses from the relevant government agencies that are necessary for us to carry on our business.

For information regarding applicable health, safety and environmental laws and regulations, see “*Key Regulations and Policies in India*” on page 267.

Corporate Social Responsibility

We have adopted a corporate social responsibility (“**CSR**”) policy in compliance with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014. Our CSR initiatives are part of our overall strategy of developing communities and environmental sustainability, as well as creating a protected future for the generations to come. In order to achieve this, our CSR initiatives are aimed towards infrastructure, vocational training and education initiatives. In Fiscal 2024, Fiscal 2023 and Fiscal 2022 our Company incurred ₹13.87 million, ₹3.00 million and ₹1.45 million towards CSR activities. Some of the key CSR initiatives undertaken by us include:

- i. *Empowering Youth through Skill Development:* We have undertaken the initiative to provide apprenticeships to students, enabling them to upskill their knowledge in engineering. Through real-time training, we aim to develop their skills and prepare them for a successful future, recognizing the youth as the future of our country.
- ii. *Supporting Akshaya Patra Foundation: Providing Food for Children in Need:* We have extended our support to the Akshaya Patra Foundation by donating towards the purchase of machinery. This donation aims to help the foundation serve nutritious meals to children in need, ensuring they have access to food and supporting their overall development and well-being.
- iii. *Community Welfare: Providing Access to Clean Water and Water Purification Plant for Rural Communities:* In Kazipally village, we are constructing a water tank to provide comfort to the residents during the summer months, ensuring they have access to clean and safe water for drinking and utility, thus alleviating the hardships caused by water scarcity. Further, we have established a water purification plant to provide pure and safe drinking water in one village located at Gudem Madavaram, Krishna District, Andhra Pradesh. This initiative aims to improve the health and well-being of the communities by addressing the challenge of waterborne diseases.
- iv. *Infrastructure Development: Building Canals for Water Provision:* We are also committed to improving the infrastructure in rural areas. We have undertaken the construction of a canal in a village to ensure the provision of water for irrigation and daily needs, thereby enhancing the quality of life for the villagers.

Property

Our Registered Office is located at D.12, Phase-1, IDA Jeedimetla, Hyderabad, Telangana-500055, India. Our Registered Office has been leased to us for a period of 2 years. Our Corporate Office is located at 10th Floor, PNR High Nest, Hydernagar, KPHB Colony, Hyderabad, Telangana - 500085, India, and is owned by us.

As on the date of this Draft Red Herring Prospectus, the following table sets forth the details of our manufacturing facilities:

Manufacturing Facility	Address	Leased/Owned	Lease Term
SGL Unit	Survey no. 42A, situated at Alinagar, Chetlapotharam village, under Gaddapotharam panchayat, Jinnaram mandal, Sangareddy District -502 319 Hyderabad, Telangana	Leased	8 years

S2 Unit 1	53/4, Narsapur Road, Bahadurpally, Qutubullapur, Medchal-Malkajgiri – 500 043, Hyderabad, Telangana	Leased	5 years
S2 Unit 2	Plot number 1, Apuroopa Township, Jeedimetla, Hyderabad – 55, Telangana	Leased	5 years
S2 Unit 3	Shed number D-29, IDA Jeedimetla, Phase 5, Jeedimetla, Qutubullapur, Medchal-Malkajgiri – 500 055, Hyderabad, Telangana.	Leased	5 years
S2 Unit 4	35/A SVCIE, Phase-I IDA, Jeedimetla, Qutubullapur, Medchal-Malkajgiri – 500 055, Hyderabad, Telangana	Leased	1 year
S2 Unit 5#	Survey No. 42/A1/1, situated at Alinagar H/o Chetlapotharam village under Gram Panchayat Gaddapotharam Village, Jinnaram Mandal, Sangareddy District- 502 319 Hyderabad, Telangana	Leased	5 years
SFPL Unit	Sy.No.364/1,364/2,365, Shivampet, Nawabpet, Medak Hyderabad – 502 313, Telangana	Owned	-
CPK Unit 1	Plot No.46/A and A33 Part, Phase-I, IDA, Jeedimetla Village Quthbullapur Mandal, Medchal.-Malkajgiri District – 500055, Hyderabad, Telangana	Leased	3 years
CPK Unit 2	Plot No.33/A, Phase-II, IDA, Jeedimetla Village, Quthbullapur Mandal, Medchal.-Malkajgiri District, 500055, Hyderabad, Telangana	Leased	3 years

This facility is presently under construction.

Further, as of March 31, 2024, we had sales and service offices located in Vadodara, Gujarat, Ankleshwar, Gujarat, Mumbai, Maharashtra and Vishakhapatnam, Andhra Pradesh.

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 445.

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 445.

Laws in relation to our business

The Factories Act, 1948 (“Factories Act”)

The Factories Act defines a “factory” to cover any premises which employs 10 or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least 20 workers, even while there may not be an electrically aided manufacturing process being carried on. State Governments have the authority to formulate rules in respect of matters such as prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. It provides such safeguards of workers in the factories as well as offer protection to the exploited workers and improve their working conditions. The penalties for contravention of the Factories Act include fine and imprisonment for the ‘occupier’ or ‘manager’ as defined under the Factories Act, and enhanced penalties for repeat offences and contravention of certain provisions relating to use of the hazardous materials.

The Telangana Shops and Establishments Act, 1988 and the Telangana Shops and Establishments Rules, 1990 (“S&E Legislations”)

The S&E Legislations are applicable to all the shops, commercial establishments and other business in the areas notified by the Government of Telangana. The S&E Legislations aims to ensure the welfare and protection of workers employed in shops and commercial establishments in Telangana, while also providing guidelines for employers to follow. It provides regulations of the payment of wages, terms of services, work hours, rest intervals, overtime work, opening and closing hours, closed days, holidays, leaves, maternity leave and benefits, work conditions, rules for employment of children, records maintenance, among others.

The Greater Hyderabad Municipal Corporation Act, 1955, the Telangana Municipalities Act, 2019, and the Telangana Municipalities Trade License (Regulation of Issue and Renewal) Rules, 2020 (“Municipal Legislations”)

The Municipal Legislations govern the administration and functioning of municipalities within the state of Telangana, India. The The Greater Hyderabad Municipal Corporation Act, 1955, establishes the Greater Hyderabad Municipal Corporation as the local governing body for Hyderabad and outlines the structure of the municipal corporation, including provisions for the mayor, deputy mayor, and various committees and includes provisions for regulating building construction, land use, sanitation, public safety, and other municipal matters. The Telangana Municipalities Act, 2019, includes provisions for municipal governance, municipal financial management, urban planning and development, election and administration and community participation. The Telangana Municipalities Trade License (Regulation of Issue and Renewal) Rules, 2020, includes provisions with respect to trade license requirements.

The Electricity Act, 2003 (“Electricity Act”)

The Electricity Act consolidates the laws relating to generation, transmission, distribution, trading and use of electricity. It lays down provisions in relation to transmission and distribution of electricity. It states that the State Government can specify suitable measures for specifying action to be taken in relation to any electric line or electrical plant, or any electrical appliance under the control of a consumer for the purpose of eliminating or reducing the risk of personal injury or damage to property or interference with its use.

Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010

The Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010 lay down regulations for safety requirements for electric supply lines and accessories (meters, switchgears, switches and cables). It requires all relevant specifications prescribed by the BIS or the International Electro-Technical Commission to be adhered to. These include requiring all electric supply lines and apparatus to:

- (a) have sufficient rating for power, insulation and estimated fault current;
- (b) be of sufficient mechanical strength for the duty cycle which they may be required to perform under the environmental conditions of installation;

The supplier is also required to provide a suitable switchgear installation in each conductor of every service line other than an earthed or earthed neutral conductor or the earthed external conductor of a concentric cable within a consumer’s premises and such switchgear is required to be encased in a fireproof receptacle.

The construction, installation, working and maintenance of such supply lines must be in a method which will ensure the safety of human beings, animals and property.

Intellectual property laws

The Trademarks Act, 1999 (“Trademarks Act”)

The Trademarks Act governs the registration, 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 Trademarks Act, an application for trademark registration may be made with the Trademarks 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, after 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 Trademarks Act. The Trademarks 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 Trademarks (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.

The Patents Act, 1970 (“Patents Act”) and the rules framed thereunder

The Patents Act governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents in addition to process patents, with a protection for 20 years applicable to product patents. Any person claiming to be the true and first inventor of the invention or the assignee of the true and first inventor or the legal representative of any deceased person who was entitled to make an application immediately before death may apply for a patent for an invention. Section 39 of the Patents Act also prohibits any person resident in India from applying for a patent for an invention outside India without making an application for a patent for the same invention in India. The term of a patent granted under the Patents Act pursuant to Section 53 is for a period of 20 years from the date of filing of the application for the patent. A patent shall cease to have effect if the renewal fee is not paid within the period prescribed for the payment of such renewal fee. In terms of the Patents Act, the patentee holds the exclusive right to prevent third parties from the using, offering for sale, selling or importing for such purposes, the patented product or product obtained directly by a process patented in India.

The Designs Act, 2000 (“Designs Act”)

The Designs Act consolidates and amends the law in relation to the protection of designs. The Designs Act defines a design as the features of shape, configuration, pattern, ornament or composition of lines or colours applied to any article whether in 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. It provides for the registration of any new or original design not previously published in any country and which is not contrary to public order or morality. A registered design is valid for a period of ten years from the date of registration and can be renewed for a second period of 5 years.

Foreign investment and trade regulations

Foreign investment regulations

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 (“FTDRA”), the Foreign Trade (Regulation) Rules, 1993 (“FTRR”) and the Foreign Trade Policy 2023 (“Foreign Trade Policy”)

The FTDRA provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India. The FTDRA empowers the Central Government to formulate and amend the foreign trade policy. The FTDRA prohibits any person from making an import or export except under an Importer-exporter Code Number (“IEC”) granted by the director general or any other authorized person in accordance with the specified procedure. The IEC may be suspended or cancelled if the person who has been granted such IEC contravenes, amongst others, any of the provisions of the FTDRA, or any rules or orders made thereunder, or the foreign policy or any other law pertaining to central excise or customs or foreign exchange. The FTDRA also prescribes the imposition of penalties on any person violating its provisions.

The FTRR prescribes the procedure to make an application for grant of a license to import or export goods in accordance with the foreign trade policy, the conditions of such license, and the grounds for refusal of a license.

The FTDRAs empower the Central Government to, from time to time, formulate and announce the foreign trade policy. The Foreign Trade Policy came into effect from April 1, 2023. The Foreign Trade Policy, *inter alia*, governs the import and export of goods, sets out mandatory documentation required for the import and export of goods, principles of restriction and prohibitions of trade with certain identified jurisdictions and groups. The Foreign Trade Policy also sets out a framework to promote cross border trade in the digital economy and a mechanism of settlement of complaints in connection with the quality of goods and other trade disputes.

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:

- The Contract Labour (Regulation and Abolition) Act, 1970;
- Code on Wages, 2019*;
- Code on Social Security, 2020*;
- The Employee's Compensation Act, 1923;
- The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- The Payment of Gratuity Act, 1972;
- The Payment of Bonus Act, 1965;
- The Maternity Benefit Act, 1961;
- The Minimum Wages Act, 1948;
- The Employees' State Insurance Act, 1948#;
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- The Payment of Wages Act, 1936;
- The Industrial Disputes Act, 1947;
- The Industrial Employment (Standing Orders) Act, 1946;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- The Apprentices Act, 1961
- The Equal Remuneration Act, 1976**; and
- The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986.

**Certain provisions of the Code on Wages, 2019 and the Code on Social Security, 2020 have been notified as on date.*

***The Code on Wages, 2019, once the relevant provisions are notified, will repeal the Payment of Bonus Act, 1965, Minimum Wages Act, 1948, Equal Remuneration Act, 1976 and the Payment of Wages Act, 1936.*

The Code on Social Security, 2020, once notified will repeal, inter alia, 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 and the Payment of Gratuity Act, 1972.

In order to reform labour laws in India, the Government of India has notified four labour codes which are yet to come into force as on the date of this Draft Red Herring Prospectus, namely, (i) the Code on Wages, 2019 which will repeal the Payment of Bonus Act, 1965, Minimum Wages Act, 1948, Equal Remuneration Act, 1976 and the Payment of Wages Act, 1936, (ii) the Industrial Relations Code, 2020 which will repeal the Trade Unions Act, 1926, Industrial Employment (Standing Orders) Act, 1946 and Industrial Disputes Act, 1947, (iii) the Code on Social Security, 2020 which will repeal certain enactments including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions act, 1952, Maternity Benefit Act, 1961, Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and the Payment of Gratuity Act, 1972 and (iv) the Occupational Safety, Health and Working Conditions Code, 2020 which will repeal certain enactments including the Factories Act, 1948, Motor Transport Workers Act, 1961 and the Contract Labour (Regulation and Abolition) Act, 1970.

Industrial (Development and Regulation) Act, 1951, as amended ("ID&R Act")

The ID&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 ID&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 ID&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 the formulation and implementation of promotional and developmental measures for growth of the industrial sector.

The Contract Labour (Regulation and Abolition) Act, 1970, as amended (the “CLRA Act”)

In respect of our manufacturing facilities, we use the services of certain licensed contractors who in turn employ contract labour whose number exceeds 20 (twenty), subject to state amendments, in respect of certain facilities. Accordingly, we are regulated by the provisions of the CLRA Act, and the rules framed thereunder require us to be registered as a principal employer and prescribe certain obligations with respect to welfare and health of contract labour. The CLRA Act imposes certain obligations on the contractor in relation to the establishment of canteens, restrooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA Act

Environment protection laws

Environment Protection Act, 1986 (“EP Act”) the Environment Protection Rules, 1986 (“EP Rules”) and the EIA Notification, 2006 (“EIA Notification”)

The EP Act is the umbrella legislation in respect of the various environmental protection laws in India. Under the EP Act, 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 EP Rules, 1986, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. Penalties for violation of the EP Act 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 EP Act 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.

The responsibility of primary environmental oversight authority is given to the Ministry of Environment and Forest (“MoEF”), the Central Pollution Control Board and the State Pollution Control Board (“SPCB”). Additionally, under the EIA Notification and its subsequent amendments, projects are required to mandatorily obtain environmental clearance from the concerned authorities depending on the potential impact on human health and resources. In addition, the MoEF also looks into Environment Impact Assessment (“EIA”), wherein it assesses the impact that proposals for expansion, modernization and setting up of projects would have on the environment before granting clearances.

The Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)

The Water Act mandates that previous consent of the SPCB be taken before establishing any industry, operation or process, or any treatment and disposal system or an extension or addition thereto, which is likely to discharge waste or trade effluents into a stream, well, sewer or onto land, bring into use any new or altered outlet for the discharge of sewage, or begin to make any new discharge of sewage.

The Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)

The Air Act was enacted for the prevention, control and abatement of air pollution. The relevant State Government may declare any area as an “air pollution control area” and the previous consent of the SPCB is required for establishing or operating any industrial plant in an area so declared. Further, no person operating any industrial plant in any such area is permitted to discharge any air pollutant in excess of the standard laid down by the SPCB. The persons managing industry are to be penalized if they produce emissions of air pollutants in excess of the standards laid down by the SPCB. The SPCB may also apply to the Court to restrain persons causing air pollution. Whoever contravenes any of the provisions of the Air Act or any order or direction issued is punishable with imprisonment for a term which may extend to 3 months or with a fine of ₹10,000 or with both, and in case of a continuing offence, with an additional fine which may extend to ₹5,000 for every day during which such contravention continues after initial conviction.

Public Liability Insurance Act, 1991 (“Public Liability Act”)

The Public Liability Act, as amended, imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such substances. A list of ‘hazardous substances’ covered by the legislation has been enumerated by the Government by way of a notification under the EPA. The owner or handler is also required to take out an insurance policy that insures against liability under the legislation. The rules notified under the Public Liability Act mandate that the employer has to contribute towards the Environmental Relief Fund a sum equal to the premium payable to the insurer on the policies taken.

Plastic Waste Management Rules, 2016 and amendments thereto (“PWM Rules”)

The PWM Rules are applicable to every waste generator, local body, gram panchayat, manufacturer, importers, brand owner, plastic waste processor (recycler, co-processor, etc) and producer. It provides the framework for how plastic waste generators, manufacturers, importers etc. shall manage plastic waste. The PWM Rules contain rules related to *inter alia* conditions for manufacture, import, stocking, distribution, sale and use of carry bags, plastic sheets or like, or cover made of plastic sheet and multilayered packaging, single-use plastic, including polystyrene and expanded polystyrene, responsibility of producers, importers and brand owners, retailers etc., marking or labelling of plastic packaging and multilayered packaging, registration of producers, manufacturer and recyclers. It levies environmental compensation based upon polluter pays principle for any non-compliance with the provisions of the PWM Rules.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste. Under the Hazardous Waste Rules, “hazardous waste”, *inter alia*, means any waste which by reason of characteristics such as physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive, causes danger or is likely to cause danger to health or environment, whether alone or in contact with other wastes or substances. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment or third party resulting from the improper handling and management and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

E-Waste (Management) Rules, 2022 (“E-Waste Rules”)

The E-Waste Rules apply to every manufacturer, producer refurbishers, dismantler and recycler involved in manufacture, sale, transfer, purchase, refurbishing, dismantling, recycling 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 operational. The E-Waste Rules prescribe an extended producer responsibility framework where entities are required to register on an online portal developed by the Central Pollution Control Board (“**Central PCB**”) under one of the following categories: manufacturer, producer, refurbishers or recycler. The E-Waste Rules also set out, *inter alia*, responsibilities of manufacturers, producers, refurbishers and recyclers, procedure for storage of e-waste, management of solar photo-voltaic modules or panels or cells. Responsibilities of manufacturers include collection of e-waste generated during the manufacturing process and filing of annual and quarterly returns in a specified format on the portal developed by the Central PCB.

Ministry of Environment, Forest and Climate Change Notification No. G.S.R. 571(E) dated August 12, 2021 (“MoEF Notification”)

The MoEF Notification prohibits the manufacture, import, stocking, distribution, sale and use of identified single use plastic (“**SUP**”) items with effect from July 1, 2022. The MoEF Notification was issued to inform all producers, stockists, retailers, shopkeepers, e-commerce companies, street vendors, commercial establishments (malls/marketplace/shopping centres/cinema houses/tourist locations/schools/colleges/office complexes/hospitals and other institutions) and general public so as to stop production, stocking, distribution, sale and usage of identified SUP items as per the timelines specified in the MoEF Notification. Further, the MoEF Notification provides for necessary action to be taken by the concerned authorities to ensure zero inventory of the identified SUP items by June 30, 2022.

Tax laws

Income-tax Act, 1961 (“Income Tax Act”)

Income tax is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of the Income Tax Act or rules made thereunder depending upon its “Residential Status” and “Type of Income” involved. The Income Tax Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the Income Tax Act is required to comply with the provisions thereof, including, but not limited to, those relating to tax deduction at source, advance tax and minimum alternative tax. In 2019, the Government also passed an amendment to the Income Tax Act pursuant to which concessional rates of tax are offered to a few domestic companies and new manufacturing companies.

Goods and Service Tax (“GST”)

GST is an indirect tax applicable throughout India which replaced multiple cascading taxes levied by central and state governments. GST is levied as dual GST separately but concurrently by the Union (central tax – CGST) and the States (including Union Territories with legislatures) (State tax – SGST) or Union Territories without legislatures (Union territory tax- UTGST). The Parliament has exclusive power to levy GST (integrated tax IGST) on inter-State trade or commerce (including imports) in goods or services. GST was introduced by the enactment of the Constitution (One Hundred and First Amendment) Act, 2017, following the passage of the Constitution (One Hundred and Twenty-Second Amendment) Bill, 2014 by the Parliament. The GST is governed by a GST council whose chairman is the Finance Minister of India.

Central Goods and Services Tax Act, 2017 (“CGST Act”)

The CGST Act regulates the levy and collection of tax on the intra-State supply of goods and services by the Central Government or State Governments. The CGST Act amalgamates a large number of Central and State taxes into a single tax. The CGST Act mandates every supplier providing the goods or services to be registered within the State or Union Territory it falls under, within 30 days from the day on which he becomes liable for such registration. Such registrations can be amended, as well as cancelled by the proper office on receipt of application by the registered person or his legal heirs.

The Integrated Goods and Services Tax Act, 2017 (“IGST Act”)

The IGST Act regulates the levy and collection of tax on the inter-State supply of goods and services by the Central Government or State Governments. It also includes the import and export of goods and services. The IGST Act mandates every supplier providing the goods or services to be registered within the State or the Union Territory it falls under, within 30 days from the day on which they become liable for such registration.

The Customs Act, 1962 (“Customs Act”)

The Customs Act regulates import of goods into and export of goods from India by providing for levy and collection of customs duties on goods in accordance with the Customs Tariff Act, 1975. Any company requiring to import or export goods is first required to get registered under the Customs Act and obtain an ‘Importer-Exporter Code’ in accordance with the Foreign Trade Act. Customs duties are administered by the Central Board of Indirect Tax and Customs under the Ministry of Finance. The Customs Act also provides for the interest on levy of or exemption of customs duty. In accordance with the provisions of the Customs Act, the clearance of imported goods and export does not apply to baggage and goods imported or to be exported by post.

Other laws and legislations

Indian Contract Act, 1872 (“Indian Contract Act”)

The Indian Contract Act governs the conditions for validity of contracts formed through electronic means, communication and acceptance of proposals, competency of people to contract, additionally, revocation and contract formation between consumers, sellers, and intermediaries. The terms of service, privacy policy, and return policies of any online platform are legally binding agreements and often governed by provisions of the Indian Contract Act.

In addition to the above, we also comply with the provisions of the Companies Act and rules framed thereunder, the Competition Act, 2002 various state legislations on fire prevention and fire safety measures, and other applicable and regulation imposed by the Central Government, State Governments and other authorities for our day-to-day business, operations, and administration.

The Sale of Goods Act, 1930 (“Sale of Goods Act”)

The Sale of Goods Act governs contracts relating to sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts *i.e.* the Indian Contract Act, 1872. A contract for sale of goods has, however, certain peculiar features such as, transfer of ownership of the goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract, conditions and warranties implied under a contract for sale of goods, etc. which are the subject matter of the provision of the Sale of Goods Act.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as 'Standard Glass Lining Technology Private Limited' at Hyderabad, as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated September 6, 2012, issued by the Registrar of Companies, Andhra Pradesh. Subsequently, upon the conversion of our Company into a public limited company, pursuant to a special resolution passed by our Shareholders on June 4, 2022, the name of our Company was changed to 'Standard Glass Lining Technology Limited' and a fresh certificate of incorporation dated, June 17, 2022, was issued by the RoC.

Changes in the Registered Office of our Company

There has not been any change in the address of our registered office since its incorporation.

Main objects of our Company

The main objects contained in the Memorandum of Association of our Company are as follows:

- To carry on the business in India or elsewhere as manufacturers, assemblers, fabricators, designers, suppliers, consultants, experts, stockists, importers, exporters, repairers, distributors, agents and dealers of electrical, electronically and mechanical machines and equipments such as receivers, reactors, rotary cone, vacuum dyers, agitator nutch filters and also spares, components, parts and accessories of above mentioned machines and equipments and other electrical, mechanical and electronic products including their components parts and accessories.*
- To own, manufacture, buy, sell, hire, let on hire, ply for hire, import, export, utilize, exchange, repair, alter, convert, improve and otherwise in any way deal in all kinds of machineries, plants and equipment including chemical vessels, regulators, autoclaves, driers, pulverizers, centrifuges, filtration equipment of all kinds and description, glass lined equipments, equipments in pharma industry and compounds and parts, fittings, equipments and accessories thereof.*
- To carry on business of suppliers of plant, machinery and equipment, stores, tools, gadgets, devices, contraptions, instruments, spares and components, and to develop, acquire business, companies, services and, public bodies and Government.*

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out and the activities proposed to be undertaken pursuant to the objects of the Offer. For further details, please refer to the section titled "Objects of the Offer" on page 129.

Amendments to the Memorandum of Association in the last 10 years

Set out below are the amendments to our Memorandum of Association in the 10 years preceding the date of this Draft Red Herring Prospectus:

Date of Shareholders' resolution	Particulars
August 6, 2014	Pursuant to the resolution passed at the extra-ordinary general meeting dated August 6, 2014 clause V of the MoA was amended to increase the authorized share capital of the Company from ₹ 40,000,000 divided into 4,000,000 Equity Shares of ₹ 10 each to ₹ 90,000,000 divided into 9,000,000 Equity Shares of ₹ 10 each.
September 1, 2021	Pursuant to the resolution passed at the extra-ordinary general meeting dated September 1, 2021 clause V of the MoA was amended to increase the authorized share capital of the Company from ₹ 90,000,000 divided into 9,000,000 Equity Shares of ₹ 10 each to ₹ 200,000,000 divided into 20,000,000 Equity Shares of ₹ 10 each.
November 29, 2021	Pursuant to the resolution passed at the annual general meeting dated September 1, 2021, clause III (B) and III (C) of the MoA in relation to objects incidental or ancillary to the attainment main objects and other objects was amended by deleting clause III (C) which related to 'Other Objects'. Further, clause IV of our MoA was amended to specify the limit of liability of members of the Company to any unpaid amounts on the Shares held by them.
June 4, 2022	Pursuant to the resolution passed at the extra-ordinary general meeting dated June 4, 2022, clause I of the MoA was amended to reflect a change in name of our Company from 'Standard Glass

Date of Shareholders' resolution	Particulars
	Lining Technology Private Limited' to 'Standard Glass Lining Technology Limited'.
September 2, 2023	Pursuant to the resolution passed at the annual general meeting dated September 2, 2023, clause V of the MoA was amended to increase the authorized share capital of the Company from ₹ 200,000,000 divided into 20,000,000 Equity Shares of ₹ 10 each to ₹ 450,000,000 divided into 45,000,000 Equity Shares of ₹ 10 each.
February 29, 2024	Pursuant to the resolution passed at the extra-ordinary general meeting dated February 29, 2023, clause V of the MoA was amended to increase the authorized share capital of the Company from ₹ 450,000,000 divided into 45,000,000 Equity Shares of ₹ 10 each to ₹ 1,890,000,000 divided into 189,000,000 Equity Shares of ₹ 10 each.
June 1, 2024	Pursuant to the resolution passed at the extra-ordinary general meeting dated June 1, 2024, clause V of the MoA was amended to increase the authorized share capital of the Company from ₹ 1,890,000,000 divided into 189,000,000 Equity Shares of ₹ 10 each to ₹ 2,160,000,000 divided into 216,000,000 Equity Shares of ₹ 10 each.

Major events and milestones of our Company

The table below sets forth the major events and milestones in the history of our Company:

Calendar Year	Particulars
2013	Incorporated the Glass Lining Division.
2014	Sold 100 glass lined reactors.
2016	Supplied first unique stainless steel glass lined reactor to Natco Pharma Limited.
2018	Our Company hit a turnover of ₹ 500,000,000.00.
2019	Finished construction of new facility of glass lining equipment at SGL Unit.
2021	Our Material Subsidiary was incorporated as a wholly-owned subsidiary.
2021	Our Material Subsidiary acquired metal business from M/s S2 Engineering Services and pumps business from M/s Stanpumps Engineering Industries.
2022	Agreement with Climaveneta Climate Technologies Private Limited to enter the chillers market.
2023	Investment from AGI Investors in our Company
2024	Acquired Hyderabad based C.P.K. Engineers Private Limited

Key awards, accreditations and recognitions

Calendar Year	Particulars
2015	Certificate of Equipment Performance for our glass lining surface by Laurus Labs Limited.
2018	Certificate of Equipment Performance for our current goods manufacturing practices ("CGMP"), mild steel glass lined ("MSGSL") and stainless steel glass lined ("SSGL") reactors, receivers and condensers by Biocon Limited.
	Certificate of Equipment Performance for our MSGL reactors and receivers by Dr. Reddy's Laboratories Limited.
	Certificate of Equipment Performance for our goods manufacturing process ("GMP") [CGMP and MSGL reactors] by Srinu Pharmaceutical Private Limited.
2019	Our Company received Certificate of Equipment Performance for our equipment GMP, CGMP, MSGL reactors, and receivers by Natco Pharma Limited.
	Certificate of Equipment Performance for our equipment MSGL reactors and receivers by MSN Laboratories Private Limited.
2023	Certificate of Equipment Performance for our equipment GMP, CGMP, MSGL reactors, receivers and storage tanks by Styra Pharma Private Limited.
	Global Management Certification Services Private Limited accredited our Company with ISO 14001:2015 for design, manufacture and supply of glass lined equipment.
2024	Global Management Certification Services Private Limited accredited our Company with ISO 45001:2018 for design, manufacture and supply of glass lined equipment.
	Global Management Certification Services Private Limited accredited our Company with ISO 9001:2015 for design, manufacture and supply of glass lined equipment.
	The National Board of Boiler & Pressure Vessel Inspectors provided our Company a certificate of authorization to use "R" symbol.
	The National Board of Boiler & Pressure Vessel Inspectors provided our Company a certificate of authorization to use "NB" symbol.
	The American Society of Mechanical Engineers provided our Company a certificate of authorization to use "U" symbol in relation to manufacture of pressure vessels in accordance with rules prescribed by ASME.

Corporate profile of our Company

For details in relation to our corporate profile including details of our business, profile, activities, services, capacity and facility creation, location of plants, market, growth, competition, technology, and managerial competence, please refer to the sections titled “*Our Business*”, “*Our Management*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Risk Factors*” on pages 244, 293, 410 and 42, respectively.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, if any, in the last ten years

Except as set out below, our Company and our Subsidiaries have not undertaken any material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc., in the last 10 years.

1. *Transfer of business from C.P.K. Engineers Private Limited on a slump sale basis.*

CPK Engineers Equipment Private Limited, one of our Subsidiaries, pursuant to a business transfer agreement dated May 8, 2024, entered with C.P.K. Engineers Private Limited, acquired their business of, manufacturing agitated nutsche filter dryer, nickel alloy equipment, reactors, columns, heat exchangers, storage tanks, receivers and any other related equipment used in pharmaceutical or chemical industries, along with their business assets and their employees, as a going concern on a slump sale basis as per section 2(42C) of the Income Tax Act, 1961, for a lump sum consideration without values being assigned to individual assets and liabilities.

2. *Transfer of business from M/s Higenic Flora Polymers on a slump sale basis*

Standard Flora Private Limited, one of our Subsidiaries, pursuant to a business transfer agreement dated May 24, 2023, entered with M/s Higenic Flora Polymers, a partnership firm (“**Flora BTA-1**”), acquired its entire business undertaking of manufacturing, supply, installation, repair and service of PTFE pipes, PTFE chemical, pharma and food processing industry with all its business assets, business employees and key employees (as defined in the Flora BTA-1), as a going concern on a slump sale basis, as per section 2(42C) and section 2(19AA) of the Income-tax Act, 1961, for a lump sum consideration without values being assigned to individual assets and liabilities.

The Flora BTA-1 was executed as a lateral business transfer agreement with the Flora BTA-2 (*as defined hereinafter*).

3. *Transfer of business from M/s Yashasve Glass Lining Industries on a slump sale basis*

As a lateral agreement to Flora BTA-1, Standard Flora Private Limited, one of our Subsidiaries, pursuant to a business transfer agreement dated May 24, 2023, entered with M/s Yashasve Glass Lining Industries, a partnership firm (“**Flora BTA-2**”), acquired its entire business undertaking of manufacturing, supply, installation, repair and service of PTFE pipes, PTFE fittings and equipment fittings, instruments and accessories thereof, in chemical, pharma and food processing industry with all its business assets, business employees and key employees (as defined in the Flora BTA-2), as a going concern on a slump sale basis, as per section 2(42C) and section 2(19AA) of the Income-tax Act, 1961, for a lump sum consideration without values being assigned to individual assets and liabilities.

4. *Transfer of business from M/s Stanpumps Engineering Industries on a slump sale basis*

Our Material Subsidiary, entered an agreement dated October 25, 2021, with a partnership firm, M/s Stanpumps Engineering Industries, for transfer of its business of manufacturing, supply, sale, servicing, and maintenance of, *inter alia*, dry multistage lobe claw, dry multistage claw, single stage oil sealed vane pump, mechanical booster, water ring vacuum pump with booster, condenser and receiver, on a slump sale basis, as per section 2(42C) and section 2(19AA) of the Income-tax Act, 1961, for a lump sum consideration without values being assigned to individual assets and liabilities.

5. *Transfer of business from M/s S2 Engineering Services on a slump sale basis*

Our Material Subsidiary, entered an agreement dated October 25, 2021, with a partnership firm, M/s S2 Engineering Services, for transfer of its business of manufacturing, supply, sale, servicing, and maintenance

of, *inter alia*, dryers, filters, heat exchangers/condensers, reactors, distillation columns, evaporators, single fluid heating and cooling systems, blenders and mixers, on a slump sale basis, as per section 2(42C) and section 2(19AA) of the Income-tax Act, 1961, for a slump sum consideration without values being assigned to individual assets and liabilities.

In furtherance to the above summaries, below is a tabular representation of the arrangements and additional valuation details in relation to the same:

S. No.	Name of Arrangement	Name of Buyer/ Transferee	Name of Seller/ Transferor	Relationship of the Promoter/Directors of the Company with the entities/person from whom the Company has acquired or proposes to acquire any business/ material assets in the last 5 years	Summary of the valuation	Effective Date of Transaction
1.	Transfer of business from C.P.K. Engineers Private Limited on a slump sale basis	CPK Engineers Equipment Private Limited	C.P.K. Engineers Private Limited	Nil	The fair market valuation of C.P.K. Engineers Private Limited was carried out as per rule 11UAE and clause 50b (2)(ii) of the Income Tax Act, by an independent valuer. The fair market value of the transaction was calculated as ₹ 4,835,073.00. The consideration paid by the transferee to the transferor for this transaction was ₹ 104,835,073.00.	May 8, 2024
2.	Acquisition of M/s Higenic Flora Polymers on a slump sale basis	Standard Flora Private Limited	M/s Higenic Flora Polymers	Nil	The fair market valuation of M/s Higenic Flora Polymers was carried out as per rule 11UAE and clause 50b (2)(ii) of the Income Tax Act, by an independent valuer. The fair market value of the transaction was calculated as ₹ 63,564,593.00. The consideration paid by the transferee to the transferor for this transaction was ₹ 120,000,000.00.	May 24, 2023
3.	Acquisition of M/s Yashasve Glass Lining Industries on a slump sale basis	Standard Flora Private Limited	M/s Yashasve Glass Lining Industries	Nil	The fair market valuation of M/s Yashasve Glass Lining Industries was carried out as per rule 11UAE and clause 50b (2)(ii) of the Income Tax Act, by an independent valuer. The fair	May 24, 2023

S. No.	Name of Arrangement	Name of Buyer/ Transferee	Name of Seller/ Transferor	Relationship of the Promoter/Directors of the Company with the entities/person from whom the Company has acquired or proposes to acquire any business/ material assets in the last 5 years	Summary of the valuation	Effective Date of Transaction
					market value of the transaction was calculated as ₹ 112,465,043.00. The consideration paid by the transferee to the transferor for this transaction was ₹ 150,000,000.00.	
4.	Transfer of business from M/s Stanpumps Engineering Industries on a slump sale basis	S2 Engineering Industry Private Limited	M/s Stanpumps Engineering Industries	Kandula Krishna Veni, Kandula Ramakrishna and Nageswara Rao Kandula are partners in the M/s Stanpumps Engineering Industries	The fair market valuation of M/s Stanpumps Engineering Industries was carried out as per rule 11UAE and clause 50b (2)(ii) of the Income Tax Act, by an independent valuer. The fair market value of the transaction was calculated as ₹ 64,062,318.00. The consideration paid by the transferee to the transferor for this transaction was ₹ 65,000,000.00.	October 25, 2021
5.	Transfer of business from M/s S2 Engineering Services on a slump sale basis	S2 Engineering Industry Private Limited	M/s S2 Engineering Services	M/s S2 Engineering Services, the buyer is one of our Promoters. For details in relation to M/s S2 Engineering Services, please see, "Our Promoters and Promoter Group" on page 316.	The fair market valuation of M/s S2 Engineering Services was carried out as per rule 11UAE and clause 50b (2)(ii) of the Income Tax Act, by an independent valuer. The fair market value of the transaction was calculated as ₹ 191,469,528.00. The consideration paid by the transferee to the transferor for this transaction was ₹ 200,000,000.00.	October 25, 2021

Details of guarantees given to third parties by our Promoter Selling Shareholders

Except as stated below, as on the date of this Draft Red Herring Prospectus, no guarantee has been issued by our Promoters offering their Equity Shares in the Offer for Sale in relation to borrowings availed by our Company and/or our Material Subsidiary:

Name of the Promoter offering their Equity Shares in the Offer for Sale	Name of the lender and borrower	Type of facility	Sanctioned amount of facility (in ₹ million)	Security details	Consideration
Nageswara Rao Kandula	Loan from RBL Bank Limited (“RBL Bank”) to the Company	Letter of credit	70.00	<i>Current assets</i> - Pari passu first charge on entire current assets of Company both present and future. Pari passu second charge on entire unencumbered fixed assets movable and immovable of the company both present and future.	Nil
Kandula Krishna Veni	Loan from RBL Bank to the Company	Letter of credit	70.00	<i>Immovable Fixed Assets</i> - Pari Passu first charge on the industrial property - Plot no. 4/A, 5 to 16, 43 to 48, 50 to 54 and 58/A), Road No.15, situated at Tech Park (Mahindra Tech Park), Nacharam under Telangana State Industrial Infrastructure Corporation – Industrial Area Local Authority, Uppal Mandal, Medchal - 500076, owned by M/s S2 Engineering Services) of Company both present and future.	Nil
Kudaravalli Punna Rao	Loan from RBL Bank to the Company	Letter of credit	70.00		Nil
Kandula Ramakrishna	Loan from RBL Bank to the Company	Letter of credit	70.00		Nil
M/s S2 Engineering Services	Loan from RBL Bank to the Company	Letter of credit	70.00	<i>Personal Guarantee</i> - Unconditional and irrevocable personal guarantee of Nageshwara Rao Kandula, KrishnaVeni Kandula, Kudaravalli Punna Rao, Venkata Siva Prasad Katragadda, Kandula Ramakrishna, and K.Venkata Raman. <i>Corporate Guarantee</i> - Unconditional and irrevocable corporate guarantee of M/s S2 Engineering Services.	Nil
Kandula Krishna Veni	Loan from RBL Bank to our Material Subsidiary	Letter of credit	200.00	<i>Current Assets</i> - First pari passu charge on entire current assets of Company both present and future.	Nil
Kandula Ramakrishna	Loan from RBL Bank to our Material Subsidiary	Letter of credit	200.00	<i>Personal guarantee</i> - Unconditional and irrevocable personal guarantee of KrishnaVeni Kandula, and Kandula Ramakrishna. <i>Movable Fixed Assets</i> - first pari passu charge on entire unencumbered movable fixed assets of Company both present and future.	Nil
M/s S2 Engineering Services	Loan from RBL Bank to our Material Subsidiary	Letter of credit	200.00	<i>Immovable Fixed Assets</i> - first pari passu charge on immovable assets of the Company. First pari passu on land and building situated at plot number 4/A, 5 to 16, 43 to 48, 50 to 54 and 58A, road number 15, situated at Tech Park (Mahindra Tech Park), Nacharam under Telangana State Industrial Infrastructure Corporation – Industrial Area Local Authority, Uppal, Medchal, Telangana 500076 owned by M/s S2 Engineering Services. (This security is cross collateralized with working capital and term loan limits of Standard Glass Lining Technology Limited.)	Nil

Name of the Promoter offering their Equity Shares in the Offer for Sale	Name of the lender and borrower	Type of facility	Sanctioned amount of facility (in ₹ million)	Security details	Consideration
				<i>Corporate Guarantee</i> - Unconditional and irrevocable corporate guarantee of M/s S2 Engineering Services and Standard Glass Lining Technology Limited.	
Nageswara Rao Kandula	Loan from HDFC Bank Limited (“ HDFC Bank ”) loan to the Company	Cash credit	250.00	<i>Current Assets</i> - first pari passu charge on entire current assets of Company both present and future. Personal <i>Guarantee</i> – Personal guarantees by Nageswara Rao Kandula, Krishna Veni Kandula, Kudaravalli Punna Rao, Venkata Siva Prasad Katragadda, Kandula Ramakrishna, and K.Venkata Raman.	Nil
Kandula Krishna Veni	Loan from HDFC Bank to the Company	Cash credit	250.00	<i>Movable assets</i> – Pari passu charge on entire movable assets of Company both present and future.	Nil
Kudaravalli Punna Rao	Loan from HDFC Bank to the Company	Cash credit	250.00	<i>Immovable fixed assets</i> - First pari passu charge on immovable assets of the company along with ICICI Bank and HSBC Bank on following. minimum cover of 30% to be maintained. First pari passu charge on land and building valuation belonging to M/s S2 Engineering Services located at Plot no. 4/A, 5 to 16, 43 to 48, 50 to 54 and 58A, Road no.15, IDA Nacharam, Ranga Reddy District, Telangana.	Nil
Kandula Ramakrishna	Loan from HDFC Bank to the Company	Cash credit	250.00	<i>Corporate guarantee</i> - Corporate guarantee from M/s S2 Engineering Services	Nil
M/s S2 Engineering Services	Loan from HDFC Bank to the Company	Cash credit	250.00	<i>Current Assets</i> - First pari passu charge on entire current assets of Company both present and future. <i>Guarantee</i> – Personal guarantees by Krishna Veni Kandula, Kandula Ramakrishna and Nageswara Rao Kandula.	Nil
Kandula Krishna Veni	Loan from HDFC Bank to our Material Subsidiary	Cash credit and overdrafts	250.00	<i>Movable Fixed Assets</i> - Second Paripassu charge on entire movable fixed assets of Company both present and future.	Nil
Kandula Ramakrishna	Loan from HDFC Bank to our Material Subsidiary	Cash credit and overdrafts	250.00	<i>Immovable Fixed Assets</i> - First paripassu charge on immovable assets of the company along with ICICI Bank and HSBC Bank on following. Minimum cover of 30% to be maintained.	Nil
Nageswara Rao Kandula	Loan from HDFC Bank to our Material Subsidiary	Cash credit and overdrafts	250.00	1. First paripassu charge on land and building valuation belonging to M/s S2 Engineering Services located at Plot no. 4/A, 5 to 16, 43 to 48, 50 to 54 and 58A, Road number15, Situated at Tech Park (Mahindra Tech Park), Nacharam under	Nil
M/s S2 Engineering Services	Loan from HDFC Bank to our Material Subsidiary	Cash credit and overdrafts	250.00		Nil

Name of the Promoter offering their Equity Shares in the Offer for Sale	Name of the lender and borrower	Type of facility	Sanctioned amount of facility (in ₹ million)	Security details	Consideration
				Telangana State Industrial Infrastructure Corporation – Industrial Area Local Authority, uppall, Medchal - 76. <i>Corporate Guarantee</i> - Corporate guarantee from M/s S2 Engineering Services and Standard Glass Lining Technology Limited	
Nageswara Rao Kandula	Loan from HSBC Bank Limited (“ HSBC Bank ”) to the Company	Overdraft, working capital demand loan and term loan	355.00	1. First pari passu basis with HDFC Bank, RBL Bank, ICICI Bank on Land And Building Valuation Belonging to M/s S2 Engineering Services located at plot number 4/A, 5 To 16, 43 To 48, 50 To 54 and 58/A, Road No. 15, IDA Nacharam, Ranga Reddy District, Telangana – Cross collateralized with S2 Engineering Industry Private Limited.	Nil
Krishnaveni Kandula	Loan from HSBC Bank to the Company	Overdraft, working capital demand loan and term loan	355.00	2. First Pari passu charge by way of hypothecation of movable fixed assets with ICICI Bank, HDFC Bank, Axis Bank and RBL Bank– except which are funded by lenders.	Nil
Venkata Mohana Rao Katragadda	Loan from HSBC Bank to the Company	Overdraft, working capital demand loan and term loan	355.00	3. First Pari passu charge on entire current assets both present and future with ICICI Bank, HDFC Bank, Axis Bank and RBL Bank.	Nil
Kandula Ramakrishna	Loan from HSBC Bank to the Company	Overdraft, working capital demand loan and term loan	355.00	4. Personal Guarantee from Nageswara Rao Kandula, KrishnaVeni Kandula, Venkata Siva Prasad Katragadda, Venkata Mohana Rao Katragadda and Ramakrishna Kandula for ₹ 355,000,000 each corporate guarantee from M/s S2 Engineering Services along with relevant certified true copy of the board resolution and memorandum of association and articles of association.	Nil
M/s S2 Engineering Services	Loan from HSBC Bank to the Company	Overdraft, working capital demand loan and term loan	355.00	5. 10% deposit under lien. 6. On first pari passu basis with ICICI Bank - land and building on property located at S. No. 1, Jinnaram Village Sangareddy district Hyderabad in name of Standard Glass Lining Technology Limited for the term loan and its second charge for the WC of all the banks.	Nil
Nageswara Rao Kandula	Loan from ICICI Bank Limited (“ ICICI Bank ”) to the Company	Cash credit, term loan, inland bills discounted, letter of credit and bank guarantee	441.73	<i>Current Assets</i> - First paripassu charge on entire current assets of Company both present and future. <i>Personal Guarantee</i> – Personal guarantee by Nageswara Rao Kandula, KrishnaVeni Kandula, Kudaravalli Punna Rao, Venkata Siva Prasad Katragadda, Kandula Ramakrishna, and K.Venkata Raman.	Nil
Krishna Veni Kandula	Loan from ICICI Bank to the	Cash credit, term loan, inland bills	441.73		Nil

Name of the Promoter offering their Equity Shares in the Offer for Sale	Name of the lender and borrower	Type of facility	Sanctioned amount of facility (in ₹ million)	Security details	Consideration
	Company	discounted, letter of credit and bank guarantee		<i>Movable Assets</i> - First pari passu charge on entire movable assets of Company both present and future. <i>Immovable Fixed Assets</i> - First pari passu charge on immovable assets of the company along with ICICI Bank and HSBC Bank on following. Minimum cover of 30% to be maintained.	
Kandula Ramakrishna	Loan from ICICI Bank to the Company	Cash credit, term loan, inland bills discounted, letter of credit and bank guarantee	441.73	1. First pari passu on land and building valuation belonging to M/s S2 Engineering Services located at Plot no. 4/A, 5 to 16, 43 to 48, 50 to 54 and 58A, Road no.15, situated at Tech Park (Mahindra Tech Park), Nacharam under Telangana State Industrial Infrastructure Corporation – Industrial Area Local Authority, Uppal Mandal, Medchal - 76.	Nil
M/s S2 Engineering Services	Loan from ICICI Bank to the Company	Cash credit, term loan, inland bills discounted, letter of credit and bank guarantee	441.73	<i>Corporate guarantee</i> - Corporate guarantee from M/s S2 Engineering Services.	Nil
Kudaravalli Punna Rao	Loan from ICICI Bank to the Company	Cash credit, term loan, inland bills discounted, letter of credit and bank guarantee	441.73		Nil
Nageshwara Rao Kandula	Loan from Axis Bank Limited (“ Axis Bank ”) to the Company	Cash credit	150.00	<i>Current assets</i> - 1st pari passu charge on all current and fixed assets, both present, and future along with ICICI bank and other bank, if any, other than encumbered. <i>Collateral</i> - Property acceptable by the bank along with the ICICI Bank and other bank, if any. Proposed cover is 30%. Mortgage of industrial property (plot number 4/A, 5 to 16, 43 to 48, 50 to 54 and 58 A), Road no.15, situated at Tech Park (Mahindra Tech Park), Nacharam under Telangana State Industrial Infrastructure Corporation – Industrial Area Local Authority, Uppal Mandal, Medchal, Telangana - 500076.	Nil
Kandula Krishna Veni	Loan from Axis Bank to the Company	Cash credit	150.00		Nil
Kandula Ramakrishna	Loan from Axis Bank to the Company	Cash credit	150.00		Nil
Personal Guarantee of all Promoters	Loan from Axis Bank to the Company	Cash credit	150.00	<i>Personal Guarantee</i> - Kandula Nageshwara Rao, Kandula Krishna Veni, Kandula Ramakrishna, personal guarantee of all property owners and personal guarantee of all promoters (as defined in loan documents).	Nil
M/s S2 Engineering Services	Loan from Axis Bank to the Company	Cash credit	150.00	<i>Corporate Guarantee</i> - M/s S2 Engineering Services.	Nil
Krishnaveni Kandula	Loan from ICICI Bank to our Material	Cash credit and bank guarantee	350.00	<i>Current Assets</i> - First pari passu charge on entire current assets of Company both present and future.	Nil

Name of the Promoter offering their Equity Shares in the Offer for Sale	Name of the lender and borrower	Type of facility	Sanctioned amount of facility (in ₹ million)	Security details	Consideration
	Subsidiary			<i>Personal Guarantee</i> - KrishnaVeni	
Kandula Ramakrishna	Loan from ICICI Bank to our Material Subsidiary	Cash credit and bank guarantee	350.00	Kandula, Kandula Ramakrishna. <i>Movable fixed assets</i> - First pari passu charge on entire Movable fixed assets of Company both present and future.	Nil
M/s S2 Engineering Services	Loan from ICICI Bank to our Material Subsidiary	Cash credit and bank guarantee	350.00	<i>Immovable fixed assets</i> - First pari passu charge on immovable assets of the company along with ICICI Bank and HSBC Bank on following. Minimum cover of 30% to be maintained. 1. First pari passu on Land and Building valuation belonging to M/s S2 Engineering Services located at Plot no. 43,44,45,46,47,50,51,52,53,54, in Survey No.56, situated at Tech Park (Mahindra Tech Park), Nacharam under Telangana State Industrial Infrastructure Corporation – Industrial Area Local Authority, Uppal Mandal, Medchal - Malkajgiri District - 76. <i>Corporate Guarantee</i> - Corporate guarantee from M/s S2 Engineering Services.	Nil
Kandula Krishna Veni	Loan from Axis Bank to our Material Subsidiary	Cash credits, term loan, loan equivalent risk	240.60	<i>Primary:</i> For working capital facilities: Hypothecation of entire current assets of the company, both present and future on pari passu basis with ICICI Bank and HSBC Bank.	Nil
Kandula Ramakrishna	Loan from Axis Bank to our Material Subsidiary	Cash credits, term loan, loan equivalent risk	240.60	For term loans: First charge by way of hypothecation of entire movable fixed assets of the firm, other than fixed assets funded by ICICI Bank and HSBC Bank (excluding vehicles/assets under hypothecation/lease), both present and future on pari passu basis with ICICI Bank and HSBC Bank.	Nil
M/s S2 Engineering Services	Loan from Axis Bank to our Material Subsidiary	Cash credits, term loan, loan equivalent risk	240.60	<i>Collateral:</i> For term loans: Hypothecation of entire current assets of the company, both present and future on Paripassu basis with ICICI Bank and HSBC Bank . For cash credit: First charge by way of Hypothecation of entire movable fixed assets of the firm, other than fixed assets funded by ICICI Bank and HSBC Bank (excluding vehicles/assets under HP/Lease), both present and future on pari passu basis with ICICI Bank and HSBC Bank. <i>Guarantee:</i> Counter Guarantee of the Company lien on fixed deposit receipt of 5% Inland letter of credit/ foreign letter of	Nil

Name of the Promoter offering their Equity Shares in the Offer for Sale	Name of the lender and borrower	Type of facility	Sanctioned amount of facility (in ₹ million)	Security details	Consideration
				<p>credit Goods procured under letter of credit lien on FDR of 5%</p> <p><i>Common for all facilities:</i></p> <p>Equitable mortgage of the following property on pari passu basis with ICICI and HSBC. All that part and parcel of factory with building consisting of cellar, Ground floor and 1st Floor in Plot nos.43 to 48, 50 to 54 wholly measuring 16310 square yards in survey number 56 of situated at Tech Park (Mahindra Tech Park), Nacharam under Telangana State Industrial Infrastructure Corporation – Industrial Area Local Authority, Uppal Mandal, Medchal-Malkajgiri district owned by M/s S2 Engineering services (Property was originally mortgaged to ICICI Bank and extended to HSBC on paripassu basis).</p> <p>Below Property stands released post completion of paripassu charge with HSBC and ICICI Bank on enhanced limits. Industrial building admeasuring 2.00 Acres situated at SY.No. 53/4, Bahadurpally village, Medchal mandal, Malkajgiri District owned by M/s S2 Engineering equipments represented by partners Kandula Ramakrishna and Kandula Krishna Veni.</p> <p><i>Personal Guarantee</i> - Kandula Ramakrishna and Kandula Krishna Veni.</p> <p><i>Corporate Guarantee</i> – From Standard Glass Lining Technology Limited and M/s S2 Engineering Services.</p> <p>Emergency credit line guarantee scheme: Second charge on existing primary and collateral securities except guarantees and 100% guarantee from National Credit Guarantee Trustee Company. The company to maintain minimum security coverage (IP) of 30% throughout the tenor of the facility. Shortfall, if any, to be made good by way of additional collateral security acceptable to the bank.</p> <p>No immovable asset, share and securities of the personal guarantor shall be encumbered/disposed off without prior consent of the bank.</p> <p>If there is any deterioration in the security cover below the stipulated level, the borrower/promoter shall furnish</p>	

Name of the Promoter offering their Equity Shares in the Offer for Sale	Name of the lender and borrower	Type of facility	Sanctioned amount of facility (in ₹ million)	Security details	Consideration
				additional collateral security acceptable to the bank. Any additional collateral security other than those mentioned herein above offered by the borrower to other lenders shall also be available to the bank	
Kandula Krishna Veni	Loan from HSBC Bank to our Material Subsidiary	Overdraft and term loan	405.00	1. First pari passu on land and building valuation belonging to M/s S2 Engineering Services Located at Plot No. 4/A, 5 To 16, 43 To 48, 50 To 54 and 58/A, Road No. 15, Industrial Development Area Nacharam, Ranga Reddy District, Telangana – Cross collateralized with Standard Glass Lining Technology Limited.	Nil
Kandula Ramakrishna	Loan from HSBC Bank to our Material Subsidiary	Overdraft and term loan	405.00		Nil
M/s S2 Engineering Services	Loan from HSBC Bank to our Material Subsidiary	Overdraft and term loan	405.00	2. First Pari passu charge on movable fixed assets with ICICI Bank, Axis Bank – except which are funded by lenders. 3. First Pari passu charge on entire current assets both present and future with ICICI Bank, HDFC Bank, Axis Bank. 4. <i>Personal Guarantee</i> – Guarantee from KrishnaVeni Kandula, Ramakrishna Kandula for ₹ 405,000,000 each. 5. <i>Corporate Guarantee</i> – Guarantee from Standard Glass Lining Technology Private Limited and M/s S2 Engineering Services along with relevant certified true copy of the Board Resolution and Memorandum of Association and Articles of Association. 5.10% Deposit Under Lien. 6. On First pari passu basis with other TL Bank - land and building on property located at S. No. 1, Jinnaram Village Sangareddy district, Hyderabad, in name of Standard Glass Lining Tech Ltd for the term loan and its second charge for the working capital of all the banks.	Nil
Nageswara Rao Kandula	Loan from ICICI Bank to the Company	Term loan	50.00	<i>Immovable property</i> – Mortgage on our corporate office property situated 10th Floor, PNR High Nest, Hydernagar, KPHB Colony, Hyderabad, Telangana - 500085	Nil
Kandula Krishna Veni	Loan from ICICI Bank to the Company	Term loan	50.00	<i>Personal Guarantee</i> – Guarantee from Nageswara Rao Kandula, KrishnaVeni Kandula, Kandula Ramakrishna	Nil
Kandula Ramakrishna	Loan from ICICI Bank	Term loan	50.00	<i>Corporate Guarantee</i> – Corporate	Nil

Name of the Promoter offering their Equity Shares in the Offer for Sale	Name of the lender and borrower	Type of facility	Sanctioned amount of facility (in ₹ million)	Security details	Consideration
	to the Company			guarantee from M/s Engineering Services	
M/s S2 Engineering Services	Loan from ICICI Bank to the Company	Term loan	50.00		Nil

Except for the obligations of counter-indemnity to be provided by a borrower (i.e., our Company or our Material Subsidiary in the capacity of a principal debtor) to a guarantor, in the event of default of the loans in favour of which the foregoing guarantees have been provided and upon subsequent invocation of the guarantee by a lender, there are no obligations on our Company with respect to the guarantees listed above.

For further details with respect to financing arrangements of our Company in respect of which guarantees have been given by our Promoters, including any implications in case of default, see “*Financial Indebtedness*” and “*Restated Consolidated Financial Information – Borrowings*” on pages 406 and 326, respectively.

Our Subsidiaries have no conflict of interest with the suppliers of raw materials and third party service providers (crucial for operations of the Company) and the lessors of immovable property of the Company (crucial for operations of the Company).

Launch of key products, entry into new geographies or exit from existing markets

For information on key products launched by our Company, entry into new geographies or exit from existing markets, please refer to the section titled “*Our Business*” on page 244.

Defaults or rescheduling/restructuring of borrowings with financial institutions/banks

There have been no defaults or rescheduling or restructuring of borrowings with financial institutions/banks in respect of our current borrowings from lenders. For further information of our financing arrangements, please refer to the section titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Financial Indebtedness*” on page 436.

Time and cost over-runs in setting up projects

There have been no time and cost overruns in the implementation of any of our projects.

Significant strategic or financial partners

Except for AGI Investors with whom we have entered into the Share Subscription Agreement, our Company does not have any significant strategic or financial partners as on the date of this Draft Red Herring Prospectus. For details, see “– *Shareholders’ agreements*” on page 290.

Capacity, facility creation and location of manufacturing plants

For further details of in relation to the capacity, creation of facilities and location of the manufacturing plants, please refer to the section titled “*Our Business*” on page 244.

Our holding company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Our Subsidiaries, Joint Ventures and Associates

As on the date of this Draft Red Herring Prospectus, our Company does not have any joint venture or associates.

As on the date of this Draft Red Herring Prospectus, our Company has four Subsidiaries.

1. S2 Engineering Industry Private Limited (“S2”)

Corporate Information

S2 was incorporated as a private limited company on September 20, 2021, under the Companies Act, 2013. The CIN of S2 is U29304TG2021PTC155070 and its registered office is situated at Plot No 189A, HMT Society, Shapur Nagar Ground Floor, Medchal, Malkajgiri, Hyderabad, Telangana, India, 500 055.

Nature of Business

S2 is engaged in the business of manufacturing of electrical, electronically and mechanical machines and equipment such as reactors, receivers, storage tanks, receivers, VTD, ANFDs and RCVDs and heat exchangers and supply and servicing of pumps as authorized by its memorandum of association.

Capital Structure

The capital structure of S2 as on the date of this Draft Red Herring Prospectus is as follows:

Particulars	No. of shares of face value ₹ 10 each
Authorised equity share capital	1,000,000 equity shares
Authorised preference share capital	14,000,000 preference shares
Issued, subscribed and paid-up equity share capital	100,000 equity shares
Issued, subscribed and paid-up preference capital	13,900,000 preference shares

Shareholding Pattern

The shareholding pattern of S2 as on the date of this Draft Red Herring Prospectus is as follows:

Equity share capital

Sr. No.	Name of the shareholder	Number of equity shares (of ₹ 10 each) held	Percentage of total capital (%)
1.	Standard Glass Lining Technology Limited	99,999	99.99
2.	Kandula Ramakrishna	1	0.01
Total		100,000	100.00

Preference share capital

Sr. No.	Name of the shareholder	Number of preference shares (of ₹ 10 each) held	Percentage of total capital (%)
1.	Standard Glass Lining Technology Limited	13,900,000	100.00
Total		13,900,000	100.00

2. Standard Flora Private Limited (“SFPL”)

Corporate Information

SFPL was incorporated as a private limited company on April 12, 2023, under the Companies Act, 2013. The CIN of SFPL is U28299TS2023PTC171903 and its registered office is situated at D.12, Phase-1, IDA Jeedimetla, Hyderabad, Telangana, India, 500 055.

Nature of Business

SFPL is engaged in the business of manufacturer of electrical, electronically and mechanical machines and equipment’s such as polytetrafluoroethylene lined metal pipes, polytetrafluoroethylene fittings, reactors, valves and other equipment fittings as authorized by its memorandum of association.

Capital Structure

The capital structure of SFPL as on the date of this Draft Red Herring Prospectus is as follows:

Particulars	No. of shares of face value of ₹ 10 each
Authorised equity share capital	10,000 equity shares
Issued, subscribed and paid-up equity share capital	10,000 equity shares

Shareholding Pattern

The shareholding pattern of SFPL as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	Number of equity shares (of ₹ 10 each) held	Percentage of total capital (%)
1.	Standard Glass Lining Technology Limited	5,100	51.00
2.	Chandra Sekhar Reddy Chamala	2,450	24.50
3.	Sivasankar Reddy Bachu	2,450	24.50
Total		10,000	100.00

3. Standard Engineering Solutions Private Limited (“SESPL”)

Corporate Information

SESPL was incorporated as a private limited company on June 28, 2023, under the Companies Act, 2013. The CIN of SESPL is U28299TS2023PTC174442 and its registered office is situated at D. 12, Phase-1, IDA Jeedimetla, Hyderabad, Telangana, India, 500 055.

Nature of Business

SESPL is engaged in the business of manufacturer of heavy engineering products and electrical, electronically and mechanical machines and equipment such as receiver, reactor, rotary cone, vacuum dryer, agitator nutsche equipment and spares as authorized by its memorandum of association.

Capital Structure

The capital structure of SESPL as on the date of this Draft Red Herring Prospectus is as follows:

Particulars	No. of shares of face value of ₹ 10 each
Authorised equity share capital	10,000 equity shares
Issued, subscribed and paid-up share capital	10,000 equity shares

Shareholding Pattern

The shareholding pattern of SESPL as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	Number of equity shares (of ₹ 10 each) held	Percentage of total capital (%)
1.	Standard Glass lining Technology Limited	9,999	99.99
2.	Kandula Ramakrishna	1	0.01
Total		10,000	100.00

4. CPK Engineers Equipment Private Limited (“CPK”)

Corporate Information

CPK was incorporated as a private limited company on January 15, 2024, under the Companies Act, 2013. The CIN of CPK is U28299TS2024PTC181024 and its registered office is situated at 301, IIIrd floor, Gayatri Garden, Ameerpet, Begumpet, Secunderabad, Hyderabad, Telangana, India, 500 055.

Nature of Business

As per the memorandum of association of CPK, it is authorised to carry on the business , in India or elsewhere as manufacturers, assemblers, fabricators, designers, suppliers, consultants, experts, stockists, importers, exporters, repairers, distributors, agents and dealers of heavy engineering products and electrical, electronically and mechanical machines and equipment such as ANFD, hastelloy equipment, reactor, column and heat exchanger and other equipment, fittings, instruments and accessories thereof.

Capital Structure

The capital structure of CPK as on the date of this Draft Red Herring Prospectus is as follows:

Particulars	No. of shares of face value of ₹ 10 each
Authorised equity share capital	10,000 equity shares
Issued, subscribed and paid-up share capital	10,000 equity shares

Shareholding Pattern

The shareholding pattern of CPK as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	Number of equity shares (of ₹ 10 each) held	Percentage of total capital (%)
1.	Standard Glass Lining Technology Limited	5,100	51.00
2.	Prabhat Kumar Kulshershta	2,450	24.50
3.	Ranjith Reddy Bonagiri	2,450	24.50
Total		10,000	100.00

Shareholders' agreements

Except as set out below, there are no other arrangements or agreements, deeds of assignment, acquisition agreements, shareholders' agreements, inter-se agreements, any agreements between our Company, our Promoters and our Shareholders, agreements of like nature and clauses/covenants which are material to our Company.

Share subscription agreement dated November 11, 2023, entered amongst our Company, Kandula Krishna Veni, Nageswara Rao Kandula, Kandula Ramakrishna, M/s S2 Engineering Services, M/s Standard Holdings, Katragadda Venkata Ramani, Kudravalli Punna Rao, Harini Katragadda, Venkat Siva Prasad Katragadda, Balabhavani K., Likitha Katragadda, Mahitha Katragadda, Venkata Mohana Rao Katragadda, Krishna Kanth Kudravalli, Poojitha Katragadda, Kudravalli Srikanth, and Asahi Glassplant Inc., GL Hakko Co. Ltd., Monoform Management Support Co. Ltd. (the "AGI Investors" and such agreement, the "Share Subscription Agreement")

Our Company has entered into a share subscription and purchase agreement dated November 11, 2023, with certain of our Promoters and members of our Promoter Group and the AGI Investors to raise capital for expanding our business. Pursuant to the Share Subscription Agreement, our Company offered for subscription 1,044,900 Equity Shares to the AGI Investors at a premium of ₹ 792, in two tranches. The AGI Investors also agreed to enter in a strategic relationship with our Company for (a) collaborating with AGI Investors as suppliers to each other with regard to the components supplied from India to Japan and vice-versa, (b) providing assistance in promoting final products in respective countries, (c) co-branding in some geographies, (d) quality and cost improvements due to collaboration between technical teams, and (e) accessing sales network of each other globally.

Shareholders' agreement dated November 11, 2023 read with the deeds of adherence, entered amongst our Company, our Shareholders and Asahi Glassplant Inc., GL Hakko Co. Ltd., Monoform Management Support Co. Ltd. (the "AGI Investors" and such agreement, the "Shareholders' Agreement") as amended by the waiver cum amendment agreement dated July 22, 2024.

Our Company, our Shareholders (including by way of deed of adherences), the AGI Investors, and the Existing Shareholders had entered into the Shareholders' Agreement to govern the management, conduct of affairs, rights of shareholders, and related matters pertaining to our Company and the other Parties' *inter-se* relationship and

matters thereto.

Pursuant to the Shareholders' Agreement, several rights were granted to the AGI Investors, including (i) the aforementioned right to nominate directors; (ii) rights with respect to constitution of 'IPO Committee' (*as defined in the Shareholders' Agreement*) and certain veto rights available to such committee; (iii) the right to have an affirmative vote of the Nominee Director with respect to certain reserved matters which includes matters with respect to (a) any amendments to the charter documents of the Company, (b) declaration of dividend or declaration of profits or any dividend to shareholders, or (c) enter into any related party transactions including transactions with other shareholders, directors, or their relatives or affiliates except in the ordinary course of business or on an arm's length basis; (iv) rights to be nominated on few committees of Board based on the choice of the Nominee Director; (v) rights relating to the board of directors of the Material Subsidiary and its meetings; (vi) rights with respect to shareholders' meetings of the Company; (vii) pre-emptive rights for subscription to new issuances of equity securities; and (viii) rights with respect to information and inspection of certain documents.

Further, the terms of the Shareholders' Agreement imposed certain restrictions / obligations on our Company, including (i) not undertaking any issuance of securities at a price lower than the specified amount without prior written consent of investors, and (ii) providing exit option to the investors either through a qualified initial public offering, a third party sale, a drag sale; while imposing certain restrictions on our Promoters, including (i) setting up or associating with any competing business, (ii) restriction on transfer of securities without prior written approval of investors; (iii) providing the investors right of first refusal in case of a proposed transfer of securities, (iv) providing tag-along rights to investors. The Shareholders' Agreement required the Company to consummate an initial public offering at a price such that the lower end of the price band at which Equity Shares are offered is greater than the price specified in the Shareholders' Agreement.

The parties to the deeds of adherence have agreed to the rights and obligations under the Shareholders' Agreement and have undertaken to be bound by all provisions of the Shareholders' Agreement.

In view of the Offer, the parties to the Shareholders' Agreement have entered into an agreement on July 22, 2024 to amend the Shareholders' Agreement (the "**Waiver cum Amendment Agreement**"), pursuant to which the parties to the Shareholders' Agreement have:

- a. amended certain clauses to enable the Offer such as: (i) the amendment of terms of composition of the Board and its committees and (ii) the amendment of the definition of the 'IPO Committee' (*as defined in the Shareholders' Agreement*). Such amendments also include deletion of few clauses in its entirety such as clauses with respect to (i) veto powers to the 'IPO Committee' (*as defined in the Shareholders' Agreement*); (ii) term and termination of the Shareholders' Agreement; and (iii) exit rights of AGI Investors; and
- b. waived the pre-emptive rights and certain other special rights available under the Shareholders' Agreement such as (i) pre-emptive rights for subscription to new issuances of equity securities; (ii) right of first refusal in case of a proposed transfer of securities; (iii) tag-along rights; (iv) drag-along rights; and (v) anti-dilution rights.

The Waiver cum Amendment Agreement shall stand automatically terminated and the waivers and amendments rescinded and revoked (and shall have no force and effect) without any further action or deed required on part of any party to the Shareholders' Agreement, upon earlier of: (a) twelve (12) months from the date of receipt of the final observations from SEBI in relation to the draft red herring prospectus filed by the Company for the purposes of the IPO; or (b) the date on which the Board of the Company decides not to undertake the IPO or withdraw any prospectus or draft prospectus filed with any regulator in relation to the IPO, including any draft prospectus filed with the Securities and Exchange Board of India or terminate any agreement entered into in relation to the IPO with book running lead managers; or (c) such later date as may be mutually agreed in writing by the parties to the Shareholders' Agreement.

In case of termination of the Waiver cum Amendment Agreement, the provisions of the Shareholders' Agreement shall (i) be immediately and automatically re-instated without any further action or deed required on the part of any Party; and (ii) and any other action taken pursuant to Waiver cum Amendment Agreement shall automatically cease to have effect.

The aforesaid Board nomination rights are also reflected in the Articles of Association of our Company, which comprises two parts, Part A and Part B. While Part B of the Articles of Association shall be rescinded and fall away at the time of listing of Equity Shares on Stock Exchanges, Part A of our Articles of Association, will come into force upon receipt of listing and trading approvals from the Stock Exchanges for the Offer.

For further details, please refer to the section titled “*Main Provisions of Articles of Association of the Company – Part A*” on page 498. Also, please refer to the section titled “*Risk Factors – Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions*” on page 82.

Other agreements

Agreements with Key Managerial Personnel, Director, Promoter or any other employee

Neither our Promoters, nor any of the Key Managerial Personnel, 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. There are no profit-sharing arrangements involving our Company, our Promoters, members of our Promoter Group or our Directors, in connection with dealings in the securities of the Company.

Other confirmations

Other agreements

Except as disclosed above, our Company has not entered into any other subsisting material agreements including with strategic partners, joint venture partners or financial partners, which is not in the ordinary course of business carried on by our Company, or which needs to be disclosed or non-disclosure of which may have bearing on any investment decision in the Offer.

Except as disclosed above, there are no other agreements, arrangements and clauses or covenants which are material and which needs to be disclosed or the non-disclosure of which may have bearing on the investment decision, other than the ones which have already been disclosed in this DRHP.

Amount of accumulated profits or losses of our Subsidiaries

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of our Subsidiaries not accounted for by our Company.

Interest of our Subsidiaries in our Company

For details of related business transactions between our Company and our Subsidiaries, see “*Restated Consolidated Financial Information–Note 35 –Related Party Transactions*” on page 370.

OUR MANAGEMENT

Board of Directors

In terms of the Companies Act and our Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises 8 Directors including 4 Executive Directors and 4 Non-Executive Directors, which further includes 1 Nominee Director and 3 Independent Directors. Our Company has 2 women Directors.

The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act and the SEBI Listing Regulations.

The following table sets forth details regarding our Board of Directors as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
1.	<p>Sambasiva Rao Gollapudi</p> <p>Date of birth: July 15, 1957</p> <p>Designation: Non-Executive Chairman and Independent Director</p> <p>Address: Villa 198, Indu Fortune Fields, Phase 13, Near Hitech City Railway Station, Kukat Pally Housing Board Colony, Kukat Pally, Rangareddi, Andhra Pradesh – 500 075</p> <p>Occupation: Professional</p> <p>Current term: For a period of five years from May 29, 2024 and shall not be liable to retire by rotation</p> <p>Period of directorship: Since May 29, 2024</p> <p>DIN: 10629150</p>	67	<p>Indian Companies</p> <p>Nil</p> <p>Foreign Companies</p> <p>Nil</p>
2.	<p>Nageswara Rao Kandula</p> <p>Date of birth: April 12, 1970</p> <p>Designation: Managing Director</p> <p>Address: Plot no – 262, Shapoor Nagar, opposite HMT Society Kalyanamandapam, IDA Jeedimetla, Qutubullapur, Rangareddi, Andhra Pradesh – 500 055</p> <p>Occupation: Business</p> <p>Current term: For a period of five years from September 29, 2022 until September 28, 2027</p> <p>Period of directorship: Since incorporation</p> <p>DIN: 00762497</p>	54	<p>Indian Companies</p> <ol style="list-style-type: none"> 1. Stanseals Private Limited 2. Standard Group of Companies Private Limited <p>Foreign Companies</p> <p>Nil</p>
3.	<p>Kandula Krishna Veni</p> <p>Date of birth: August 25, 1980</p> <p>Designation: Executive Director</p> <p>Address: Plot no – 262, Shapoor Nagar, opposite HMT Society Kalyanamandapam, IDA Jeedimetla, Qutubullapur, Rangareddi, Andhra Pradesh – 500 055</p>	43	<p>Indian Companies</p> <ol style="list-style-type: none"> 1. Stanseals Private Limited 2. S2 Engineering Industry Private Limited 3. Standard Group of Companies Private

	<p>Occupation: Business</p> <p>Current term: For a period of five years with effect from July 6, 2024</p> <p>Period of directorship: Since incorporation</p> <p>DIN: 02260233</p>		<p>Limited</p> <p>4. Schematic Engineering Industries Private Limited</p> <p>5. Standard Assets India Private Limited</p> <p>6. Standard Flora Private Limited</p> <p>7. Standard Engineering Solutions Private Limited</p> <p>8. CPK Engineers Equipment Private Limited</p> <p>Foreign Companies</p> <p>Nil</p>
4.	<p>Venkata Mohana Rao Katragadda</p> <p>Date of birth: June 4, 1968</p> <p>Designation: Executive Director</p> <p>Address: Flat no 1302 D-Block, ADR Makuta My Space, near VNR Vignana Jyothi Institute of Engineering, Bachupally, Bachpalle, Medchal-Malkajgiri, Telangana – 500 090</p> <p>Occupation: Business</p> <p>Current term: For a period of five years with effect from July 6, 2024.</p> <p>Period of directorship: Since September 12, 2020</p> <p>DIN: 08362181</p>	56	<p>Indian Companies</p> <p>1. Standard Group of Companies Private Limited</p> <p>2. Standard Engineering Solutions Private Limited</p> <p>3. Standard Flora Private Limited</p> <p>Foreign Companies</p> <p>Nil</p>
5.	<p>Kandula Ramakrishna</p> <p>Date of birth: August 15, 1977</p> <p>Designation: Executive Director</p> <p>Address: 4-32-336, Plot 189/A, L B Nagar, Shapur Nagar, near CMR Apartment IDA, Qutubullapur, Rangareddi, Andhra Pradesh – 500 065</p> <p>Occupation: Business</p> <p>Current term: For a period of 5 years from July 6, 2024</p> <p>Period of directorship: Since October 1, 2021</p> <p>DIN: 05281520</p>	46	<p>India Companies</p> <p>1. S2 Engineering Industry Private Limited</p> <p>2. Standard Group of Companies Private Limited</p> <p>3. Standard Assets India Private Limited</p> <p>4. Standard Engineering Solutions Private Limited</p> <p>Foreign Companies</p> <p>Nil</p>
6.	<p>Sudhakara Reddy Siddareddy</p> <p>Date of birth: August 1, 1949</p> <p>Designation: Independent Director</p> <p>Address: No 243, Maple Town, Glendale Academy Road, Suncity, Bandlaguda, Rajendranagar, K.V. Rangareddy, Telangana – 500 086</p> <p>Occupation: Business</p>	74	<p>Indian Companies</p> <p>1. Siri Constructions Infrastructure Private Limited</p> <p>Foreign Companies</p> <p>Nil</p>

	<p>Current term: For a period of five years from June 4, 2022, not liable to retire by rotation.</p> <p>Period of directorship: Since June 4, 2022</p> <p>DIN: 06568783</p>		
8.	<p>Yasuyuki Ikeda (<i>nominee of AGI Investors</i>)</p> <p>Date of birth: June 14, 1978</p> <p>Designation: Non-Executive Director</p> <p>Address: 4-13-62-1704, Yakuin chuo-ku, Fukuoka-shi, Japan</p> <p>Occupation: Business</p> <p>Current term: Until the next annual general meeting of the Company from March 24, 2023</p> <p>Period of directorship: Since March 24, 2023</p> <p>DIN: 02437433</p>	46	<p>Indian Companies</p> <ol style="list-style-type: none"> 1. ATR-Asahi Process Systems Private Limited 2. Syrris Scientific Equipment Private Limited 3. AGI Glassplant India Private Limited <p>Foreign Companies</p> <ol style="list-style-type: none"> 1. Asahi Glassplant Inc. 2. Asahi Techno Research Co., Ltd. 3. Asahi Information System Co., Ltd 4. AGI Labtex Co., Ltd. 5. AGI Glass Academy Inc. 6. Monoform Management Support Co., Ltd 7. GL Hakko Co., Ltd
9.	<p>Radhika Nannapaneni</p> <p>Date of birth: October 27, 1973</p> <p>Designation: Independent Director</p> <p>Address: Flat no 1102, M-Block, Rainbow Vistas Rock Garden, Moosapet, Greenhills Road, Sanathnagar E, Hyderabad, Telangana - 500018</p> <p>Occupation: Business</p> <p>Current term: For a period of five years from May 29, 2024 and liable to retire by rotation</p> <p>Period of directorship: Since May 29, 2024</p> <p>DIN: 10590789</p>	50	<p>Indian Companies</p> <p>Nil</p> <p>Foreign Companies</p> <p>Nil</p>

Relationship between our Directors and Key Managerial Personnel and Senior Management

Nageswara Rao Kandula, the Managing Director of our Company, is the spouse of Kandula Krishna Veni, one of our Executive Directors and brother of Kandula Ramakrishna, one of our Executive Directors.

Except as disclosed above, none of our Directors are related to each other or to any of our Key Managerial Personnel or the Senior Management.

Brief biographies of Directors

Sambasiva Rao Gollapudi is the Non-Executive Chairman and Independent Director of our Company. He has been associated with our Company since May 29, 2024. He is an Associate member at the Institute of Chartered

Accountants of India. He has been practicing as a chartered accountant and has been a working partner in M/s G. Sambasivarao & Co. He has professional experience of over two decades prior to joining our Company.

Nageswara Rao Kandula is the Managing Director of our Company. He has been associated with our Company since incorporation. He holds a Diploma in Business Management with specialization in finance management from the Indian School of Business Management and Administration. He has completed his master's in business administration, with specialization in finance management from the Indian School of Business Management and Administration. He has professional experience of over 10 years.

Kandula Krishna Veni is an Executive Director of our Company. She has been associated with our Company since incorporation. She holds a master's degree in business administration, with a specialization in finance management and a graduate diploma in management, with a specialization in finance management from the Indian School of Business Management and Administration. She has professional experience of over 14 years and is currently a partner in the partnership firm M/s S2 Engineering Services.

Venkata Mohan Rao Katragadda is an Executive Director of our Company. He has been associated with our Company since September 12, 2020. He holds a diploma in mechanical engineering from the State Board of Technical Education and Training, Department of Technical Education, Tamil Nadu. He has also passed the chartered engineers examination from the Institute of Mechanical Engineers (India). Prior to joining our Company, he has worked with The Jeypore Sugar Company Limited in the capacity of mechanical supervisor and has professional experience of over three decades. He is currently the managing director of a partnership firm by the name of Global Constructions.

Kandula Ramakrishna is an Executive Director on our Board. He has been associated with our Company since October 1, 2021. He has passed his part I and II in Technicians Engineering Examination from The Institute of Mechanical Engineers. He is currently a partner at M/s S2 Engineering Services and has professional experience of over 14 years.

Sudhakara Reddy Siddareddy is an Independent Director on our Board. He has been associated with our Company since June 4, 2022. He holds a Master of Science degree in agriculture from the Andhra Pradesh Agricultural University. Prior to joining our Company, he was associated with Syndicate Bank and is currently a working partner at Siri Constructions Infrastructure Private Limited and has professional experience of over 4 decades.

Yasuyuki Ikeda is a Non-Executive Director on our Board. He is a nominee of AGI Investors on the Board of our Company and has been associated with our Company since March 24, 2023. He holds a diploma from The American School in England Thorpe, Surrey (TASIS). He is currently a director on the board of AGI Glassplant India Private Limited and has professional experience of over 22 years.

Radhika Nannapaneni is an Independent Director on our Board. She has been associated with our Company since May 29, 2024. She holds a bachelor's degree in arts from Nagarjuna University. She has also completed her masters of arts degree in applied linguistics and her masters of philosophy in translation studies from the University of Hyderabad. Prior to joining our Company, she has worked with ADP Private Limited, GE Capital International Services and J. P. Morgan Services India Private Limited and has professional experience of over 15 years.

Details of directorships in companies suspended or delisted

None of our Directors is or was a director of any company listed on any stock exchange during the five years preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on any stock exchange during the term of their directorship in such company.

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.

Arrangement or understanding with major Shareholders, customers, suppliers, or others

Except for Yasuyuki Ikeda, who is a nominee director of AGI Investors, our Company and our Directors do not have an arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on our Board or as a member of the senior management. For further

details, please see section “*History and Certain Corporate Matters – Shareholders Agreement*” on page 290.

Service contract with Directors

No officer of our Company, including our Directors and the Key Managerial Personnel or Senior Management, has entered a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Terms of appointment of Directors

1. Remuneration and benefits to our Executive Directors

Nageswara Rao Kandula

Nageswara Rao Kandula has been a Director of our Company since incorporation. Pursuant to board resolution dated February 26, 2024, his terms of appointment and remuneration were revised and ratified and are as follows:

A. Salary per annum	₹ 1,980,000
B. Other allowances and perquisites:	
1. Car fuel, maintenance and insurance per annum	₹ 240,000
2. Facility of driver per annum	₹ 240,000
3. Health insurance cover for the family per annum	₹ 50,000
4. Term insurance per annum	₹ 50,000
5. Car facility for every five years	₹ 3,200,000
6. Mobile facility handset for every two years	₹ 100,000
C. The overall remuneration at all times shall be subject to the maximum limits prescribed from time to time under the Companies Act, 2013 and the rules made thereunder.	

Kandula Krishna Veni

Kandula Krishna Veni has been a Director of our Company since incorporation. Pursuant to the board resolution dated July 6, 2024, she is entitled to receive an annual remuneration of ₹ 1.20 million per annum, from the Company.

Kandula Ramakrishna

Kandula Ramakrishna has been a Director of our Company since October 1, 2021. Pursuant to the board resolution dated July 6, 2024, he is entitled to receive an annual remuneration of ₹ 1.20 million per annum, from the Company.

Venkata Mohan Rao Katragadda

Venkata Mohan Rao Katragadda has been a Director of our Company since September 12, 2020. Pursuant to the board resolution dated July 6, 2024 his terms of appointment and remuneration were revised and ratified and are as follows:

A. Salary per annum	₹ 2,800,000
B. Other allowances and perquisites:	
1. Car fuel, maintenance and insurance per annum	₹ 240,000
2. Facility of driver per annum	₹ 240,000
3. Health insurance cover for the family per annum	₹ 50,000
4. Term insurance per annum	₹ 50,000
5. Car facility for every five years	₹ 3,200,000
6. Mobile facility handset for every two years	₹ 100,000
C. The overall remuneration at all times shall be subject to the maximum limits prescribed from time to time	

under the Companies Act, 2013 and the rules made thereunder.

2. Sitting fees and commission to our Independent Directors

Pursuant to Board resolutions each dated May 29, 2024, as on the date of this Draft Red Herring Prospectus, the Independent Directors on our Board are entitled to receive ₹ 25,000 as sitting fees for attending each meeting of the Board and ₹ 10,000 for attending each meeting of the committees constituted by the Board.

Our Independent Directors have not received any remuneration for Fiscal 2024.

Remuneration paid or payable to our Directors by subsidiaries or associate companies

Kandula Ramakrishna and Kandula Krishna Veni have received ₹ 4.92 million and ₹ 2.46 million, respectively as remuneration from our Material Subsidiary, S2 Engineering Industry Private Limited in Fiscal 2024.

Except as disclosed above, none of our directors have received or were entitled to receive any remuneration, sitting fees or commission from our Subsidiary for Fiscal 2024.

Payments or benefits to Directors

Except as disclosed under “*Terms of appointment of our Directors – Terms of appointment of our Directors*” on page 297, our Company has not entered into any contract appointing or fixing the remuneration of a Director, whole-time Director, or manager in the two years preceding the date of this Draft Red Herring Prospectus.

Further, Except as disclosed under “*Terms of appointment of our Directors – Terms of appointment of our Directors*” on page 297 our Company has not paid any commission or granted any amount or benefit on an individual basis to any of our Directors other than the sitting fees / remuneration paid to them for such period.

Contingent and deferred compensation payable to the Directors

As on the date of this DRHP, there is no contingent or deferred compensation payable to the Directors, which does not form part of their remuneration.

Bonus or profit-sharing plan for our Directors

As on the date of this DRHP, our Company does not have any performance linked bonus or a profit-sharing plan in which our Directors have participated.

Shareholding of Directors in our Company

Other than as disclosed under “*Capital Structure – Details of shares held by our Directors, Key Managerial Personnel and Senior Management*” on page 126, none of our Directors hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

Interest of Directors

All Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board or committees thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Except as stated in “*Restated Consolidated Financial Information - Related Party Transactions*” on page 370, and as disclosed in this section, our Directors do not have any other interest in our business.

Our Directors may also be regarded as interested in the Equity Shares held by them or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoter, pursuant to this Offer. Our Directors, who are also the shareholders of our Company, may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Other than our individual Promoters, namely Nageswara Rao Kandula, Kandula Krishna Veni, Kandula Ramakrishna and Venkata Mohana Rao Katragadda, none of our Directors have any interest in the promotion or formation of our Company.

None of our Directors have any interest in any property acquired in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company for acquisition of land, construction of stores or supply of materials.

Certain of our Directors also have an indirect interest in certain properties taken by our Company on lease. Except as disclosed below our Directors do not have any direct or indirect interest in the properties that our Company has taken on lease:

Name of lessor	Address of the premises	Term of lease agreement	Rent payable to lessor
Kandula Ramakrishna	Sy. No. 283, Phase-1, Jeedimetta Village, Quthbullapur, Mandal, Hyderabad-500055, Telangana	2 years from January 1, 2024	₹ 0.15 million per month

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/her to become, or to qualify him/her as a Director, or otherwise for services rendered by him/her or by such firm or company, in connection with the promotion or formation of our Company.

No loans have been availed by our Directors from our Company.

Other confirmations

None of our Directors have given any guarantees to any third party, with respect to the Equity Shares, as of the date of this Draft Red Herring Prospectus.

Our Directors have no conflict of interest with the suppliers of raw materials and third party service providers (crucial for operations of the Company) and the lessors of immovable property of the Company (crucial for operations of the Company).

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested as a member by any person either to induce them to become, or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

Changes in the Board in the last three years

Sr. No	Name	Date of appointment/change/cessation	Reason
1.	Kandula Ramakrishna	October 1, 2021	Appointment as Additional Director
2.		November 29, 2021	Regularization as Executive Director
3.	Kudaravalli Punna Rao	April 11, 2022	Resignation due to other professional commitments
4.	Venkata Siva Prasad Katragadda	April 11, 2022	Appointment in place of previous resignation
5.	Sudhakara Reddy Siddareddy	June 4, 2022	Appointment as an Independent Director
6.	Sunkavilli Ramakrishna	June 4, 2022	Appointment as an Independent Director
7.	Kandula Ramakrishna	June 11, 2022	Change in designation from Executive to Non-executive Director
8.	Yasuyuki Ikeda	March 24, 2023	Appointment as an additional non-executive director and nominee of AGI investors on the Board of our Company
9.		September 2, 2023	Regularization as a Non-executive Director
10.		November 16, 2023	Redesignation as Non-executive nominee director
11.	Venkata Siva Prasad Katragadda	May 6, 2024	Resignation due to other professional commitments
12.	Sambasiva Rao Gollapudi	May 29, 2024	Appointment as Non-Executive Chairman and Independent Director
13.	Radhika Nannapaneni	May 29, 2024	Appointment as an Independent Director
14.	Kandula Ramakrishna	May 29, 2024	Change in designation from Non-executive to Executive Director

Sr. No	Name	Date of appointment/change/cessation	Reason
15.	Sunkavilli Ramakrishna	July 5, 2024	Resignation due to other professional commitments

Borrowing Powers of Board

Pursuant to our Articles of Association, a resolution of our Board dated July 18, 2022 and a resolution adopted by our Shareholders on August 11, 2022, our Board may borrow money for and on behalf of our Company, from time to time as deemed by it to be requisite and proper, such that the moneys to be borrowed together with the moneys already borrowed by our Company shall not exceed ₹ 2,000.00 million.

Corporate Governance

The corporate governance provisions of the SEBI Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance particularly in relation to the composition of the Board and constitution of the committees thereof and formulation and adoption of policies.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations. As on the date of this Draft Red Herring Prospectus, our Board comprises 8 Directors including 4 Executive Directors and 4 Non-Executive Directors, which further includes one Nominee Director and 3 Independent Directors. Our Company has two women Directors.

Committees of the Board

In addition to the committees of our Board described below, our Board has also constituted an IPO Committee and may also constitute committees for various functions from time to time.

Audit Committee

The members of the Audit Committee are:

Sl. No	Name of Committee Member	Designation	Position in the Committee
1.	Sambasiva Rao Gollapudi	Independent Director	Chairperson
2.	Sudhakara Reddy Siddareddy	Independent Director	Member
3.	Radhika Nannapaneni	Independent Director	Member

The Audit Committee was constituted by a meeting of the Board of Directors held on June 20, 2022. The Audit Committee was reconstituted by a meeting of the Board of Directors on May 29, 2024, whereby the terms of reference were approved. The scope and functions of the Audit Committee is in accordance with Section 177 of the Companies Act, read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014, and Regulation 18 of the SEBI Listing Regulations. Its terms of reference are as follows:

Powers of the Audit Committee

The Audit Committee shall have powers, including the following:

1. to investigate any activity within its terms of reference;
2. to seek information from any employee;
3. to obtain outside legal or other professional advice;
4. to secure attendance of outsiders with relevant expertise, if it considers necessary; and
5. such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

Role of the Audit Committee

The role of the Audit Committee shall include the following:

- (1) oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;
 - (2) recommendation to the Board for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
 - (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
 - (4) formulation and modification of a policy on related party transactions, which shall include materiality of related party transactions;
 - (5) reviewing, 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;
 - (6) examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Modified opinion(s) in the draft audit report.
 - (7) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
 - (8) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;
 - (9) reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
 - (10) approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;
- Explanation:*** The term "related party transactions" shall have the same meaning as provided in Regulation 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.
- (11) scrutiny of inter-corporate loans and investments;
 - (12) valuation of undertakings or assets of the Company, wherever it is necessary;

- (13) evaluation of internal financial controls and risk management systems;
- (14) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (15) 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;
- (16) discussion with internal auditors of any significant findings and follow up there on;
- (17) 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;
- (18) 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;
- (19) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (20) reviewing the functioning of the whistle blower mechanism;
- (21) establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- (22) overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
- (23) approval of appointment of chief financial officer (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (24) approve the disclosure of the key performance indicators to be disclosed in the documents in relation to the initial public offering of the equity shares of the Company;
- (25) carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;
- (26) reviewing the utilization of loans and/or advances from / investment by the holding company in the subsidiary exceeding ₹ 1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing;
- (27) Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- (28) To carry out such other functions as may be specified by the Board of Directors from time to time or specified/provided under the Companies Act or the SEBI Listing Regulations or by any other regulatory authority; and
- (29) Approval of payment to statutory auditors for any other services rendered by the statutory auditors of the Company.

The Audit Committee shall mandatorily review the following information:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Management letters / letters of internal control weaknesses issued by the statutory auditors;

- c) Internal audit reports relating to internal control weaknesses;
- d) The appointment, removal and terms of remuneration of the chief internal auditor;
- e) Review the financial statements, in particular, the investments made by any unlisted subsidiary;
- f) Statement of deviations in terms of the SEBI Listing Regulations:
 - a. quarterly statement of deviation(s) including report of the Monitoring Agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations; and
 - b. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI Listing Regulations.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

Sl. No	Name of Committee Members	Designation	Position in the Committee
1.	Sudhakara Reddy Siddareddy	Independent Director	Chairperson
2.	Sambasiva Rao Gollapudi	Independent Director	Member
3.	Radhika Nannapaneni	Independent Director	Member

The Nomination and Remuneration Committee was constituted by a meeting of the Board of Directors held on June 20, 2022. The Nomination and Remuneration Committee was reconstituted by a meeting of the Board of Directors on May 29, 2024, whereby the terms of reference were approved. The scope and functions of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014, and Regulation 19 of the SEBI Listing Regulations.

Terms of reference for the Nomination and Remuneration Committee:

The Nomination and Remuneration Committee shall be responsible for, among other things, as may be required by the stock exchange(s) from time to time, the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the “**Board**” or “**Board of Directors**”) a policy relating to the remuneration of the directors, key managerial personnel and other employees (“**Remuneration Policy**”);

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- (i) For every appointment of an independent director, it 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:
 - a) use the services of an external agencies, if required;
 - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c) consider the time commitments of the candidates.
- (ii) 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;
- (iii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

- (iv) 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.
2. Formulation of criteria for evaluation of independent directors and the Board;
 3. Devising a Policy on Board diversity;
 4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);
 5. Analysing, monitoring and reviewing various human resource and compensation matters;
 6. Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
 7. 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;
 8. Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;

Explanation: The expression senior management means the officers and personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) , including the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

9. Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
10. 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, including implementation and superintendence of 'Employee Stock Option Scheme 2024';
11. Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
 - (a). the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - (b). the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.
12. Perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended, including rules or regulations formulated thereunder, or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including rules or regulations formulated thereunder, or by any other applicable law or regulatory authority;
13. Authorize to obtain advice, reports or opinions from internal or external counsel and expert advisors;
14. Ensure proper induction program for new directors, key managerial personnel and senior management and review its effectiveness along-with ensuring that on appointment, they receive a formal letter of appointment in accordance with guidelines provided under the Companies Act;
15. Develop a succession plan for our Board and senior management and regularly reviewing the plan;

16. Ensure that it proactively maintains a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company; and
17. Consider and determine the Remuneration Policy based on performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Nomination and Remuneration Committee shall deem appropriate.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

Sl. No	Name of Committee Member	Designation	Position in the Committee
1.	Radhika Nannapaneni	Independent Director	Chairperson
2.	Venkata Mohana Rao Katragadda	Executive Director	Member
3.	Sudhakara Reddy Siddareddy	Independent Director	Member

The Stakeholders' Relationship Committee was constituted by our Board of Directors at their meeting held on May 29, 2024 and the terms of reference of the Stakeholders' Relationship Committee were approved by a meeting of the Board of Directors on May 29, 2024. The terms of reference of the Stakeholders Relationship Committee of our Company, as per Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act and the applicable rules thereunder, include the following:

Terms of reference for the Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required by the under applicable law, the following:

1. To specifically look into various aspects of interests of shareholders, debentures holders and other security holders;
2. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
3. Reviewing of measures taken for effective exercise of voting rights by shareholders;
4. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
5. Giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and re-materialization 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;
6. Reviewing of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar and share transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;
7. Reviewing of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
8. 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.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

Sl. No	Name of Committee Member	Designation	Position in the Committee
1.	Sambasiva Rao Gollapudi	Independent Director	Chairperson

2.	Yasuyuki Ikeda*	Non-Executive Director	Member
3.	Radhika Nannapaneni	Independent Director	Member

*Nominee of AGI Investors

The Corporate Social Responsibility Committee was last reconstituted by our Board of Directors at their meeting held on November 7, 2022. The terms of reference of the Corporate Social Responsibility Committee were approved by a meeting of the Board of Directors on May 29, 2024. The terms of reference of the Corporate Social Responsibility Committee of our Company, as per Section 135 of the Companies Act and the applicable rules thereunder, include the following:

Functions of the Corporate Social Responsibility Committee:

1. formulate and recommend to the Board, a “Corporate Social Responsibility Policy”, including any amendments thereto, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder, as amended;
2. review and recommend the amount of expenditure to be incurred on the activities referred to in (i) above;
3. review and monitor the implementation of the Corporate Social Responsibility Policy from time to time, and make any revisions therein as and when decided by the Board and issue necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
4. identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
5. review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and the distribution of the same to various corporate social responsibility programs undertaken by the Company;
6. provide explanation to the Board if the Company fails to spend the prescribed amount within the financial year;
7. delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
8. any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board, from time to time;
9. provide updates to our Board at regular intervals of six months on the corporate social responsibility activities; and
10. exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 or other applicable laws.

Risk Management Committee

The members of the Risk Management Committee are:

Sl. No	Name of Committee Member	Designation	Position in the Committee
1.	Venkata Mohana Rao Katragadda	Executive Director	Chairperson
2.	Radhika Nannapaneni	Independent Director	Member
3.	Kandula Krishna Veni	Executive Director	Member
4.	Kandula Ramakrishna	Executive Director	Member

The Risk Management Committee was constituted by our Board of Directors at their meeting held on May 29, 2024. The Risk Management Committee is in compliance with Regulation 21 of the SEBI Listing Regulations and the terms of reference of the Risk Management Committee of our Company, include the following:

1. To formulate a detailed risk management policy which shall include:

- a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee.
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
 3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
 4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
 5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
 6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
 7. To review and assess the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof;
 8. To review and recommend potential risk involved in any new business plans and processes;
 9. To review the Company's risk-reward performance to align with the Company's overall policy objectives;
 10. To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
 11. Advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy;
 12. Coordination of activities with other committee, in instances where there is any overlap with the activities of such committees as per the framework laid down by the Board of Directors; and
 13. To carry out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or the SEBI Listing Regulations.

IPO Committee

The members of the IPO Committee are:

Sl. No	Name of Committee Member	Designation	Position in the Committee
1.	Venkata Mohana Rao Katragadda	Executive Director	Chairperson
2.	Kandula Krishna Veni	Executive Director	Member
3.	Yasuyuki Ikeda*	Non-Executive Director	Member

**Nominee of AGI Investors*

The IPO Committee was constituted by our Board pursuant to a resolution dated May 29, 2024, and the terms of reference were approved by our Board pursuant to a resolution dated May 29, 2024.

The IPO Committee is authorized to perform the following functions:

1. To decide, negotiate and finalise the timing, pricing, the terms of the issue of the Equity Shares, including the price band, any amendments, modifications, variations or alterations thereto and all other related matters regarding the Pre-IPO Placement, if any, including all actions as may be necessary in connection with the Offer and the execution of the relevant documents with the investors, in consultation with the BRLMs;
2. to decide in consultation with the BRLMs the actual size of the Offer and taking on record the number of the Equity Shares, and/or reservation on a competitive basis, and/or any rounding off in the event of any oversubscription and/or any discount to be offered to retail individual bidders participating in the Offer and all the terms and conditions of the Offer, including without limitation timing, the bid opening and bid closing dates (including bid opening and bid closing dates of the anchor investors), price band for the Offer (including the offer price for the anchor investors), Offer size, reservation, discount, allocation/allotment to various categories of persons pursuant to the Offer, including any anchor investors, and to accept any amendments, modifications, additions, variations or alterations thereto;
3. to appoint, instruct and enter into agreements with the BRLMs, and in consultation with the BRLMs appoint and enter into agreements with intermediaries, co-managers, underwriters, syndicate members, brokers, escrow collection bankers, auditors, independent chartered accountants, refund bankers, registrar, sponsor banks, public offer account bankers, grading agency, monitoring agency, industry expert, legal counsels, depositories, custodians, credit rating agencies, printers, advertising agency(ies), and any other agencies or persons or intermediaries to the Offer (including any successors or replacements thereof) whose appointment is required in relation to the Offer and to negotiate and finalize the terms of their appointment, including but not limited to execution of the mandate letters, fee/engagement letter and offer agreement with the BRLMs, underwriting agreement with the underwriters and negotiation, finalization, execution and to remunerate all such intermediaries/agencies including the payments of commissions, brokerages, etc., and to terminate agreements or arrangements with such intermediaries;
4. to make any alteration, addition or variation in relation to the Offer, in consultation with the BRLMs or SEBI or such other authorities as may be required, and without prejudice to the generality of the aforesaid, deciding the exact Offer structure and the exact component of issue of Equity Shares;
5. to finalise, settle, approve, adopt, execute and deliver or arrange the delivery of and file in consultation with the book running lead managers appointed for the Offer, where applicable, the draft red herring prospectus (“DRHP”), the red herring prospectus (“RHP”), the Prospectus, the Abridged Prospectus, the preliminary and final international wrap and any amendments, supplements, notices, addenda or corrigenda thereto, together with any summaries thereof, the bid cum application forms, Abridged Prospectus, confirmation of allocation notes, clarifications, reply to observations and any other document in relation to the Offer as finalized by the Company, and as may be required by government and regulatory authorities, respective Stock Exchanges, the RoC, institutions or bodies or in accordance with the applicable laws and take all such actions in consultation with the BRLMs as may be necessary for the submission and filing of the documents mentioned above, including incorporating such alterations/corrections/modifications as may be required by the SEBI, the RBI, the Registrar of Companies, the Stock Exchanges or any other relevant governmental and statutory authorities or under applicable laws;
6. to invite the existing shareholders of the Company to participate in the Offer to offer for sale the Equity Shares held by them at the same price as in the Offer;
7. to take all actions as may be necessary and authorised in connection with the offer for sale and to approve and take on record the approval of the selling shareholder(s), including the quantum in terms of the number of Equity Shares/amount offered, for offering their Equity Shares in the offer for sale and the transfer of Equity Shares in the offer for sale;
8. To authorise the maintenance of a register of holders of the Equity Shares of the Company;
9. to authorize, approve and issue notices, advertisements in such newspapers and other media as it may deem fit and proper, in consultation with the relevant intermediaries appointed for the Offer in accordance with the SEBI ICDR Regulations, Companies Act, including rules made thereunder, each as amended and other applicable law;
10. to decide the total number of Equity Shares to be reserved for allocation to eligible categories of investors, if any, and on permitting existing shareholders to sell any Equity Shares held by them;

11. to open separate escrow accounts as the escrow account to receive application monies from anchor investors/underwriters in respect of the bid amounts and a bank account as the refund account for handling refunds in relation to the Offer and in respect of which a refund, if any will be made;
12. to open account with the bankers to the Offer as may be required and operate such bank accounts to receive applications along with application monies in relation to the Offer, handling refunds and in terms of Section 40(3) of the Companies Act, as amended and the cash escrow and sponsor bank agreement, and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
13. to do all such deeds and acts as may be required to dematerialise the Equity Shares and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with the National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection, with power to authorise one or more officers of the Company to execute all or any such documents;
14. to negotiate, finalise, sign, execute, adopt, file and deliver or arrange the delivery of the draft red herring prospectus, the red herring prospectus, the prospectus, the preliminary and final international wrap, offer agreement, syndicate agreement, share escrow agreement, cash escrow and sponsor bank agreement, underwriting agreement, agreements with the registrar to the Offer, monitoring agency and the advertising agency(ies) and all other agreements, documents, deeds, memorandum of understanding and other instruments whatsoever with the registrar to the Offer, monitoring agency, legal counsel, auditors, Stock Exchanges, BRLMs and other agencies/ intermediaries in connection with Offer with the power to authorize one or more officers of the Company to execute all or any of the aforesaid documents or any alterations/corrections/modifications/amendments thereto as may be required or desirable in relation to the Offer by the SEBI, the RBI, the RoC, the Stock Exchanges or any other relevant governmental and statutory authorities or under applicable laws;
15. to make any applications, seek clarifications, obtain approvals and seek exemptions, if necessary, from the Stock Exchange, the SEBI, the RBI, Registrar of Companies, Stock Exchanges and such other statutory and governmental authorities in connection with the Offer, as required by applicable law, and to accept, on behalf of the Board, such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, exemptions, permissions and sanctions as may be required, and wherever necessary, incorporate such modifications / amendments as may be required in the DRHP, RHP and the Prospectus as applicable;
16. to make in-principle and final applications for listing and trading of the Equity Shares on one or more Stock Exchanges, to execute and to deliver or arrange the delivery of the equity listing agreement(s) or equivalent documentation to the Stock Exchanges and to take all such other actions as may be necessary in connection with obtaining such listing;
17. to determine and finalize, in consultation with the BRLMs, the price band for the Offer and minimum bid lot for the purpose of bidding, any revision to the price band and the final Offer price after bid closure, to finalize the basis of allocation and to allot the Equity Shares to the successful allottees and credit Equity Shares to the demat accounts of the successful allottees in accordance with applicable laws, initiate refund of monies received in the event of failure of Offer, and undertake other matters in connection with or incidental to the Offer, including determining the anchor investor portion, in accordance with the SEBI ICDR Regulations;
18. to issue receipts/allotment advice/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforementioned documents;
19. to approve the policies to be formulated under the Companies Act, as amended and the regulations prescribed by SEBI including the SEBI ICDR Regulations, the SEBI Listing Regulations, as amended, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, and other applicable laws including the the code of conduct, insider trading policy, whistle blower/vigil mechanism policy, risk management policy and other corporate governance requirements considered necessary by the

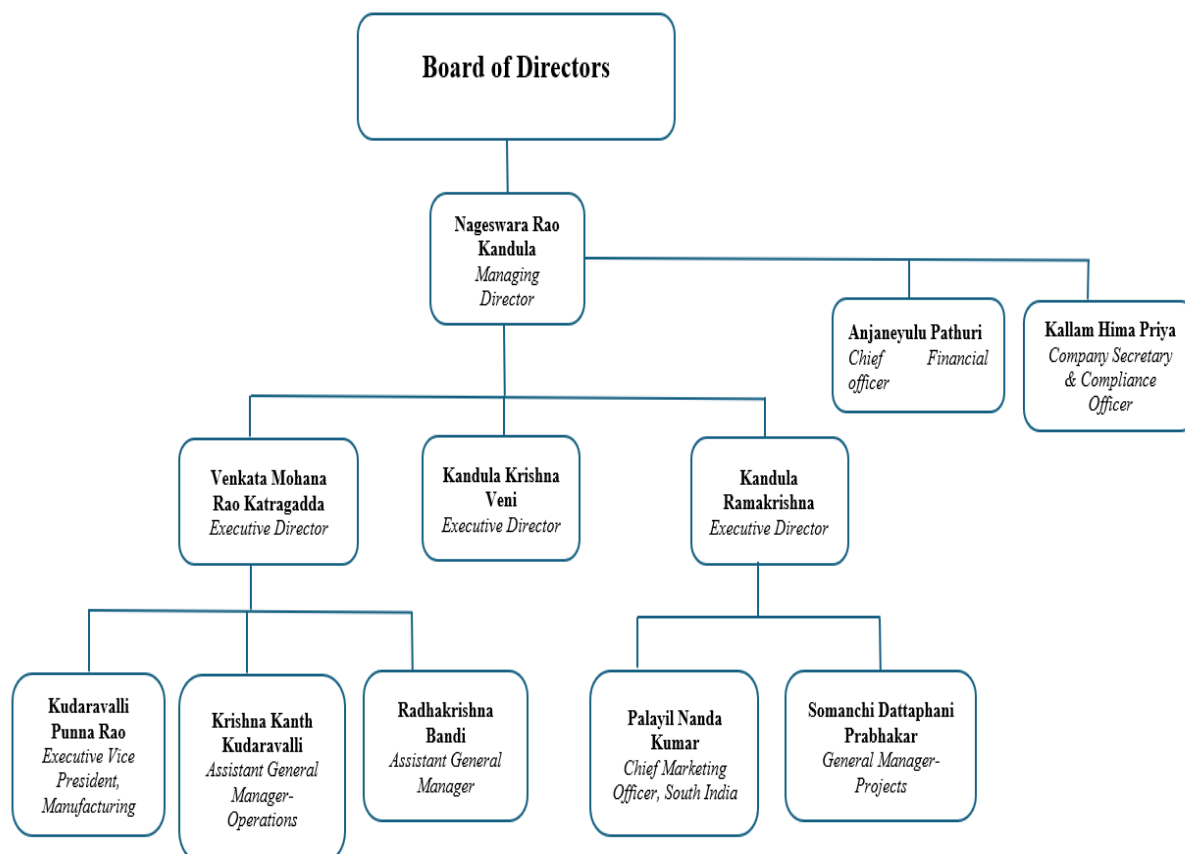
Board or the IPO Committee or as required under applicable law, regulations or guidelines, or the uniform listing agreement to be entered into by the Company with the relevant Stock Exchanges;

20. to seek, if required, the consent and waivers of the parties with whom the Company and/or its subsidiaries has entered into various commercial and other agreements such as Company's and/or its subsidiaries lenders, customers, joint venture partners, industry data provider, all concerned governmental and regulatory authorities in India or outside India, and any other consents and waivers that may be required in connection with the Offer in accordance with the applicable laws;
21. to determine the price at which the Equity Shares are offered, issued, allocated, transferred and/or Allotted to investors in the Offer in accordance with applicable regulations in consultation with the BRLMs and/or any other advisors, and determine the discount, if any, proposed to be offered to eligible categories of investors;
22. to settle all questions, difficulties or doubts that may arise in relation to the Offer, including allotment, terms of the Offer, utilization of the Offer proceeds and matters incidental thereto, as it may in its absolute discretion deem fit;
23. to do all acts and deeds, and execute all documents, agreements, forms, certificates, undertakings, letters and instruments as may be necessary for the purpose of or in connection with the Offer;
24. to authorize and approve, in consultations with the BRLMs the incurring of expenditure and payment of fees, commissions, brokerage and remuneration and reimbursement of expenses in connection with the Offer;
25. to withdraw the DRHP or RHP or to decide not to proceed with the Offer at any stage, if deemed necessary, in consultation with the BRLMs and in accordance with the SEBI ICDR Regulations and applicable laws;
26. To determine the utilization of proceeds of the fresh issue of the Equity Shares, and accept and appropriate proceeds of such fresh issue in accordance with the Applicable Laws;
27. If deemed appropriate, to invite the existing shareholders of the Company to participate in the Offer by offering for sale the Equity Shares held by them at the same price as in the Offer;
28. all actions as may be necessary in connection with the Offer, including extending the Bid/Offer period, revision of the Price Band, allow revision of the Offer for Sale portion in case any Selling Shareholder decides to revise it, in accordance with the Applicable Laws;
29. To decide, negotiate and finalise all matters regarding the rights issue, private placement or preferential allotment of such number of Equity Shares as may be decided by the Board, to certain investors as permitted under Applicable Laws on or prior to the date of the red herring prospectus (the "**Pre-IPO Placement**") if any, including the execution of the relevant documents with the investors and the BRLMs;
30. to submit undertakings/certificates or provide clarifications to the SEBI, Registrar of Companies and the relevant Stock Exchange(s) where the Equity Shares are to be listed;
31. to authorize and empower officers of the Company (each, an "**Authorized Officer(s)**"), for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officer(s) consider necessary, appropriate or advisable, in connection with the Offer, including, without limitation, engagement letter(s), memoranda of understanding, the listing agreement(s) with the Stock Exchange(s), the registrar's agreement and memorandum of understanding, the depositories' agreements, the offer agreement with the BRLMs (and other entities as appropriate), the underwriting agreement, the syndicate agreement with the BRLMs and syndicate members, the cash escrow and sponsor bank agreement, share escrow agreement, confirmation of allocation notes, allotment advice, placement agents, registrar to the Offer, bankers to the Company, managers, underwriters, escrow agents, accountants, auditors, legal counsel, depositories, advertising agency(ies), syndicate members, brokers, escrow collection bankers, public offer account bankers, auditors, grading agency, monitoring agency and all such persons or agencies as may be involved in or concerned with the Offer, if any, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the Offer by the BRLMs and to do or cause to be done any and all such acts or things that the Authorized Officer(s) may deem necessary, appropriate or

desirable in order to carry out the purpose and intent of the foregoing resolutions for the Offer; and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing; and

32. To take all other actions as may be necessary in connection with the Offer.

Management Organization Chart of the Company



Key Managerial Personnel

The details of the Key Managerial Personnel in addition to our Managing Director are set out below:

Anjaneyulu Pathuri is the Chief Financial Officer of our Company. He has been associated with our Company since March 4, 2022 when he was appointed as associate vice president, finance and accounts, of our Company. He is also associated with our Material Subsidiary in the capacity of a Chief Financial Officer since July 18, 2022. On July 18, 2022, he was redesignated as the Chief Financial Officer of our Company. Prior to joining our Company, he has worked with Aurobindo Pharma Limited in the capacity of assistant general manager, with M. Anandam & Co. Chartered Accountants in the capacity of Audit Manager, with S.R. Batliboi & Associates LLP Chartered Accountants in the capacity of Senior Manager and with G.M. Kapadia & Co., Chartered Accountants. He is an associate of the Institute of Chartered Accountants of India. He has received a remuneration of ₹ 1.93 million in FY 2024 from the Company and a remuneration of ₹ 1.93 million in FY 2024 from the Material Subsidiary.

Kallam Hima Priya is the Company Secretary and Compliance Officer of our Company. She has been associated with our Company since October 1, 2021. She is also associated with our Material Subsidiary in the capacity of a Company Secretary since February 23, 2022. She has completed her bachelor's degree in commerce from the Indira Gandhi National Open University. Further, she has passed the L.L.B (3-YDC) degree from Osmania University, Faculty of Law. Prior to joining our Company, she has worked with Birthplace Healthcare Private

Limited in the capacity of a company secretary. She is an associate member at the Institute of Company Secretaries of India. She has received a remuneration of ₹ 0.77 million in FY 2024 from the Company and has received no remuneration from the Material Subsidiary.

Senior Management

In addition to the Key Managerial Personnel of our Company, whose details are provided in “– Key Managerial Personnel” on page 311, the details of our Senior Management are set out below:

1. Kudaravalli Punna Rao – Executive Vice President, Manufacturing
2. Palayil Nanda Kumar – Chief Marketing Officer, South India
3. Somanchi Datta Phani Prabhakar – General Manager, Projects
4. Radhakrishna Bandi – Assistant General Manager, Purchase

In furtherance to the above-mentioned Senior Management of the Company, the details of the Senior Management of our Subsidiaries are as follows:

1. Shirish Nilkantharao Dhamnekar – Chief Operating Officer
2. Talluri Surendra - General Manager, Bio – Technology
3. Krishna Kanth Kudaravalli – Assistant General Manager, Operations
4. Ranjith Reddy Bonagiri - Managing Director, CPK Engineers Equipment Private Limited
5. Prabhat Kumar Kulshrestha - Executive Director and Chairman, CPK Engineers Equipment Private Limited
6. Chamala Chandrasekhar Reddy - Managing Director, Standard Flora Private Limited

Senior Management of the Company:

Kudaravalli Punna Rao

Kudaravalli Punna Rao aged 60 years is the Executive Vice President, Manufacturing, of our Company. He has been associated with the Company since its incorporation and is responsible for the manufacturing department of the Company. He has completed his SSC from TB High School in Andhra Pradesh. Prior to joining our Company, he was associated with Nava Bharat Ferro Alloys Limited. He was paid an amount of ₹ 1.92 million in Fiscal 2024. For further details, please see section “Risk Factors - One of our Promoters and SMP, Kudaravalli Punna Rao, and two of our SMPs, Radhakrishna Bandi and Chamala Chandrasekhar Reddy, are unable to trace their educational documents and we have relied on affidavits furnished by them for such details of their profiles” on page 50.

Palayil Nanda Kumar

Palayil Nanda Kumar aged 56 years is the Chief Marketing Officer, South India of our Company and our Material Subsidiary, S2 Engineering Industry Private Limited. He has been associated with the Company since May 2, 2024 and with our Material Subsidiary since May 2, 2024. He is currently responsible for overlooking marketing in South India for our Company and Material Subsidiary. He holds a bachelor’s degree in mechanical engineering from the University of Allahabad. Prior to joining our Company, he was associated with GMM Pfaudler Limited, Dynaspede Integrated Systems Limited and Johnson Matthey Ceramics India Limited. He has not received any remuneration from the Company and our Material Subsidiary in Fiscal 2024.

Somanchi Datta Phani Prabhakar

Somanchi Datta Phani Prabhakar, aged 37 years is the General Manager, Projects, of our Company and Material Subsidiary, S2 Engineering Industry Private Limited. He has been associated with the Company since May 2, 2024 and with our Material Subsidiary since May 2, 2024. He is responsible for overlooking the projects department of our Company and Material Subsidiary. He holds a bachelor’s degree in technology in chemical engineering from Jawaharlal Nehru Technological University. Prior to joining our Company, he was associated with Sai Life Sciences Limited, Dr. Reddy’s Laboratories Limited, Covalent Laboratories Private Limited and Hetero Infrastructure Limited. He has not received any remuneration from the Company and our Material Subsidiary in Fiscal 2024.

Radhakrishna Bandi

Radhakrishna Bandi, aged 39 years is the Assistant General Manager of our Company. He holds a Bachelor's degree in science from PB Siddhartha College, Vijaywada and MRes – Analytical Chemistry from Nottingham Trent University. He has been associated with the Company since September 7, 2012 and is responsible for overlooking the purchase department of our Company. He was paid an amount of ₹ 1.38 million in Fiscal 2024. For further details, please see section “*Risk Factors - One of our Promoters and SMP, Kudaravalli Punna Rao, and two of our SMPs, Radhakrishna Bandi and Chamala Chandrasekhar Reddy, are unable to trace their educational documents and we have relied on affidavits furnished by them for such details of their profiles.*” on page 50.

Senior Management of the Subsidiaries:

Shirish Nilkantharao Dhamnekar

Shirish Nilkantharao Dhamnekar, aged 53 years is the Chief Operating Officer of S2 Engineering Industry Private Limited. He has been associated with S2 Engineering Industry Private Limited since May 2, 2022. He holds a bachelor's degree in technology, in chemical engineering from Nagpur University. He has also completed his diploma degree in business management from the University of Pune. Prior to joining our Company, he was associated with GMM Pfaudler Limited and Sulzer India Limited. He was paid an amount of ₹ 2.40 million in Fiscal 2024.

Talluri Surendra

Talluri Surendra, aged 46 years is the General Manager, Bio – Technical, Division, of S2 Engineering Private Limited. He has been associated with the Company since May 2, 2024 and is responsible for the biotech process equipment development division of our Material Subsidiary. He holds a Master of Science degree in microbiology from Nagarjuna University. Prior to joining our Company, he was associated with AFC Agro Biotech Limited, Artemis Biotech, Gujarat Themis Biosyn Limited and Rampex Labs Private Limited. He has not received any remuneration from the Material Subsidiary in Fiscal 2024.

Krishna Kanth Kudaravalli

Krishna Kanth Kudaravalli, aged 36 years is the Assistant General Manager, Operations, of our Company and our Subsidiary, Standard Flora Private Limited. He holds a post graduate diploma in business administration program from The Institute of Chartered Financial Analysts of India. He has been associated with the Company since May 5, 2014 and is responsible for the operations department of Standard Flora Private Limited. He was paid an amount of ₹ 1.23 million in Fiscal 2024 by Standard Flora Private Limited.

Ranjith Reddy Bonagiri

Ranjith Reddy Bonagiri, aged 52 years is the Managing Director of our Subsidiary, CPK Engineers Equipment Private Limited. He holds a post graduate diploma in business management in marketing and systems from Kranthi Institute of Management. He has been associated with CPK Engineers Equipment Private Limited since January 15, 2024 and is currently responsible for sales and marketing in CPK Engineers Equipment Private Limited. He has not received any remuneration from CPK Engineers Equipment Private Limited in Fiscal 2024.

Prabhat Kumar Kulshrestha

Prabhat Kumar Kulshrestha, aged 78 years is an Executive Director and Chairman of our Subsidiary, CPK Engineers Equipment Private Limited. He holds an undergraduate degree in Bachelor of Mechanical Engineering from the University of Allahabad and a post graduate diploma in business management in marketing and systems from Kranthi Institute of Management. He has been associated with CPK Engineers Equipment Private Limited since April 29, 2024 and is currently responsible for sales and marketing in CPK Engineers Equipment Private Limited. He has not received any remuneration from CPK Engineers Equipment Private Limited in Fiscal 2024.

Chamala Chandrasekhar Reddy

Chamala Chandrasekhar Reddy aged 42 years is the Managing Director of our Subsidiary, Standard Flora Private Limited. He has been associated with our Subsidiary since June 1, 2023 and is responsible for sales and marketing of Standard Flora Private Limited. He has completed his SSC from Z P High School, Mayalur, Andhra Pradesh. He is currently a partner in the partnership firms M/s Higenic Flora Polymers and M/s Yashasve Glass Lining Industries. He has received a remuneration of ₹ 1.50 million from Standard Flora Private Limited in Fiscal 2024. For further details, please see section “*Risk Factors - One of our Promoters and SMP, Kudaravalli Punna Rao,*

and two of our SMPs, Radhakrishna Bandi and Chamala Chandrasekhar Reddy, are unable to trace their educational documents and we have relied on affidavits furnished by them for such details of their profiles.” on page 50.

Other than as disclosed under “– Relationship between our Directors and Key Managerial Personnel and Senior Management” on page 295, none of the Key Managerial Personnel or Senior Management are related to each other.

Status of the Key Managerial Personnel and Senior Management of our Company

All the Key Managerial Personnel and Senior Management of the Company are permanent employees of our Company. For further details in relation to the Senior Management, please see “- Senior Management” on page 312.

Shareholding of Key Managerial Personnel and Senior Management

Other than as disclosed under “Capital Structure – Details of shares held by our Directors, Key Managerial Personnel and Senior Management” on page 126, none of our Key Managerial Personnel or Senior Management hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management

None of the Key Managerial Personnel or Senior Management is party to any bonus or profit-sharing plan of our Company.

Arrangement or understanding with major Shareholders, customers, suppliers, or others

There is no arrangement or understanding with the major Shareholders, customers, suppliers, or others, pursuant to which any Key Managerial Personnel or Senior Management was selected as a Key Managerial Personnel or Senior Management.

Contingent and deferred compensation payable to Key Managerial Personnel or Senior Management

There is no contingent or deferred compensation payable to Key Managerial Personnel or Senior Management.

Payment or benefit to officers of our Company (non-salary related)

No amount or benefit has been paid or given within the preceding two years or is intended to be paid or given to any officers of our Company, including our Key Managerial Personnel and Senior Management, other than normal remuneration, for services rendered as officers of our Company, dividend that may be payable in their capacity as Shareholders, and other than as disclosed in “Our Promoters and Promoter Group” on page 316.

Service contracts with Key Managerial Personnel and Senior Management

Other than statutory benefits upon termination of their employment in our Company on retirement and, none of our Key Managerial Personnel or Senior Management have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Interest of Key Managerial Personnel and Senior Management

Except as disclosed in “- Interest of Directors” on page 298, our Key Managerial Personnel and Senior Management of the Company do not have any interests in our Company, other than to the extent of (i) the remuneration or incentives, if any, to which they are entitled in accordance with the terms of their appointment or reimbursement of expenses incurred by them during the ordinary course of business by our Company and (ii) their directorship on the board of directors of, and/or their shareholding in our Company and Subsidiaries, as applicable and any dividend payable to them and other benefits arising out of such shareholding.

Our Key Managerial Personnel and Senior Management have no conflict of interest with the suppliers of raw materials and third party service providers (crucial for operations of the Company).

Changes in the Key Managerial Personnel and Senior Management

The changes in the Key Managerial Personnel and Senior Management in the last three years, other than as disclosed under “– *Changes in the Board in the last three years*” on page 299, are as follows:

Name	Designation	Date of change	Reason for change
Kallam Hima Priya	Company Secretary	October 1, 2021	Appointment
	Compliance Officer	May 29, 2024	
Kudaravalli Punnarao	Executive vice president, manufacturing	April 11, 2022	Appointment
Shirish Nilkantharao Dhamnekar	Chief operating officer of S2 Engineering Private Limited	May 2, 2022	Appointment
Anjaneyulu Pathuri	Chief Financial Officer	July 18, 2022	Appointment
Chamala Chandrasekhar Reddy*	Managing director of our Subsidiary, Standard Flora Private Limited	June 1, 2023	Appointment
Krishna Kanth Kudravalli*	Assistant general manager, operations	June 8, 2023	Appointment
Somanchi Datta Phani Prabhakar	General manager, projects of our Company and S2 Engineering Industry Private Limited	August 3, 2023	Appointment
Radhakrishna Bandi	Assistant general manager	September 1, 2023	Appointment
Talluri Surendra*	General manager, technical bio – technology division of S2 Engineering Private Limited	May 2, 2024	Appointment
Palayil Nanda Kumar	Chief marketing officer, South India of our Company and S2 Engineering Industry Private Limited	May 2, 2024	Appointment
Ranjith Reddy Bonagiri*	Managing Director of our Subsidiary, CPK Engineers Equipment Private Limited	January 15, 2024	Appointment
Prabhat Kumar Kulshrestha*	Director of our Subsidiary, CPK Engineers Equipment Private Limited	April 29, 2024	Appointment

*These individuals are SMPs of the Subsidiaries of the 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.

Employee stock option schemes

Except as disclosed in “*Capital Structure – Employee Stock Option Scheme 2024*” on page 127, our Company currently does not have any employee stock option scheme as on the date of this Draft Red Herring Prospectus.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are Nageswara Rao Kandula, Kandula Krishna Veni, Kandula Ramakrishna, Kudaravalli Punna Rao, Venkata Mohana Rao Katragadda and M/s S2 Engineering Services. As on the date of this Draft Red Herring Prospectus, our Promoters hold 124,250,000 Equity Shares of face value ₹ 10 each, aggregating to 68.41% of the pre-Issue, issued, subscribed and paid-up Equity Share capital of our Company. For details of the build-up of the Promoter's shareholding in our Company, see "*Capital Structure*" on page 102.

Details of our Promoters

Individual Promoter

Nageswara Rao Kandula



Nageswara Rao Kandula (DIN: 00762497), aged 54 years (date of birth: April 12, 1970), is the Promoter and Managing Director of our Company. He resides at Plot no – 262, Shapoor Nagar, opposite HMT Society Kalyanamandapam, IDA Jeedimetla, Qutubullapur, Rangareddi, Andhra Pradesh – 500 055. For further details in relation to educational qualifications, experience in the business, directorships held, special achievements, his business and financial activities see "*Our Management – Brief Biographies of Directors*" on page 295.

The permanent account number of our Promoter is AHVPK1167G.

Our Company confirms that the PAN, bank account number(s), Aadhaar card number, driving license number and passport number of our Promoter shall be submitted to the Stock Exchanges, at the time of filing this Draft Red Herring Prospectus with them.

Kandula Krishna Veni



Kandula Krishna Veni (DIN: 02260233), aged 43 years (date of birth: August 25, 1980), is the Promoter and Executive Director of our Company. She resides at Plot no – 262, Shapoor Nagar, opposite HMT Society Kalyanamandapam, IDA Jeedimetla, Qutubullapur, Rangareddi, Andhra Pradesh – 500 055. For further details in relation to educational qualifications, experience in the business, directorships held, special achievements, her business and financial activities see "*Our Management – Brief Biographies of Directors*" on page 295.

The permanent account number of our Promoter is AMPPK1647N.

Our Company confirms that the PAN, bank account number(s), Aadhaar card number, and passport number of our Promoter shall be submitted to the Stock Exchanges, at the time of filing this Draft Red Herring Prospectus with them. She does not possess a valid driving license as on the date of this DRHP.

Kandula Ramakrishna



Kandula Ramakrishna (DIN: 05281520), aged 46 years (date of birth: August 15, 1977), is the Promoter and Executive Director of our Company. He resides at 4-32-336, Plot 189/A, L B Nagar, Shapur Nagar, near CMR Apartment IDA, Qutubullapur, Rangareddi, Andhra Pradesh – 500 065. For further details in relation to educational qualifications, experience in the business, directorships held, special achievements, his business and financial activities see “*Our Management – Brief Biographies of Directors*” on page 295.

The permanent account number of our Promoter is AKEPK9364M.

Our Company confirms that the PAN, bank account number(s), Aadhaar card number, driving license number and passport number of our Promoter shall be submitted to the Stock Exchanges, at the time of filing this Draft Red Herring Prospectus with them.

Kudaravalli Punna Rao



Kudaravalli Punna Rao, aged 60 years (date of birth: April 14, 1964), is the Promoter of our Company. He resides at Plot no 59, 60, Sai Hills, Gokul Plots, Ventkata Raman Colony, Kukatpally, KPHB Colony, Hyderabad, Telangana - 500072.

He has been associated with our Company since incorporation and is currently responsible for managing the manufacturing department of our Company. He was associated with Nava Bharat Ferro Alloys prior to joining our Company. He has a professional experience of over three decades in the alloys and glass manufacturing industry.

The permanent account number of our Promoter is ALRPK2447B.

Our Company confirms that the PAN, bank account number(s), Aadhaar card number, driving license number and passport number of our Promoter shall be submitted to the Stock Exchanges, at the time of filing this Draft Red Herring Prospectus with them.

Venkata Mohana Rao Katragadda



Venkata Mohana Rao Katragadda (DIN: 08362181), aged 56 years, is the Promoter and Executive Director of our Company. He resides at Flat no 1302 D-Block, ADR Makuta My Space, near VNR Vignana Jyothi Institute of Engineering, Bachupally, Bachpalle, Medchal-Malkajgiri, Telangana – 500 090. For further details in relation to educational qualifications, experience in the business, directorships held, special achievements, his business and financial activities see “*Our Management – Brief Biographies of Directors*” on page 295.

The permanent account number of our Promoter is AJCPK4950G.

Our Company confirms that the PAN, bank account number(s), Aadhaar card number and passport number of our Promoter shall be submitted to the Stock Exchanges, at the time of filing this Draft Red Herring Prospectus with them. He does not possess a valid driving license as on the date of this DRHP

M/s S2 Engineering Services

Corporate information

M/s S2 Engineering Services was incorporated as a partnership firm pursuant to a deed of partnership with effect from May 16, 2010, under the Indian Partnership Act, 1932. Its permanent account number is AAEAS9371F. Its place of business is located at Plot no 262, L.B.Nagar, Shapur Nagar, IDA Jeedimetla, Hyderabad - 500055.

Nature of business

M/s S2 Engineering Services is engaged in the business of leasing, rental and investment activities.

M/s S2 Engineering Services is represented by its partners Kandula Krishna Veni and Kandula Ramakrishna and the profit-sharing ratio is 50.00% for each of the partners.

Our Company confirms that the PAN and bank account number of M/s S2 Engineering Services will be submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus with them.

Other ventures of our Promoters

Other than as disclosed in “*Our Promoter Group*” and “*Our Management*” on pages 316 and 293, respectively, our Promoters are not involved in any other ventures.

Change in the management and control of our Company

Kandula Krishna Veni, Kudaravalli Punna Rao, and Nageswara Rao Kandula are the original promoters of our Company. Kandula Ramakrishna has acquired Equity Shares pursuant to a rights issue dated May 25, 2013 and Venkata Mohana Rao Katragadda and M/s S2 Engineering Services have acquired Equity Shares pursuant to a purchase of Equity Shares on June 3, 2020 and January 27, 2020, respectively. However, there has been no effective change in control of our Company since incorporation. Pursuant to the board resolution dated May 29, 2024, our Company has identified Nageswara Rao Kandula, Kandula Krishna Veni, Kandula Ramakrishna, Kudaravalli Punna Rao, Venkata Mohana Rao Katragadda and M/s S2 Engineering Services as the Promoters of our Company. For details in relation to the shareholding of our Promoter and members of our Promoter Group, and changes in the shareholding of our Promoter, including in the five years preceding the date of this Draft Red Herring Prospectus, see “*Capital Structure - Equity Share capital history of our Company*” and “*Capital Structure - History of the Equity Share capital held by our Promoters, Promoters’ Contribution and lock-in*” on pages 102 and 116.

Interests of our Promoters

Our Promoters are interested in our Company to the extent that they are the promoters of our Company and in the formation and promotion of our Company and to the extent of their shareholding in our Company and dividend payable, if any, and other distributions in respect of the Equity Shares held by our Promoters. Further, our Promoters are interested in our Company to the extent of remuneration, commission, perquisites and compensation paid to them and fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of expenses payable to them. For details, see “*Capital Structure*” and “*Our Management*” on pages 102 and 293, respectively.

Our Promoters may be deemed to be interested in our Company to the extent of their respective shareholding in our Group Companies with which our Company transacts during the course of our operations. For details, see “*Our Group Companies*” on page 322.

Our Promoters have no interest in any property acquired in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company for acquisition of land, construction of building or supply of materials.

Certain of our Promoters also have an indirect interest in certain properties taken by our Company on lease. Except as disclosed below our Promoters do not have any direct or indirect interest in the properties that our Company has taken on lease:

Name of lessor	Address of the premises	Term of lease agreement	Rent payable to lessor
M/s S2 Engineering Services	Survey No 42A admeasuring A.C 8-00 guntas (acres 8), situated at Alinagar, Chetlapotharam village, under Gaddapotharam Grampanchayat, jinnaram Mandai, Sangareddy district (old Medak district) Telangana State	8 years from April 1, 2021	₹ 2.00 million per month
M/s S2 Engineering Equipment	All that the work shop and Office Situated at Survey No.53/4, (as per Pass Books & Title Deeds Survey No. 53/A), admeasuring Ac.2-00 Gts, Situated at Bahadurpally Village and Gram Panchayat, Dundigal-Gandimaisamma Mandai, Medchai-Malkajgiri District Telangana State. India.	5 years from November 29, 2021	₹ 0.80 million per month

M/s Engineering Services	S2	All that the work shop and Office Situated at Plot no. 35/A. in Survey No.300(P) and 298(P) admeasuring 7260 Sq. Yards, together with the buildings thereon 5000 sq.feet Situated at Jeedimetla Village Quthbullapur Mandai & Municipality, Medchai Malkajgiri District, Telangana State.	5 years from March 31, 2022	₹ 0.80 million per month
Kandula Ramakrishna		Sy. No. 283, Phase-1, Jeedimetla Village, Quthbullapur, Mandal, Hyderabad-500055, Telangana	2 years from January 1, 2024	₹ 0.15 million per month

No sum has been paid or agreed to be paid to our Promoters or to the firms or companies in which our Promoters are interested as members in cash or shares or otherwise by any person, either to induce our Promoter to become or to qualify our Promoters, as directors or otherwise for services rendered by our Promoters or by such firms or companies in connection with the promotion or formation of our Company.

For details in relation to amount or benefit that has been paid or given within the two preceding years to our Promoter or members of our Promoter group, see “*Restated Consolidated Financial Information - Related Party Transaction*” on page 370. For details regarding interest of our Promoter in our Company, see also “*Restated Consolidated Financial Information - Related Party Transaction*” on page 370.

Experience of the Promoters in the business of our Company

Our Promoters have adequate experience in the business activities undertaken by our Company.

Payment of benefits to our Promoters or members of our Promoter Group

Except as disclosed in the section “*Restated Consolidated Financial Information - Related Party Transaction*” on page 370, no dividend or any amount or benefit has been paid or given during the two years preceding the filing of this Draft Red Herring Prospectus or is intended to be paid or given to our Promoters or members of our Promoter Group.

Material guarantees given by our Promoters to third parties with respect to specified securities of our Company

Our Promoters have not provided any material guarantees to third parties with respect to the specified securities of our Company.

Companies or firms with which our Promoters has disassociated in the last three years

Our Promoters have not disassociated themselves from any company or firm in the three years immediately preceding the date of this Draft Red Herring Prospectus.

Confirmations

None of our Promoters have been declared as Wilful Defaulters or Fraudulent Borrowers. Our Individual Promoters have not been declared as Fugitive Economic Offender.

Our Promoters and members of our Promoter Group have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is debarred from accessing capital markets under any order or direction passed by SEBI.

Our Promoters are not involved in any venture that is in the same line of activities or business as that of our Company.

Our Promoters have no conflict of interest with the suppliers of raw materials and third party service providers (crucial for operations of the Company) and the lessors of immovable property of the Company (crucial for operations of the Company).

Our Promoter Group

The following individuals and entities constitute our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations:

(a) Natural persons who are part of our Promoter Group

The following table sets forth details of the persons who form part of our Promoter Group (due to their relationship with our Individual Promoter):

Name of our Promoter	Name of the Relative	Relationship with our Promoter
Nageswara Rao Kandula	Lakshmi Rajyam Kandula	Mother
	Bhanu Prakash Kandula	Son
	Kandula Dharani Srita	Daughter
	Bandi Narasimha Rao	Father of the spouse
	Bandi Sitamahalakshmi	Mother of the spouse
	1. Radhakrishna Bandi 2. Subbaram Bandi	Brother of the spouse
Kandula Krishna Veni	Bandi Narasimha Rao	Father
	Bandi Sitamahalakshmi	Mother
	1. Radhakrishna Bandi 2. Subbaram Bandi	Brother
	Bhanu Prakash Kandula	Son
	Kandula Dharani Srita	Daughter
	Lakshmi Rajyam Kandula	Mother of the spouse
Kandula Ramakrishna	Kandula Kavitha	Spouse
	Lakshmi Rajyam Kandula	Mother
	1. Kandula Bharath Kumar 2. Kandula Varun Kumar	Son
	Yalla Nageswara Rao	Father of the spouse
	Yalla Subbayamma	Mother of the spouse
	Yalla Koteswara Rao	Brother of the spouse
Kudaravalli Punna Rao	Balabhavani K.	Spouse
	1. Kudharavalli Subbarao 2. K. Naga Bhushana Rao	Brother
	Atluri Sowbhagya Lakshmi	Sister
	1. Kudaravalli Srikanth 2. Krishna Kanth Kudaravalli	Son
	Lakshmi Rajyam Katragadda	Mother of the spouse
	Venkata Siva Prasad Katragadda	Brother of the spouse
Venkata Mohana Rao Katragadda	Katragadda Venkata Ramani	Spouse
	Lakshmi Rajyam Katragadda	Mother
	Venkata Siva Prasad Katragadda	Brother
	Balabhavani K.	Sister
	Poojitha Katragadda	Daughter
	Venkata Rao Nadella	Father of the spouse
M/s S2 Engineering Services	N.A	N.A

(b) Entities forming part of our Promoter Group:

Name of our Promoter	Promoter Group Entity
Nageswara Rao Kandula	1. Stylo Properties LLP 2. Stanseals Private Limited 3. Standard Group of Companies Private Limited 4. Schematic Engineering Industries Private Limited 5. Standard Assets India Private Limited

Name of our Promoter	Promoter Group Entity
	<ol style="list-style-type: none"> 6. Stanvalves & Controls Private Limited 7. Stylosoft LLP 8. Styloworld LLP 9. M/s Stanpumps Engineering Industries 10. M/s Schematic Engineering Industries 11. Ms S2 Engineering Equipment 12. M/s Standard Holdings 13. M/s Stanflow Engineering Industries 14. M/s Standard Equipment Leasing Services 15. M/s Standard Properties 16. M/s Sunrax Process Technologies 17. Styrax Instruments India Private Limited
Kandula Krishna Veni	<ol style="list-style-type: none"> 1. Stanseals Private Limited 2. Standard Group of Companies Private Limited 3. Schematic Engineering Industries Private Limited 4. Standard Assets India Private Limited 5. Stylosoft LLP 6. Stylo Properties LLP 7. Stanvalves and Controls Private Limited 8. Stylo World LLP 9. S2 Engineering Industry Private Limited 10. Standard Flora Private Limited 11. CPK Engineers Equipment Private Limited 12. Standard Engineering Solutions Private Limited 13. M/s Stanpumps Engineering Industries 14. M/s Schematic Engineering Industries 15. M/s S2 Engineering Equipment 16. M/s Standard Holdings 17. M/s Stanflow Engineering Industries 18. M/s Standard Equipment Leasing Services 19. M/s Standard Properties 20. M/s Sunrax Process Technologies 21. Styrax Instruments India Private Limited
Kandula Ramakrishna	<ol style="list-style-type: none"> 1. Standard Group of Companies Private Limited 2. Standard Assets India Private Limited 3. Stylo Properties LLP 4. S2 Engineering Industry Private Limited 5. Standard Flora Private Limited 6. CPK Engineers Equipment Private Limited 7. Standard Engineering Solutions Private Limited 8. M/s Stanpumps Engineering Industries 9. M/s S2 Engineering Equipment 10. M/s Standard Holdings 11. M/s Stanflow Engineering Industries 12. M/s Standard Equipment Leasing Services 13. M/s Standard Properties 14. M/s Synergen Solutions 15. M/s Nextgen Unity 16. M/s Apex Consulting 17. M/s Autonomy Solutions 18. M/s SK Power Solutions 19. Sri Varun Fabrications 20. Sri Krishna Equipment
Kudaravalli Punna Rao	<ol style="list-style-type: none"> 1. M/s Veda Agro Farms
Venkata Mohana Rao Katragadda	<ol style="list-style-type: none"> 1. M/s Veda Agro Farms
M/s S2 Engineering Services	N.A

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations and applicable accounting standards, “Group Companies” of the Company include (i) the companies (other than the promoters and subsidiaries) with which there were related party transactions as per the Restated Consolidated Financial Information; and (ii) other companies considered material by the Board.

Accordingly, pursuant to the resolution passed by our Board at its meeting held on July 19, 2024, group companies of our Company shall include:

- a. the companies with which there were related party transactions as per the Restated Consolidated Financial Information during any of the last three Fiscals in respect of which the Restated Consolidated Financial Information are included in the Draft Red Herring Prospectus;
- b. companies forming part of our Promoter Group with whom the Company has entered into related party transactions during the last completed Fiscal which cumulatively exceeds 10% of the total revenue of our Company for the last completed Fiscal as per the Restated Consolidated Financial Information.

Accordingly, in terms of the Materiality Policy adopted by our Board for determining group companies, our Board has identified the following companies as Group Companies:

Sr. No.	Group Company	Registered Office
1.	Schematic Engineering Industries Private Limited	S.V.C.I.E., Plot No.18/A, Road No. 10, Phase – 1, IDA Jeedimetla, Hyderabad, Rangareddi, Telangana, India - 500055.
2.	Standard Group of Companies Private Limited	D-12, Phase – 1, IDA – Jeedimetla, Hyderabad, Telangana - 500055.
3.	Stanseals Private Limited	Plot No.24/C, Phase III, IDA, Jeedimetla, Quthbullapur, Hyderabad, Rangareddi, Telangana, India - 500055.
4.	Stanvalves and Controls Private Limited	Plot No.189/A, L.B. Nagar, Shapoor Nagar Jeedimetla, Ranga Reddy, Hyderabad, Telangana, India – 500055.
5.	Higenic Flora Private Limited	SY NO 364/1,364/2, Nawabpet, Shivampet, Medak, Telangana, 502313.

Details of our top five Group Companies based on turnover

In accordance with the SEBI ICDR Regulations, information with respect to (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value of our top five Group Companies (based on turnover) for the previous three Fiscals, extracted from their respective audited financial statements (as applicable) are available at the following websites of the respective Group Companies:

Sl. No.	Name of the Top Five Group Company	Website
1.	Schematic Engineering Industries Private Limited*	www.schematicind.com/investors/financials
2.	Standard Group of Companies Private Limited*	https://www.Stangroupco.com/investors#financials-of-the-group-companies
3.	Stanseals Private Limited	https://www.standardglr.com/investors#financials-of-the-group-companies
4.	Stanvalves and Controls Private Limited	www.stanvalves.com/investors/financials
5.	Higenic Flora Private Limited*	https://www.standardglr.com/investors#financials-of-the-group-companies

**These Group Companies have been incorporated less than three years ago. Hence, the financials for the relevant periods since their incorporation have been included.*

Our Company is providing a website link in relation to those Group Companies which do not possess a website of their own, to solely to comply with the requirements specified under the SEBI ICDR Regulations. The

information provided on the websites above should not be relied upon or used as a basis for any investment decision.

Neither the Company, nor any of the BRLMs, nor any of their respective directors, employees, affiliates, associates, advisors, agents or representatives accept any liability whatsoever for any loss arising from any information presented or contained in the websites given above.

Nature and extent of interest of our Group Companies

a. *In the promotion of our Company*

Our Group Companies do not have any interest in the promotion of our Company.

b. *In the properties acquired by us in the preceding three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company*

Our Group Companies are not interested in the properties acquired by us in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on the date of this Draft Red Herring Prospectus.

c. *In transactions for acquisition of land, construction of building and supply of machinery*

Except as disclosed in the section “*Restated Consolidated Financial Information – Related Party Transactions*” on page 370, our Group Companies are not interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Common Pursuits between our Group Companies and our Company

There are no common pursuits between our Group Companies and our Company.

Related Business Transactions with the Group Company and significance on the financial performance of our Company

Other than the transactions disclosed in the section “*Restated Consolidated Financial Information – Related Party Transactions*” on page 370, there are no other related business transactions, existing or contemplated, between our Company and our Group Companies.

Business interest of our Group Companies in our Company

Other than the transactions disclosure in the section “*Restated Consolidated Financial Information – Related Party Transactions*” on page 370, our Group Companies have no business interests in our Company.

Litigation

Our Group Companies are not a party to any pending litigations which will have a material impact on our Company.

Other Confirmations

The equity shares of our Group Companies are not listed on any stock exchange in India or abroad. None of our Group Companies has debt securities which are listed on any stock exchange in India or abroad. Our Group Companies have not made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Draft Red Herring Prospectus. For further details, please see the section “*Other Regulatory and Statutory Disclosures- Particulars regarding capital issues by our Company and listed group companies, subsidiary, or associate entities during the last three years*” beginning on page 455.

None of the securities of our Group Companies have been refused listing by any stock exchange in India or abroad during the last ten years, nor have our Group Companies failed to meet the listing requirements of any stock exchange in India or abroad.

Our Group Companies and its directors do not have any conflict of interest with the suppliers of raw materials and third party service providers (crucial for operations of the Company) and there are no conflicts of interest between our Group Companies and the lessors of immovable property of the Company (crucial for operations of the Company).

There are no material existing or anticipated transactions in relation to the utilization of the Issue Proceeds or project cost with our Group Companies.

DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the applicable law, including the Companies Act.

The dividend distribution policy of our Company was adopted and approved by our Board in their meeting held on July 19, 2024. The declaration and payment of dividend, if any, will depend on a number of internal and external factors, which, *inter alia*, include (i) profits earned by our Company, (ii) present and future capital requirements, (iii) overall financial position of our Company and (iv) uncertainty in economic conditions. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, see “*Financial Indebtedness*” on page 406.

Our Company has not paid any dividend on the Equity Shares for the Fiscals 2024, 2023, 2022, and until the date of this Draft Red Herring Prospectus.

The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares issued in the Issue. There is no guarantee that any dividends will be declared or paid in the future. For details of risks in relation to our capability to pay dividend, see “*Risk Factors – We cannot assure the payment of dividends on the Equity Shares in the future*” on page 68.

SECTION VII: FINANCIAL INFORMATION
RESTATED CONSOLIDATED FINANCIAL INFORMATION

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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, Restated Consolidated Statement of Profits and Losses (including Other Comprehensive Income), Restated Consolidated Statement of Changes in Equity and 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 Standard Glass Lining Technology Limited (collectively, the “Restated Consolidated Financial Information”)

The Board of Directors
Standard Glass Lining Technology Limited
D. 12, Phase 1, IDA
Jeedimetla, Hyderabad
Telangana – 500 055.

Dear Sirs / Madams,

1. We, “M S K A & Associates”, Chartered Accountants (“We” or “Us” or “Our” or “the Firm”) have examined the Restated Consolidated Financial Information of **Standard Glass Lining Technology Limited** (the “Company” or the “Issuer”) and its subsidiaries (the Company and its subsidiaries together referred to as the “Group”), which comprises the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, Restated Consolidated Statement of Profits and Losses (including Other Comprehensive Income), Restated Consolidated Statement of Changes in Equity and 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, 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 of equity shares of face value of Rs. 10 each (“IPO” or “Offer”). The Restated Consolidated Financial Information, approved by the Board of Directors of the Company (the “Board of Directors”) at their meeting held on July 19, 2024, has 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 28 October 2021 from Securities and Exchange Board of India (SEBI) to Association of Investment Bankers of India (“SEBI Communication”).

2. The Company's Board of Directors is responsible for the preparation and presentation of Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India ("SEBI"), BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") in connection with the Offer. The Restated Consolidated Financial Information has been prepared by the Management of the Company in accordance with the basis of preparation stated in Note 2.1 of Annexure V to 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 are also responsible for identifying and ensuring compliance with the Act, the SEBI ICDR Regulations, the Guidance Note and SEBI Communication.

3. We have examined the Restated Consolidated Financial Information taking into consideration:

- a) The terms of reference and terms of our engagement agreed with the Company in accordance with our engagement letter dated June 18, 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.

Our work was performed solely to assist you in meeting your responsibilities in relation to compliance with the Act, the SEBI ICDR Regulations, Guidance Note and SEBI Communication in connection with the Offer.

4. The Restated Consolidated Financial Information have been compiled by the Management from:

- a) the audited consolidated Ind AS financial statements of the Group as at and for the years ended March 31, 2024 and March 31, 2023, prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on June 17, 2024 and April 30, 2023, respectively;
- b) the audited special purpose consolidated Ind AS financial statements of the Group as at and for the financial year ended March 31, 2022, prepared by the Management in accordance with the with Basis of Preparation, as set out in Note 2.1(A)(II) to the Restated Consolidated Financial Information, which has been approved by the Board of Directors at their meeting held on July 19, 2024.

The Special Purpose Financial Statements as at and for the year ended March 31, 2022 referred to in Para 4(b) 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 exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 01, 2021) 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, in accordance with Ind AS, pursuant to the SEBI Communication.

5. For the purpose of our examination, we have relied on:
 - a) Auditor's reports issued by us dated June 17, 2024 and April 30, 2023 on the audited consolidated Ind AS financial statements of the Group as at and for the years ended March 31, 2024 and March 31, 2023 respectively as referred to in Para 4(a) above.
 - b) Auditor's report issued by us dated July 19, 2024, on the audited special purpose consolidated Ind AS financial statements of the Group as at and for the financial year ended March 31, 2022, as referred in Para 4(b) above.
6. Our audit report on the audited consolidated Ind AS financial statements of the Group as at and for the financial year ended March 31, 2024 referred to in para 5(a) above includes Other Matter Paragraph which is reproduced below:

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of Rs. 435.70 million as at March 31, 2024, total revenues of Rs. 301.52 million and net cash flows amounting to Rs. 0.22 million for the financial year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of Rs. 32.99 million in respect of the three subsidiaries for the financial year ended March 31, 2024, as considered in the consolidated financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.
7. Based on the above and according to the information and explanations given to us, we report that:
 - a) 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 each of the financial 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 financial year ended March 31, 2024, as more fully described in Note 2.1 of Annexure V and Annexure VII to the Restated Consolidated Financial Information (Restated Statement of Adjustments to Audited Financial Statements);
 - b) there are no qualifications in the auditor's reports issued on the consolidated audited Ind AS financial statements of the Company as at and for the years ended March 31, 2024 and March 31, 2023 and on the audited special purpose consolidated Ind AS financial statements of the Company as at and for the financial year ended March 31, 2022, which require any adjustments to the Restated Consolidated Financial Information. There is an Emphasis of Matter (refer paragraph 5(b) above) which does not require any adjustment to the Restated Consolidated Financial Information; and
 - c) Restated Consolidated Financial Information has been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note.
8. The Restated Consolidated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated financial statements mentioned in paragraph 4 above.
9. This report should not, in any way, be construed as a reissuance or re-dating of any of the previous auditor's reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of this report.
11. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with the SEBI, BSE and NSE, in connection with the 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 this examination report.

For M S K A & Associates

Chartered Accountants

Firm Registration Number: 105047W

Mukesh Kumar Pugalia

Partner

Membership No: 221387

UDIN: 24221387BKELYP7120

Place: Hyderabad

Date: July, 19, 2024

Standard Glass Lining Technology Limited
(Formerly known as Standard Glass Lining Technology Private Limited)
(CIN: U29220TG2012PLC082904)
Annexure I: Restated Consolidated Statement of Assets and Liabilities
(All amounts are in INR Million, unless otherwise stated)

	Annexure VI Note	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Assets				
Non-current assets				
Property, plant and equipment	3	822.08	546.82	319.33
Capital work-in-progress	4	44.70	32.91	7.00
Right-of-use assets	5	129.73	197.41	196.67
Other intangible assets	6	9.66	6.16	3.90
Financial assets				
Loans	7	-	-	2.48
Other financial assets	8	14.24	21.26	35.51
Income tax asset (net)		-	6.85	-
Other non-current assets	9	45.55	35.15	40.63
Total non-current assets		1,065.96	846.56	605.52
Current assets				
Inventories	10	2,248.02	1,434.09	1,259.27
Financial assets				
Trade receivables	11	1,547.80	912.81	821.66
Cash and cash equivalents	12	154.55	54.21	1.17
Bank balances other than cash and cash equivalents	13	364.88	-	-
Other financial assets	8	955.31	51.99	12.24
Other current assets	14	317.25	178.19	281.21
Total current assets		5,587.81	2,631.29	2,375.55
Total assets		6,653.77	3,477.85	2,981.07
Equity and liabilities				
Equity				
Equity share capital	15	181.63	157.85	153.00
Other equity	16	3,891.77	1,399.35	536.59
Equity attributable to owners of the parent		4,073.40	1,557.20	689.59
Non-controlling interests	44	16.37	-	-
Total equity		4,089.77	1,557.20	689.59
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	17	5.79	30.30	67.89
Lease liabilities	5	124.31	184.73	182.46
Provisions	20	8.86	20.83	14.22
Deferred tax liabilities (net)	21	6.05	5.85	3.84
Total non-current liabilities		145.01	241.71	268.41
Current liabilities				
Financial liabilities				
Borrowings	18	1,132.03	570.32	423.61
Lease liabilities	5	31.11	34.27	24.12
Trade payables	19			
Total outstanding dues of micro enterprises and small enterprises		69.11	82.60	61.30
Total outstanding dues of creditors other than micro enterprises and small enterprises		817.95	667.06	563.46
Other financial liabilities	22	17.55	7.73	20.52
Provisions	20	8.91	8.33	5.88
Other current liabilities	23	324.85	293.63	893.21
Current tax liabilities (net)	24	17.48	15.00	30.97
Total current liabilities		2,418.99	1,678.94	2,023.07
Total liabilities		2,564.00	1,920.65	2,291.48
Total equity and liabilities		6,653.77	3,477.85	2,981.07

The above statement should be read with Material Accounting Policies to Restated Consolidated Financial Information in Annexure V, Notes to Restated Consolidated Financial Information in Annexure VI and Statement of Adjustments 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
Standard Glass Lining Technology Limited
(CIN: U29220TG2012PLC082904)

Mukesh Kumar Pugalia
Partner
Membership No: 221387

Kandula Nageswara Rao
Managing Director
DIN: 00762497

Katragadda Venkata Mohana Rao
Director
DIN: 08362181

Anjaneyulu Pathuri
Chief Financial Officer

Hima Priya Kallam
Company Secretary
ICSI M No: 62384

Place: Hyderabad
Date: 19 July 2024

Place: Hyderabad
Date: 19 July 2024

Place: Hyderabad
Date: 19 July 2024

Standard Glass Lining Technology Limited
(Formerly known as Standard Glass Lining Technology Private Limited)
(CIN: U29220TG2012PLC082904)

Annexure II: Restated Consolidated Statement of Profit and Loss
(All amounts are in INR Million, unless otherwise stated)

	Annexure VI Note	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Income				
Revenue from operations	25	5,436.69	4,975.88	2,401.87
Other income	26	60.12	24.88	13.15
Total income		5,496.81	5,000.76	2,415.02
Expenses				
Cost of materials consumed	27	3,516.61	2,996.65	1,391.87
Changes in inventories of finished goods and work-in-progress	28	(339.94)	(141.74)	(240.42)
Employee benefits expenses	29	207.68	157.52	135.21
Finance costs	30	117.90	86.96	37.73
Depreciation and amortisation expenses	31	93.28	77.07	42.36
Other expenses	32	1,103.27	1,105.77	710.57
Total expenses		4,698.80	4,282.23	2,077.32
Restated profit before tax		798.01	718.53	337.70
Income tax expense/(credit)	33			
Current tax				
- for the current year		197.05	182.40	90.77
- pertaining to earlier year(s)		0.77	(0.29)	-
Deferred tax		0.08	2.18	(4.52)
Total income tax expense		197.90	184.29	86.25
Restated profit for the year		600.11	534.24	251.45
Other comprehensive income				
Item that will not be reclassified to profit and loss				
Remeasurement of post-employment defined benefit plan		0.53	(0.71)	0.72
Income tax relating to the above item		(0.13)	0.18	(0.18)
Restated other comprehensive income/(loss) for the year		0.40	(0.53)	0.54
Restated total comprehensive income for the year		600.51	533.71	251.99
Restated profit for the year attributable to:				
Owners of the parent		583.84	534.24	251.45
Non-controlling interests		16.27	-	-
		600.11	534.24	251.45
Restated other comprehensive income for the year attributable to:				
Owners of the parent		0.40	(0.53)	0.54
Non-controlling interests		-	-	-
		0.40	(0.53)	0.54
Restated total comprehensive income attributable to:				
Owners of the parent		584.24	533.71	251.99
Non-controlling interests		16.27	-	-
		600.51	533.71	251.99
Restated earnings per equity share (Face value of share - INR 10 each)				
	34			
Basic (INR)		3.52	3.49	2.22
Diluted (INR)		3.52	3.49	2.22

The above statement should be read with Material Accounting Policies to Restated Consolidated Financial Information in Annexure V, Notes to Restated Consolidated Financial Information in Annexure VI and Statement of Adjustments 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

Standard Glass Lining Technology Limited

(CIN: U29220TG2012PLC082904)

Mukesh Kumar Pugalia

Partner

Membership No: 221387

Kandula Nageswara Rao

Managing Director

DIN: 00762497

Katragadda Venkata Mohana Rao

Director

DIN: 08362181

Anjaneyulu Pathuri

Chief Financial Officer

Hima Priya Kallam

Company Secretary

ICSI M No: 62384

Place: Hyderabad

Date: 19 July 2024

Place: Hyderabad

Date: 19 July 2024

Place: Hyderabad

Date: 19 July 2024

Standard Glass Lining Technology Limited
(Formerly known as Standard Glass Lining Technology Private Limited)
(CIN: U29220TG2012PLC082904)
Annexure III: Restated Consolidated Statement of Changes in Equity
(All amounts are in INR Million, unless otherwise stated)

A. Equity share capital

Equity shares of INR 10 each issued, subscribed and fully paid

Balance as at 1 April 2023

Changes in equity share capital during the year

Balance as at 31 March 2024

Annexure VI Note	Number of shares	Amount
	1,57,84,607	157.85
15.1	23,78,845	23.78
	1,81,63,452	181.63

Balance as at 1 April 2022

Changes in equity share capital during the year

Balance as at 31 March 2023

Number of shares	Amount
1,53,00,000	153.00
4,84,607	4.85
1,57,84,607	157.85

Balance as at 1 April 2021

Changes in equity share capital during the year

Balance as at 31 March 2022

Annexure VI Note	Number of shares	Amount
	90,00,000	90.00
15.1	63,00,000	63.00
	1,53,00,000	153.00

B. Other equity

	Annexure VI Note	Attributable to owners of the parent				Total other equity	Non-controlling interests (Annexure VI Note 44)	Total
		Reserves and surplus			Item of other comprehensive income			
		Securities premium	Capital reserve	Retained earnings	Re-measurement gains/(losses) on defined benefit plan			
Balance as at 1 April 2023		493.34	(9.47)	915.47	0.01	1,399.35	-	1,399.35
Restated profit for the year		-	-	583.84	-	583.84	16.37	600.21
Restated other comprehensive income for the year		-	-	-	0.40	0.40	-	0.40
Restated total comprehensive income for the year		-	-	583.84	0.40	584.24	16.37	600.61
Transactions with owners in their capacity as owners:								
Issue of equity shares during the year	16.1(i)	1,908.18	-	-	-	1,908.18	-	1,908.18
		1,908.18	-	-	-	1,908.18	-	1,908.18
Balance as at 31 March 2024		2,401.52	(9.47)	1,499.31	0.41	3,891.77	16.37	3,908.14

Standard Glass Lining Technology Limited
(Formerly known as Standard Glass Lining Technology Private Limited)
(CIN: U29220TG2012PLC082904)
Annexure III: Restated Consolidated Statement of Changes in Equity
(All amounts are in INR Million, unless otherwise stated)

	Annexure VI Note	Attributable to owners of the parent				Total other equity	Non-controlling interests (Annexure VI Note 44)	Total
		Reserves and surplus			Item of other comprehensive income			
		Securities premium	Capital reserve	Retained earnings	Re-measurement gains/(losses) on defined benefit plan			
Balance as at 1 April 2022		164.29	(9.47)	381.23	0.54	536.59	-	536.59
Restated profit for the year		-	-	534.24	-	534.24	-	534.24
Restated other comprehensive income for the year		-	-	-	(0.53)	(0.53)	-	(0.53)
Restated total comprehensive income for the year		-	-	534.24	(0.53)	533.71	-	533.71
Transactions with owners in their capacity as owners:								
Issue of equity shares during the year	16.1(i)	329.05	-	-	-	329.05	-	329.05
		329.05	-	-	-	329.05	-	329.05
Balance as at 31 March 2023		493.34	(9.47)	915.47	0.01	1,399.35	-	1,399.35

	Annexure VI Note	Attributable to owners of the parent				Total other equity	Non-controlling interests (Annexure VI Note 44)	Total
		Reserves and surplus			Item of other comprehensive income			
		Securities premium	Capital reserve	Retained earnings	Re-measurement gains/(losses) on defined benefit plan			
Balance as at 1 April 2021		6.79	-	129.78	-	136.57	-	136.57
Restated profit for the year		-	-	251.45	-	251.45	-	251.45
Restated other comprehensive income for the year		-	-	-	0.54	0.54	-	0.54
Restated total comprehensive income for the year		-	-	251.45	0.54	251.99	-	251.99
Transactions with owners in their capacity as owners:								
Issue of equity shares during the year	16.1(i)	157.50	-	-	-	157.50	-	157.50
On account of business combination	38.1(c)	-	(9.47)	-	-	(9.47)	-	(9.47)
		157.50	(9.47)	-	-	148.03	-	148.03
Balance as at 31 March 2022		164.29	(9.47)	381.23	0.54	536.59	-	536.59

The above statement should be read with Material Accounting Policies to Restated Consolidated Financial Information in Annexure V, Notes to Restated Consolidated Financial Information in Annexure VI and Statement of Adjustments 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
Standard Glass Lining Technology Limited
(CIN: U29220TG2012PLC082904)

Mukesh Kumar Pugalia
Partner
Membership No: 221387

Kandula Nageswara Rao
Managing Director
DIN: 00762497

Katragadda Venkata Mohana Rao
Director
DIN: 08362181

Anjaneyulu Pathuri
Chief Financial Officer

Hima Priya Kallam
Company Secretary
ICSI M No: 62384

Place: Hyderabad
Date: 19 July 2024

Place: Hyderabad
Date: 19 July 2024

Place: Hyderabad
Date: 19 July 2024

Annexure IV: Restated Consolidated Statement of Cash Flows
(All amounts are in INR Million, unless otherwise stated)

	Annexure VI Note	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flows from operating activities				
Restated profit before tax		798.01	718.53	337.70
Adjustments for :				
Depreciation and amortisation expenses	31	93.28	77.07	42.36
Finance costs	30	117.90	86.96	37.73
Gain on termination of leases	26	(3.37)	-	-
Interest income	26			
On fixed deposits at amortised cost		(39.12)	(1.06)	(0.99)
On other financial assets at amortised cost		-	(0.58)	(4.94)
On other deposits		(1.76)	-	-
Liabilities no longer required written back	26	-	-	3.17
Allowance for expected credit loss including bad debts written off		23.29	11.44	13.91
Advances written off		-	-	0.72
Operating profit before working capital changes		988.23	892.36	429.66
Changes in working capital				
(Increase)/decrease in inventories		(813.93)	(174.82)	(481.88)
(Increase)/ decrease in trade receivables		(658.28)	(102.59)	(392.89)
(Increase)/decrease in other financial assets		12.02	(25.67)	(17.17)
(Increase)/decrease in other current assets		(139.06)	103.03	(56.65)
(Increase)/decrease in other non-current assets		(8.51)	(3.56)	(6.38)
Increase/(decrease) in trade payables		137.39	124.92	148.80
Increase/(decrease) in other financial liabilities		-	-	10.06
Increase/(decrease) in provisions		(10.86)	8.35	(40.15)
Increase/(decrease) in other current liabilities		31.22	(599.58)	420.16
Cash generated from/(used) in operations		(461.78)	222.44	13.56
Income taxes paid (net of refunds)		(188.49)	(204.93)	(85.05)
Net cash flows from/(used in) operating activities (A)		(650.27)	17.51	(71.49)
Cash flows from investing activities				
Payments for acquisition of property, plant and equipment		(331.03)	(292.20)	(51.34)
Payments for acquisition of intangible assets		(4.99)	(2.26)	(1.66)
Investment in deposits		(1,248.65)	-	-
Payments made for business combinations, net of cash acquired		-	-	(261.18)
Proceeds from loans to related parties		-	2.48	0.02
Loans to related parties		-	-	10.86
Interest received		16.33	1.81	5.92
Net cash flows used in investing activities (B)		(1,568.34)	(290.17)	(297.38)
Cash flows from financing activities				
Proceeds from issue of equity shares to owners		1,931.96	333.90	211.03
Proceeds from issue of equity shares to non - controlling Interest (NCI)		0.10	-	-
Proceeds from/(repayment of) non-current borrowings (net)		(24.51)	(37.59)	2.71
Proceeds from/(repayment of) current borrowings (net)		561.71	146.70	206.55
Payment of principal portion of lease liabilities		(32.41)	(30.35)	(12.59)
Payment of interest portion of lease liabilities		(16.60)	(19.91)	(14.34)
Finance costs paid		(101.30)	(67.05)	(23.39)
Net cash flows from financing activities (C)		2,318.95	325.70	369.97
Net increase in cash and cash equivalents (A+B+C)		100.34	53.04	1.10
Cash and cash equivalents at the beginning of the year		54.21	1.17	0.06
Cash and cash equivalents at end of the year		154.55	54.21	1.17
Cash and cash equivalents comprise				
Cash on hand	12	0.19	0.01	0.03
Balances with banks				
In current accounts		154.36	54.20	1.14
Cash and cash equivalents at end of the year		154.55	54.21	1.17

Refer to Annexure VI Note 18.4 for reconciliation of movements of liabilities to cash flows arising from financing activities.

The above statement should be read with Material Accounting Policies to Restated Consolidated Financial Information in Annexure V, Notes to Restated Consolidated Financial Information in Annexure VI and Statement of Adjustments 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

Standard Glass Lining Technology Limited

(CIN: U29220TG2012PLC082904)

Mukesh Kumar Pugalía

Partner

Membership No: 221387

Kandula Nageswara Rao

Managing Director

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Chief Financial Officer

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ICSI M No: 62384

Place: Hyderabad
Date: 19 July 2024

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Place: Hyderabad
Date: 19 July 2024

Standard Glass Lining Technology Limited
(Formerly known as Standard Glass Lining Technology Private Limited)
(CIN: U29220TG2012PLC082904)
Annexure V: Material Accounting Policies to Restated Consolidated Financial Information
(All amounts are in INR Million, unless otherwise stated)

1 Corporate information

Standard Glass Lining Technology Limited (formerly known as Standard Glass Lining Technology Private Limited) ("the Company" / "the Holding Company" / "the Parent") (CIN: U29220TG2012PLC082904) together with its subsidiaries (collectively, "the Group") is a public limited company domiciled and incorporated in India under the provisions of Companies Act, 1956 on 6 September 2012. The Company has converted itself into unlisted public Company with effective from 17 June 2022 and consequently, the name was changed from "Standard Glass Lining Technology Private Limited" to "Standard Glass Lining Technology Limited". The registered office of the Company is located at D.12, Phase I, IDA, Jeedimetla, Hyderabad - 500055.

The Group is primarily engaged in the business of manufacturing and selling of glass lined reactors, receivers and storage tanks and is specialised in providing the turnkey solutions for the pharmaceutical industry sector.

2 Summary of material accounting policies

These notes provide a list of the material accounting policies adopted in the preparation of this Restated Consolidated Financial Information. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(A) Statement of compliance and basis for preparation

The Restated Consolidated Financial Information of the Group comprise the Restated Consolidated Statement of Assets and Liabilities as at 31 March 2024, 31 March 2023, and 31 March 2022, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Cash Flows, the Restated Consolidated Statement of Changes in Equity for the years ended 31 March 2024, 31 March 2023 and 31 March 2022, Material Accounting Policies to Restated Consolidated Financial Information and Statement of Adjustments to the Restated Consolidated Financial Information (hereinafter collectively referred to as "Restated Consolidated Financial Information").

These Restated Consolidated Financial Information have been prepared for the Group as a going concern on the basis of relevant Ind AS that are effective as at 31 March 2024. These Restated Consolidated Financial Information have been approved by the Board of Directors on 19 July 2024.

These Restated Consolidated Financial Information have been prepared by the management of the Company in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, issued by the Securities and Exchange Board of India (SEBI) on 11 September 2018, in pursuance of the Securities and Exchange Board of India Act, 1992 ("SEBI ICDR Regulations") for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") in connection with its proposed Initial Public Offering of equity shares of the Company prepared in terms of the requirements of :

- a) the Sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
- b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations"); and
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

The Restated Consolidated Financial Information have been prepared by the Management of the company and compiled from:

I. Audited Consolidated Ind AS Financial Statements of the Group as at and for the years ended 31 March 2024 and 31 March 2023 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 including the requirements of the Act, which has been approved by the Board of Directors at their meeting held on 17 June 2024 and 30 April 2023 respectively.

II. Audited Special Purpose Consolidated Ind AS Financial Statements of the Group as at and for the year ended 31 March 2022, prepared as per following basis :

The Audited Special Purpose Consolidated Ind AS Financial Statements of the Group as at and for the year ended 31 March 2021, have been prepared by the management of the Group in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Previous GAAP' or 'Indian GAAP') after giving effect to accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions) availed as per Indian Accounting Standards 101 'First-time Adoption of Indian Accounting Standards' (Ind AS 101) as initially adopted on transition date i.e. 01 April 2021. These Audited Special Purpose Consolidated Ind AS Financial Statements have been approved by the Board of Directors on 19 July 2024.

In pursuance to general directions received from Securities and Exchange Board of India (SEBI) vide their email dated 28 October 2021 received by the Book Running Lead Managers ('BRLMs') of the Company through Association of Investment Bankers of India (AIBI), as shared with us, these Special Purpose Financial Statements have been prepared solely for the purpose of preparation of Restated Consolidated Financial Information for inclusion in Offer document in relation to the proposed IPO. As such these Special Purpose Financial Statements are not suitable for any other purpose other than for the purpose of preparation of Restated Consolidated Financial Information and are also not financial statements prepared pursuant to any requirements under section 129 of the Companies Act, 2013, as amended.

The accounting policies have been consistently applied by the Group in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of financial statements for the year ended 31 March, 2024. This Restated Consolidated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of board meeting held to approve and adopt the Audited Special Purpose Consolidated Ind AS Financial Statements and Audited Consolidated Ind AS Financial Statements.

The Restated Consolidated Financial Information have been prepared so as to contain information/disclosures and incorporating adjustments set out below in accordance with the SEBI ICDR Regulations:

- a. Adjustments to the profits or losses of the earlier periods and of the period in which the change in the accounting policy has taken place, recomputed to reflect what the profits or losses of those periods would have been if a uniform accounting policy was followed in each of these periods, if any;
- b. Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the Restated Financial Information of the Group for the year ended 31 March 2024 and the requirements of the SEBI ICDR Regulations, if any;
- c. The resultant impact of tax due to the aforesaid adjustments, if any.
- d. do not require any adjustments for modifications as there is no modification in the underlying audit reports.

(B) Functional and presentation currency

These Restated Consolidated Financial Information are presented in Indian Rupees (INR), which is the Company's functional and presentation currency. All amounts have been rounded-off to the nearest Million, up to two decimal places, unless otherwise indicated.

(C) Basis of measurement

These financial statements have been prepared on the historical cost basis, except for net defined benefit employee obligations which is measured at the present value of defined benefit obligation.

Standard Glass Lining Technology Limited
(Formerly known as Standard Glass Lining Technology Private Limited)
(CIN: U29220TG2012PLC082904)
Annexure V: Material Accounting Policies to Restated Consolidated Financial Information
(All amounts are in INR Million, unless otherwise stated)

(D) Basis of consolidation

The Restated Consolidated Financial Information comprise the financial statements of the Holding company and its subsidiaries as at 31 March 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 financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., year ended on 31 March.

Consolidation procedures

(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 at the acquisition date.

(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 consolidated financial statements.

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.

The Restated Consolidated Financial Information of the Group comprises the financial statements of the Holding company and other members of the Group as set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Name of subsidiaries	Country of incorporation	% of ownership interest held by the Group			Principal activities of each subsidiary
		As at 31 March 2024	As at 31 March 2023	As at 31 March 2022	
S2 Engineering Industry Private Limited	India	100%	100%	100%	Manufacturing and selling of stainless steel and nickel/alloy steel reactors, filters, dryers, vessels, and storage tanks for the pharmaceutical industry sector.
Standard Engineering Solutions Private limited	India	100%	Nil	Nil	Manufacturing and selling of stainless steel and nickel/alloy steel reactors, filters, dryers, vessels, and storage tanks for the pharmaceutical industry sector.
Standard Flora Private Limited	India	51%	Nil	Nil	Manufacturing and selling of PTFE lined metal pipes, PTFE fittings, valves and other equipments, fittings, instruments and accessories thereof.
CPK Engineers Equipment Private Limited	India	51%	Nil	Nil	Manufacturing and selling of stainless steel and nickel/alloy steel reactors, filters, dryers, vessels, and storage tanks for the pharmaceutical industry sector.

(E) Use of estimates and judgements

The preparation of the Restated Consolidated financial information in conformity with Ind AS requires management to make estimates, judgements and assumptions that affects the reported amounts of the assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of revenue and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in the estimates are made as and when management becomes aware of changes in circumstances surrounding the estimates. Changes in the estimates are reflected in the financial information in the period in which the changes are made and, if material, such effects are disclosed in the notes to financial information.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, the areas involving critical estimates or judgments are:

Determining the lease term of contracts with renewal and termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Property, plant and equipment

The depreciation of property, plant and equipment is derived on determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time of acquisition of asset and is reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life.

Provision for expected credit losses (ECL's) of trade receivables

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 plans

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, salary escalation rate and mortality rate. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the defined benefit obligations. The mortality rate is based on publicly available mortality tables. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

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.

(F) Current and 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.

(G) Measurement of fair values

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.

- 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

2.2 Summary of material accounting policies

(A) Revenue from contracts with customers

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 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.

Sale of products

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.

Sale of services

Revenue from sale of services is recognised in accordance with the terms of the relevant agreement entered with customers and revenue is recognised at a point in time as and when the related services are rendered.

(B) 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.

(C) Foreign currency transactions and balances

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.

(D) 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.

(E) 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

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at:

- Amortised cost;
- FVOCI;
- FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest 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 other income in the Statement of 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 Group 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.

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

Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or 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 liabilities are offset and the net amount is reported in the balance sheet if there is a currently legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(F) Property, plant and equipment
Recognition and measurement

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 Group 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

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Category of asset	Useful lives estimated by the management
Factory sheds	30
Plant and machinery	15
Electrical equipment	10
Computers	3
Office equipments	5
Furniture and Fixtures	10
Motor cars and cycles	8 to 10 years

Leasehold improvements are depreciated over the remaining period of the lease or estimated useful life of the assets, whichever is lower.

Depreciation method, useful lives and residual values are reviewed at each period end and adjusted if appropriate.

(G) 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 (Computer software) are amortised over the useful economic life of 6 to 10 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.

(H) 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, stores and spares: 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.

Provision for inventories

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

(I) Impairment of non-financial assets

The Group non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used.

(J) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured on an undiscounted basis at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Defined contribution plans

The Group's contributions to defined contribution plans are charged to the statement of profit and loss as and when the services are received from the employees.

Defined benefit plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market interest rates on government bonds are used. The current service cost of the defined benefit plan, recognised in the statement of profit and loss in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognised immediately in the statement of profit and loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions for defined benefit obligation and plan assets are recognised in OCI in the period in which they arise. When the benefits under a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Group recognises gains or losses on the settlement of a defined benefit plan obligation when the settlement occurs.

Compensated absences

The Group's current policies permit certain categories of its employees to accumulate and carry forward a portion of their unutilised compensated absences and utilise them in future periods or receive cash in lieu thereof in accordance with the terms of such policies. The Group measures the expected cost of accumulating compensated absences as the additional amount that the Group incurs as a result of the unused entitlement that has accumulated at the reporting date. Such measurement is based on actuarial valuation as at the reporting date carried out by a qualified actuary.

The Group presents the compensated absences as a current liability in the balance sheet as it does not have an unconditional right to defer its utilisation for 12 months after the reporting date.

(K) 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.

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.

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.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (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 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.

(L) Income-tax

Income-tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

Current 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. Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

(M) 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.

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.

(N) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

The weighted average number of equity shares outstanding during the year 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 year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(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) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group), whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Operating segments of the Group are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(Q) Business combinations - Common control transactions

Business combinations involving entities that are controlled by the Group are accounted for using the pooling of interest method as follows:

- (i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- (ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- (iii) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- (iv) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- (v) The identity of the reserve are preserved and the reserves of the transferor become the reserves of the transferee.
- (vi) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

3 Property, plant and equipment

	Land*	Plant and machinery**	Furniture and fixtures	Motor vehicles	Office equipment	Computers	Electrical equipment	Lease hold improvements	Buildings	Total
Gross block										
Balance as at 1 April 2021 (Note 3.1)	-	187.01	1.68	2.35	0.68	1.23	36.46	8.52	-	237.93
Additions	-	81.33	2.53	10.35	1.68	1.58	2.70	9.95	-	110.12
Disposals	-	(9.47)	-	-	-	-	-	-	-	(9.47)
Balance as at 31 March 2022	-	258.87	4.21	12.70	2.36	2.81	39.16	18.47	-	338.58
Additions	160.52	55.90	19.78	6.85	5.20	4.75	4.71	6.83	-	264.54
Disposals	-	(3.07)	-	-	-	-	-	-	-	(3.07)
Balance as at 31 March 2023	160.52	311.70	23.99	19.55	7.56	7.56	43.87	25.30	-	600.05
Additions	16.80	169.94	7.90	11.83	4.22	7.37	2.59	29.93	76.59	327.17
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2024	177.32	481.64	31.89	31.38	11.78	14.93	46.46	55.23	76.59	927.22
Accumulated depreciation										
Balance as at 1 April 2021	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	13.45	0.41	0.75	0.08	0.45	3.69	0.42	-	19.25
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	-	13.45	0.41	0.75	0.08	0.45	3.69	0.42	-	19.25
Depreciation for the year	-	21.26	1.01	2.68	1.26	1.98	5.03	0.79	-	34.01
Disposals	-	(0.03)	-	-	-	-	-	-	-	(0.03)
Balance as at 31 March 2023	-	34.68	1.42	3.43	1.34	2.43	8.72	1.21	-	53.23
Depreciation for the year	-	30.74	2.54	3.72	1.94	3.51	4.85	1.31	3.30	51.91
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2024	-	65.42	3.96	7.15	3.28	5.94	13.57	2.52	3.30	105.14
Net block										
Balance as at 31 March 2024	177.32	416.22	27.93	24.23	8.50	8.99	32.89	52.71	73.29	822.08
Balance as at 31 March 2023	160.52	277.0	22.57	16.12	6.22	5.13	35.15	24.09	-	546.82
Balance as at 31 March 2022	-	245.42	3.80	11.95	2.28	2.36	35.47	18.05	-	319.33

* The companies within the Group have been allotted land by Telangana State Industrial Infrastructure Corporation for setting up manufacturing facility. The agreement is entered into with the authority and possession obtained. Pursuant to the terms and conditions, the registration of the land in the name of the respective company would be made once the facility commences commercial operations.

** The Company has received government grant amounting to INR Nil (31 March 2023: INR 2.00 Million and 31 March 2022: INR Nil) towards capital investment made under IIPP 2010-2015 scheme.

3.1 Deemed cost

The Group has elected to continue with the carrying value of its property, plant and equipment recognised as of 1 April 2021 measured as per the Indian GAAP and used that carrying value as its deemed cost as on 1 April 2021 (Note 47).

3.2 Contractual obligations

Refer to note 37(b) for details on contractual commitments for acquiring property, plant and equipment.

3.3 Property, plant and equipment pledged as security

Refer to note 18.1 and 18.2 for details on property, plant and equipment pledged as security.

3.4 Revaluation of assets

The Group has not revalued its property, plant and equipment during the current year and previous years.

4 Capital work-in-progress (CWIP)

	<u>Amount</u>
Balance as at 1 April 2021	-
Additions	7.00
Transfers to property, plant and equipment	-
Balance as at 31 March 2022	7.00
Additions	32.91
Transfers to property, plant and equipment	(7.00)
Balance as at 31 March 2023	32.91
Additions	40.34
Transfers to property, plant and equipment	(28.55)
Balance as at 31 March 2024	44.70

4.1 CWIP ageing schedule

As at 31 March 2024

	<u>Amount in CWIP for a period of</u>				<u>Total</u>
	<u>Less than 1 year</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>More than 3 years</u>	
Project in progress	23.85	20.85	-	-	44.69
Total	23.85	20.85	-	-	44.69

As at 31 March 2023

	<u>Amount in CWIP for a period of</u>				<u>Total</u>
	<u>Less than 1 year</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>More than 3 years</u>	
Project in progress	32.91	-	-	-	32.91
Total	32.91	-	-	-	32.91

As at 31 March 2022

	<u>Amount in CWIP for a period of</u>				<u>Total</u>
	<u>Less than 1 year</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>More than 3 years</u>	
Project in progress	7.00	-	-	-	7.00
Total	7.00	-	-	-	7.00

4.2 There are no projects as CWIP as at 31 March 2024, 31 March 2023 and 31 March 2022 whose completion is overdue or cost of which has exceeded in comparison to its original plan.

5 Leases

The Group has lease contracts for land and buildings and factory premises. The leases generally have lease terms between 1 to 3 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and sub-leasing the leased assets. The Group has several 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 Group's business needs.

The Group also has certain leases with lease terms of 12 months or less and leases with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

5.1 The carrying amount of right-of-use assets recognised and the movements during the year are as follows:

	Land and building leasehold
Gross block	
As at 1 April 2021	-
Additions	219.54
Derecognition	-
As at 31 March 2022	219.54
Additions	42.77
Derecognition	-
As at 31 March 2023	262.31
Additions	-
Derecognition	(42.77)
As at 31 March 2024	219.54
Accumulated amortisation	
As at 1 April 2021	-
Amortisation for the year	22.87
Derecognition	-
As at 31 March 2022	22.87
Amortisation for the year	42.02
Derecognition	-
As at 31 March 2023	64.90
Amortisation for the year	39.88
Derecognition	(14.97)
As at 31 March 2024	89.81
Net block	
As at 31 March 2024	129.73
As at 31 March 2023	197.41
As at 31 March 2022	196.67

5.2 Set out below are the carrying amounts of lease liabilities and the movements during the year:

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
At the beginning of the year	219.00	206.58	-
Additions	-	42.77	219.17
Leases terminated	(31.17)	-	-
Accretion of interest	16.60	19.91	14.34
Payments	(49.01)	(50.26)	(26.93)
At the end of the year	155.42	219.00	206.58
Classified as:			
Non-current	124.31	184.73	182.46
Current	31.11	34.27	24.12
	155.42	219.00	206.58

5.3 The following are the amounts recognised in the statement of profit or loss:

	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Amortisation of right-of-use assets (Note 31)	39.88	42.02	22.87
Interest expense on lease liabilities (Note 30)	16.60	19.91	14.34
Expense relating to short-term leases (Note 32)	16.70	12.18	8.01
Total	73.18	74.11	45.22

5.4 Amounts recognised in the statement of cash flows

	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Total cash outflows with respect to leases (Including short-term leases)	65.71	62.44	34.94
Total	65.71	62.44	34.94

6 Other intangible assets

	Computer software
Gross block	
Balance as at 1 April 2021 (Note 6.1)	2.31
Additions	1.82
Balance as at 31 March 2022	4.13
Additions	3.31
Balance as at 31 March 2023	7.44
Additions	4.99
Balance as at 31 March 2024	12.43
Accumulated amortisation	
Balance as at 1 April 2021	-
Amortisation for the year	0.24
Balance as at 31 March 2022	0.24
Amortisation for the year	1.04
Balance as at 31 March 2023	1.28
Amortisation for the year	1.49
Balance as at 31 March 2024	2.77
Net block	
Balance as at 31 March 2024	9.66
Balance as at 31 March 2023	6.16
Balance as at 31 March 2022	3.90

6.1 Deemed cost

The Group has elected to continue with the carrying value of its intangible assets recognised as of April 1, 2021 measured as per the Indian GAAP and used that carrying value as its deemed cost as on April 1, 2021 (Note 47).

6.2 Revaluation of intangible assets

The Group has not revalued its intangible assets during the current year and previous years.

Annexure VI: Notes to Restated Consolidated Financial Information

(All amounts are in INR Million, unless otherwise stated)

7 Loans

Current

Loans to related parties (Note 35.3(d))

Unsecured, considered good

Total loans

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
	-	-	2.48
	-	-	2.48

- 7.1 Details of loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person, are as follows:

As at 31 March 2022

	Amount outstanding	% to the total loans and advances in the nature of loans
Repayable on demand		
-Other related parties	2.48	100%
	2.48	100%

Refer to note 42 for information about the Group's exposure to financial risks.

8 Other financial assets

Non-current

At amortised cost

(Unsecured, considered good)

Security deposits

Deposit accounts with original maturity for more than 12 months*

Advance with chit fund company

Interest accrued on fixed deposits

Total other non-current financial assets

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
	12.06	5.26	4.90
	2.14	0.40	19.81
	-	15.60	10.80
	0.04	-	-
	14.24	21.26	35.51

*Includes margin money placed against the bank guarantee and letter of credit issued.

Current

Deposit accounts with original maturity for more than 12 months

Interest accrued on fixed deposits

Advances to employees

Total other current financial assets

	918.14	36.11	-
	25.12	0.61	0.78
	12.05	15.27	11.46
	955.31	51.99	12.24

Refer to note 42 for information about the Group's exposure to financial risks.

9 Other non-current assets

(Unsecured, considered good)

Capital advances

Security deposits

Prepaid expenses

Total other non-current assets

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
	12.69	10.80	19.84
	31.46	24.35	20.79
	1.40	-	-
	45.55	35.15	40.63

10 Inventories

(At lower of cost or net realisable value)

Raw materials

(In transit of INR 11.78 Million (31 March 2023: INR 7.40 Million, 31 March 2022: INR 52.23 Million)

Work-in-progress

Finished goods

Consumable stores and spares

Total inventories

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
	904.76	517.46	378.18
	1,234.19	862.04	720.30
	59.85	-	-
	49.22	54.59	160.79
	2,248.02	1,434.09	1,259.27

Refer to note 18.1 and 18.2 for information about inventories pledged as security.

11 Trade receivables

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Considered good - unsecured	1,547.80	912.81	838.78
Undisputed trade receivables - which have significant risk in credit risk	37.14	19.66	-
Less: Allowance for expected credit loss	(37.14)	(19.66)	(17.12)
Trade receivables - net	1,547.80	912.81	821.66

11.1 Trade receivables ageing schedule

As at 31 March 2024

	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	-	1,276.44	147.92	119.41	41.12	0.06	1,584.94
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables– considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-	-	-	(37.14)
Total	-	1,276.44	147.92	119.41	41.12	0.06	1,547.80

As at 31 March 2023

	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	-	681.17	153.97	93.94	1.05	2.34	932.47
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables– considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-	-	-	(19.66)
Total	-	681.17	153.97	93.94	1.05	2.34	912.81

As at 31 March 2022

	<u>Outstanding for following periods from due date of payment</u>						Total
	Not due	Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	-	805.29	20.61	8.40	2.09	2.40	838.78
Undisputed trade receivables – which have significant increase in credit risk	-	-					-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables– considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-	-	-	(17.12)
Total	-	805.29	20.61	8.40	2.09	2.40	821.66

11.2 Trade receivables are non-interest bearing and generally on terms of 30 to 90 days.

11.3 Refer to note 42 for information about the Group’s exposure to financial risks.

11.4 Refer to note 18.1 and 18.2 for information about trade receivables pledged as security.

11.5 Refer to note 35 for related party trade receivables.

12 Cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Balances with banks			
In current accounts	154.36	54.20	1.14
Cash on hand	0.19	0.01	0.03
Total cash and cash equivalents	154.55	54.21	1.17

Refer to note 42 for information about the Group's exposure to financial risks.

13 Bank balances other than cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Deposits with banks with original maturity of more than three months but less than 12 months	300.00	-	-
Balances with banks held as margin money*	64.88	-	-
Total bank balances other than cash and cash equivalents	364.88	-	-

* Margin money deposits represents the fixed deposits created for issuance of bank guarantees and letter of credits on behalf of the Group.

Refer to note 42 for information about the Group's exposure to financial risks.

14 Other current assets

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good			
Advances to suppliers	205.21	120.44	187.65
Balances with government authorities	91.95	54.06	92.78
Prepaid expenses	20.09	3.69	0.78
Total other current assets	317.25	178.19	281.21

Standard Glass Lining Technology Limited
(Formerly known as Standard Glass Lining Technology Private Limited)
(CIN: U29220TG2012PLC082904)
Annexure VI: Notes to Restated Consolidated Financial Information
(All amounts are in INR Million, unless otherwise stated)

15 Equity share capital

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Authorised share capital			
18,90,00,000 (31 March 2023: 2,00,00,000, 31 March 2022: 2,00,00,000) equity shares of INR 10 each	1,890.00	200.00	200.00
Issued, subscribed and paid-up			
1,81,63,452 (31 March 2023: 1,57,84,607, 31 March 2022: 1,53,00,000) equity shares of INR 10 each fully paid-up	181.63	157.85	153.00
Increase in Authorised capital: Subsequent to year ended 31 March 2024, the Company has increased the Authorised share capital from existing INR 1,890 Million (18,90,00,000 equity shares of INR 10 each) to INR 2,160 Million (21,60,00,000 equity shares of INR 10 each), which was approved by the Board of Directors in their meeting held on 29 May 2024 and shareholders in their Extra-ordinary General meeting held on 1 June 2024, respectively.			

15.1 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

	As at 31 March 2024		As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Equity shares						
Outstanding at the beginning of the year	1,57,84,607	157.85	1,53,00,000	153.00	90,00,000	90.00
Add: Shares issued during the year	23,78,845	23.79	4,84,607	4.85	63,00,000	63.00
Outstanding at the end of the year	1,81,63,452	181.63	1,57,84,607	157.85	1,53,00,000	153.00

15.2 Rights, preferences and restrictions attached to equity shares

Equity shares have a face value of INR 10. 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.

15.3 Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of shareholder	As at 31 March 2024		As at 31 March 2023		As at 31 March 2022	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Equity shares of INR 10 each						
Kandula Ramakrishna	48,96,000	26.96%	48,96,000	31.02%	48,96,000	32.00%
Kandula Krishnaveni	41,31,000	22.74%	41,31,000	26.17%	41,31,000	27.00%
S2 Engineering Services (Partnership firm)	24,03,000	13.23%	24,03,000	15.22%	27,09,000	17.71%
Monoform Management Support Company Limited	10,44,900	5.75%	-	-	-	-

As per the records of the Company, including its register of shareholders and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

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15.4 Details of equity shares held by promoters at the end of the year

Name of promoter	31 March 2024			31 March 2023			As at 31 March 2022		
	Number of shares	% of total shares	% change during the year	Number of shares	% of total shares	% change during the year	Number of shares	% of total shares	% change during the year
Kandula Ramakrishna	48,96,000	26.96%	-4.06%	48,96,000	31.02%	-0.98%	48,96,000	32.00%	6.00%
Kandula Krishnaveni	41,31,000	22.74%	-3.43%	41,31,000	26.17%	-0.83%	41,31,000	27.00%	5.00%
Kandula Nageswara Rao	7,65,000	4.21%	-0.63%	7,65,000	4.85%	-0.15%	7,65,000	5.00%	0.00%
Venkata Mohana Rao Katragadda	1,80,000	0.99%	-0.15%	1,80,000	1.14%	-0.04%	1,80,000	1.18%	-0.82%
Kudaravalli Punna Rao	50,000	0.28%	-0.25%	83,077	0.53%	-0.01%	83,077	0.54%	-1.46%
M/s. S2 Engineering Services (Represented by its partners Kandula Krishna Veni and Ramakrishna Kandula)	24,03,000	13.23%	-1.99%	24,03,000	15.22%	-2.49%	27,09,000	17.71%	1.71%
	1,24,25,000	68.41%	-10.52%	1,24,58,077	78.93%	-4.50%	1,27,64,077	83.43%	10.43%

15.5 Subsequent to year ended 31 March 2024, the Company has issued 16,34,71,068 equity shares in proportion of 9 new equity shares of INR 10 each for every existing fully paid up equity share of INR 10 each held on the record date of 29 May 2024 which was approved by the Board of Directors in their meeting held on 3 June 2024.

16 Other equity

	Note	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Reserves and surplus				
Securities premium	16.1(i)	2,401.52	493.34	164.29
Capital reserve	16.1(ii)	(9.47)	(9.47)	(9.47)
Retained earnings	16.1(iii)	1,499.31	915.47	381.23
Item of other comprehensive income				
Re-measurement gains/ (losses) on defined benefit plan	16.1(iv)	0.41	0.01	0.54
Total other equity		3,891.77	1,399.35	536.59

16.1 Movement in other equity

(i) Securities premium

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	493.34	164.29	6.79
Add: Issue of equity shares during the year	1,908.18	329.05	157.50
Balance at the end of the year	2,401.52	493.34	164.29

(ii) Capital reserve

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	(9.47)	(9.47)	-
Add: On account of business combination	-	-	(9.47)
Balance at the end of the year	(9.47)	(9.47)	(9.47)

(iii) Retained earnings

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	915.47	381.23	129.78
Add: Restated profit for the year	583.84	534.24	251.45
Balance at the end of the year	1,499.31	915.47	381.23

(iv) Other comprehensive income (OCI)

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Remeasurement gains/(losses) on defined benefit plan (net of tax)			
Balance at the beginning of the year	0.01	0.54	-
Changes during the year, net of tax	0.40	(0.53)	0.54
Balance at the end of the year	0.41	0.01	0.54

16.2 Nature and purpose of items in other equity

(i) Securities premium

Amount subscribed for share capital in excess of nominal value. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of Companies Act, 2013.

(ii) Capital reserve

Capital reserve represent the difference between carrying value of net identified assets and purchase consideration paid for business combinations under common control.

(iii) Retained earnings

Retained earnings are the profits that the Company has earned till date, less dividends or other distributions paid to shareholders.

(iv) Re-measurement gains/(losses) on defined benefit plans

Remeasurement of the defined benefit plans comprises the cumulative net remeasurement gains/(losses) on actuarial valuation of post-employment defined benefit plan.

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17 Non-current borrowings

	Note	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
At amortised cost				
Secured				
Term loans				
From bank	18.1	38.32	70.84	109.15
Less : Current maturities of long term borrowings		(32.53)	(40.54)	(41.26)
Total non-current borrowings		5.79	30.30	67.89

Refer to note 41 for fair value measurements and note 42 for information about the Group's exposure to financial risks.

18 Current borrowings

	Note	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
At amortised cost				
Secured				
Working capital loans	18.2	1,079.50	489.69	309.87
Current maturities of long-term borrowings	18.1	32.53	40.54	41.26
Unsecured				
Interest free loans from related parties (repayable on demand)		20.00	39.17	68.56
Loan from chit fund company	18.3	-	0.92	3.92
Total current borrowings		1,132.03	570.32	423.61

Refer to note 41 for fair value measurements and note 42 for information about the Group's exposure to financial risks.

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Security details and terms of repayment

18.1 Term loans from bank

Particulars	Security/ repayment details	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
(a) Standard Glass Lining Technology Limited	(i) Secured by exclusive charge on all the unencumbered fixed assets and current assets (Inventories and trade receivables) of the company (ii) Secured by personal guarantee of following directors - Kandula Krishnaveni , Kudaravalli Punna Rao, Kandula Nageshwara Rao, Katragadda Venkata Ramani, Katragadda Venkata Shiva Prasad, Kandula Rama Krishna and corporate guarantee given by S2 Engineering services. (iii) Secured (primary security) by exclusive charge on a) Residential property situated at No 593/MIGII, KPHB colony, Kukatpally, Hyderabad Telangana b) Industrial property situated at Sy no 293/2 Phase 1, Jeedimetla Hyderabad Telangana Quthbullapur c) Industrial property situated at Plot no D12, Jeedimetla, Hyderabad d) Paripassu charge on Plot no 43 to 48,50 to 54,Tech park, IDA Nacharam, Telangana (iv) Carries interest rate ranging from 7.1% to 10.9% and repayable on a monthly basis till January 2025	20.44	45.75	66.27
(b) S2 Engineering Industry Private Limited	(i) Secured by hypothecation of entire unencumbered movable fixed assets of the Company excluding vehicles/assets under HP/lease, both present and future (ii) Guaranteed by Standard Glass Lining Technology Limited (Parent company), S2 Engineering Services and directors of the Company (iii) Secured by paripassu charge on plot no 43 to 48, 50 to 54, Tech park, IDA Nacharam, Telangana. (iv) Carries interest ranging from 7.85% to 9.4% per annum and are repayable in the tenure of 19 months to 34 months.	17.88	25.09	42.88
		38.32	70.84	109.15

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18.2 Working capital loans

Particulars	Security/ repayment details	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
(a) Standard Glass Lining Technology Limited	(i) Secured by exclusive charge on all the unencumbered fixed assets and current assets (Inventories and trade receivables) of the company (ii) Secured by personal guarantee of following directors - Kandula Krishnaveni , Kudaravalli Punna Rao, Kandula Nageshwara Rao, Katragadda Venkata Ramani, Katragadda Venkata Shiva Prasad, Kandula Rama Krishna and corporate guarantee given by S2 Engineering services. (iii) Secured (primary security) by exclusive charge on a) Residential property situated at No 593/MIGII, KPHB colony, Kukatpally, Hyderabad Telangana b) Industrial property situated at Sy no 293/2 Phase 1, Jeedimetla Hyderabad Telangana Quthbullapur c) Industrial property situated at Plot no D12, Jeedimetla, Hyderabad d) Paripassu charge on Plot no 43 to 48,50 to 54,Tech park, IDA Nacharam, Telangana (iv) Carries an interest rate carries an interest ranging from 7.10% to 8.95% per annum and repayable in tenure of 12 months.	477.58	159.85	134.49
(b) S2 Engineering Industry Private Limited	(i) Secured by the hypothecation of entire current assets of the Company, both present and future (ii) Guaranteed by Standard Glass Lining Technology Limited (Parent company), S2 Engineering Services and directors of the Company (iii) Secured by equitable mortgage of industrial building admeasing 2 acres situated to survey no 53/4, Baahadurapally village, medchal mandal, malkajgiri district standing on the name of S2 engineering equipments represented by Mr. Ramakrishna and Mrs. Krishnaveni (iv) Secured by paripassu charge on plot no 43 to 48, 50 to 54, Tech park, IDA Nacharam, Telangana. (v) Carries an interest rate carries an interest ranging from 7.10% to 8.95% per annum and repayable in tenure of 12 months.	579.92	329.84	175.38
(c) Standard Flora Private Limited	(i) Secured by the exclusive charge on current and fixed assets (Movable and immovable) of the Company, both present and future (ii) Carries an interest ranging from 7.10% to 8.95% per annum and repayable in tenure of 12 months.	22.00	-	-
		1,079.50	489.69	309.87

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18.3 Loan from chit fund company

Particulars	Security/ repayment details	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Standard Glass Lining Technology Limited	Payable at INR 0.50 Million per month (before considering dividend on chit) till May 2023.	-	0.92	3.92
		-	0.92	3.92

18.4 Reconciliation of movements of liabilities to cash flows arising from financing activities

For the year ended 31 March 2024

	Borrowings	Lease liabilities
As at 1 April 2023	491.68	219.00
Cash flows:		
Principal paid on lease liabilities	-	(32.41)
Interest paid on lease liabilities	-	(16.60)
Proceeds from/(repayment of) non-current borrowings (net)	(24.51)	-
Proceeds from/(repayment of) current borrowings (net)	561.71	-
Interest paid on borrowings	(93.20)	-
Non-cash flows:		
Leases modified	-	(31.17)
Interest expense during the year	93.20	16.60
As at 31 March 2024	1,028.88	155.42

For the year ended 31 March 2023

	Borrowings	Lease liabilities
As at 1 April 2022	382.57	206.58
Cash flows:		
Principal paid on lease liabilities	-	(30.35)
Interest paid on lease liabilities	-	(19.91)
Proceeds from/(repayment of) non-current borrowings (net)	(37.59)	-
Proceeds from/(repayment of) current borrowings (net)	146.70	-
Interest paid on borrowings	(59.06)	-
Non-cash flows:		
New leases	-	42.77
Interest expense during the year	59.06	19.91
As at 31 March 2023	491.68	219.00

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For the year ended 31 March 2022

As at 1 April 2021

Cash flows:

Principal paid on lease liabilities

Interest paid on lease liabilities

Proceeds from/(repayment of) non-current borrowings (net)

Proceeds from/(repayment of) current borrowings (net)

Interest paid on borrowings

Non-cash flows:

New leases

Interest expense during the year

As at 31 March 2022

	Borrowings	Lease liabilities
	173.31	-
	-	(12.59)
	-	(14.34)
	2.71	-
	206.55	-
	(20.85)	
	-	219.17
	20.85	14.34
	382.57	206.58

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19 Trade payables

	Note	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises	19.1	69.11	82.60	61.30
Total outstanding dues of creditors other than micro enterprises and small enterprises				
		817.95	667.06	563.46
Total trade payables		887.06	749.66	624.76

Refer to note 42 for information about the Group's exposure to financial risks.

Trade payables are non-interest bearing and are normally settled with in 90 days terms.

Refer to note 35 for related party trade payables.

19.1 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

Disclosure relating to suppliers registered under MSMED Act based on the information available with the respective companies in the Group:

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
(a) Amount remaining unpaid to any supplier at the end of each accounting year:			
Principal amount	69.11	82.60	61.30
Interest due thereon	-	-	-
Total	69.11	82.60	61.30
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-	-

19.2 Trade payables ageing schedule

As at 31 March 2024

	Unbilled dues	Payables not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	69.11	-	-	-	69.11
(ii) Others	-	-	817.31	0.60	0.04	0.00	817.95
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	-	-	886.42	0.60	0.04	0.00	887.06

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As at 31 March 2023

	Unbilled dues	Payables not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	25.31	48.98	8.31	-	-	82.60
(ii) Others	-	341.51	322.60	2.08	0.11	0.76	667.06
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	-	366.82	371.58	10.39	0.11	0.76	749.66

As at 31 March 2022

	Unbilled dues	Payables not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	50.03	11.27	-	-	-	61.30
(ii) Others	-	354.98	206.43	1.05	0.23	0.77	563.46
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	-	405.01	217.70	1.05	0.23	0.77	624.76

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20 Provisions

	Note	As at		As at		As at	
		31 March 2024		31 March 2023		31 March 2022	
		Non-current	Current	Non-current	Current	Non-current	Current
Provision for employee benefits							
Gratuity	39	5.98	1.93	12.77	1.13	8.97	0.82
Compensated absences	40	-	4.63	2.24	0.56	1.10	0.26
Provision for warranties	20.1	2.88	2.35	5.82	6.64	4.15	4.80
Total provisions		8.86	8.91	20.83	8.33	14.22	5.88

20.1 Movement in provision for warranties

	Amount
Balance as at 1 April 2023	12.46
Provision charged to profit and loss (Note 32)	-
Provisions used/reversed during the year	(7.23)
Balance as at 31 March 2024	5.23
Balance as at 1 April 2022	8.95
Provision charged to profit and loss (Note 32)	6.81
Provisions used/reversed during the year	(3.30)
Balance as at 31 March 2023	12.46
Balance as at 1 April 2021	3.16
Provision charged to profit and loss (Note 32)	8.05
Provisions used/reversed during the year	(2.26)
Balance as at 31 March 2022	8.95

20.2 Information about provision for warranties

As per the contractual terms with customers, the Company provides warranty to the customers for 18 months from date of sales or 12 months from date of installation whichever is earlier. The provision is made for such warranty costs on the basis of historical warranty trends.

21 Deferred tax liabilities (net)

	As at	As at	As at
	31 March 2024	31 March 2023	31 March 2022
Deferred tax liabilities	58.95	69.89	63.84
Deferred tax assets	(52.90)	(64.04)	(60.00)
Deferred tax liabilities/(assets) (net)	6.05	5.85	3.84

21.1 Deferred tax relates to the following:

	As at	As at	As at
	31 March 2024	31 March 2023	31 March 2022
Deferred tax liabilities:			
Written down value differences of property, plant and equipment	26.30	20.18	14.27
Right of use assets	32.65	49.68	49.50
Borrowings	(0.00)	0.03	0.07
	58.95	69.89	63.84
Deferred tax assets:			
Provision for gratuity	(3.82)	(3.50)	(2.47)
Provision for leave encashment	(0.60)	(0.40)	(0.34)
Expected credit loss on trade receivables	(9.35)	(4.95)	(4.43)
Lease liabilities	(39.13)	(55.11)	(52.50)
Other temporary differences	(0.00)	(0.08)	(0.26)
	(52.90)	(64.04)	(60.00)
Net deferred tax assets/(liabilities)	6.05	5.85	3.84

21.2 Movement in deferred tax balances

Movement during the year ended 31 March 2024

	As at 1 April 2023	(Credit)/ charge in the restated consolidated statement of profit and loss	(Credit)/ charge in OCI	As at 31 March 2024
Deferred tax (assets)/liabilities				
Property, plant and equipment	20.18	6.12	-	26.30
Provision for gratuity	(3.50)	(0.45)	0.13	(3.82)
Provision for leave encashment	(0.40)	(0.20)	-	(0.60)
Expected credit loss on trade receivables	(4.95)	(4.40)	-	(9.35)
Right of use assets	49.68	(17.03)	-	32.65
Lease liabilities	(55.11)	15.99	-	(39.13)
Borrowings	0.03	(0.03)	-	(0.00)
Others	(0.08)	0.08	-	(0.00)
Total	5.85	0.08	0.13	6.05

Movement during the year ended 31 March 2023

	As at 1 April 2022	(Credit)/ charge in the restated consolidated statement of profit and loss	(Credit)/ charge in OCI	As at 31 March 2023
Deferred tax (assets)/liabilities				
Property, plant and equipment	14.27	5.91	-	20.18
Provision for gratuity	(2.47)	(0.85)	(0.18)	(3.50)
Provision for leave encashment	(0.34)	(0.06)	-	(0.40)
Expected credit loss on trade receivables	(4.43)	(0.52)	-	(4.95)
Right of use assets	49.50	0.18	-	49.68
Lease liabilities	(52.50)	(2.62)	-	(55.11)
Borrowings	0.07	(0.04)	-	0.03
Others	(0.26)	0.18	-	(0.08)
Total	3.84	2.18	(0.18)	5.85

Movement during the year ended 31 March 2022

	As at 1 April 2021	(Credit)/ charge in the restated consolidated statement of profit and loss	(Credit)/ charge in OCI	As at 31 March 2022
Deferred tax (assets)/liabilities				
Property, plant and equipment	9.97	4.30	-	14.27
Advance with chit fund company	0.52	(0.52)	-	-
Provision for gratuity	(1.01)	(1.64)	0.18	(2.47)
Provision for leave encashment	(0.26)	(0.08)	-	(0.34)
Expected credit loss on trade receivables	(1.13)	(3.30)	-	(4.43)
Right of use assets	-	49.50	-	49.50
Lease liabilities	-	(52.50)	-	(52.50)
Borrowings	0.09	(0.02)	-	0.07
Others	-	(0.26)	-	(0.26)
Total	8.18	(4.52)	0.18	3.84

22 Other current financial liabilities

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Capital creditors	17.55	7.73	20.52
Total other current financial liabilities	17.55	7.73	20.52

23 Other current liabilities

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Statutory dues payable	4.87	4.96	7.29
Advance from customers	319.98	288.67	885.92
Total other current liabilities	324.85	293.63	893.21

24 Current tax liabilities (net)

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Current tax payable (net of advance tax and withholding taxes INR 191.50 million (31 March 2023: INR 147.13 Million, 31 March 2022: INR 71.49 Million))	17.48	15.00	30.97
Total current tax liabilities (net)	17.48	15.00	30.97

25 Revenue from operations

For the year ended 31 March 2024 For the year ended 31 March 2023 For the year ended 31 March 2022

Revenue from contracts with customers

Sale of products	5,348.38	4,917.03	2,387.98
Sale of services	80.56	46.19	11.33
Other operating revenue:			
Scrap sales	7.75	12.66	2.56
Total revenue from operations	5,436.69	4,975.88	2,401.87

25.1 Disaggregated revenue information

Primary geographical market

India	5,416.32	4,962.46	2,395.99
Outside India	20.37	13.42	5.88
	5,436.69	4,975.88	2,401.87

Timing of revenue recognition

Products transferred for a point in time	5,356.13	4,929.69	2,390.54
Services rendered at a point in time	80.56	46.19	11.33
Total	5,436.69	4,975.88	2,401.87

25.2 Reconciliation of amount of revenue recognised with contract price

Revenue as per contracted price	5,454.06	4,988.46	2,427.47
Adjustments:			
Sales returns	(14.54)	(7.60)	(10.52)
Rebates	(2.83)	(2.80)	(2.29)
Others	-	(2.18)	(12.79)
Revenue from contracts with customers	5,436.69	4,975.88	2,401.87

25.3 Performance obligations

Sale of products:

Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

Sales of services:

The performance obligation in respect of services is satisfied at point of time and acceptance of the customer.

25.4 The performance obligations are part of contracts that have an original expected duration of less than one year. Therefore, the Group has used the practical expedient to not disclose the transaction price allocated to remaining performance obligations.

26 Other income

For the year ended 31 March 2024 For the year ended 31 March 2023 For the year ended 31 March 2022

Interest income			
On fixed deposits at amortised cost	39.12	1.06	0.99
On other financial assets at amortised cost	-	0.58	4.94
On other deposits	1.76	-	-
Insurance claim received	1.19	0.63	3.76
Liabilities no longer required written back	-	-	3.17
Gain on termination of leases	3.37	-	-
Miscellaneous income	14.68	22.61	0.29
Total other income	60.12	24.88	13.15

27 Cost of materials consumed

For the year ended 31 March 2024 For the year ended 31 March 2023 For the year ended 31 March 2022

Inventories of raw materials at the beginning of the year	517.78	469.34	30.67
Add: Purchases*	3,903.59	3,045.09	1,830.54
Less: Inventories of raw materials at the end of the year	(904.76)	(517.78)	(469.34)
Total cost of materials consumed	3,516.61	2,996.65	1,391.87

* Includes INR 68.94 million (31 March 2023: INR Nil, 31 March 2022: INR 216.14 acquired on slump sale basis vide Business Transfer Agreement (BTA) dated 24 May 2023.(31 March 2023: NA, 31 March 2022: 25 October 2021) Refer to note 38.

28 Changes in inventories of finished goods and work-in-progress

	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventories at the beginning of the year			
Finished goods*	92.06	-	-
Work-in-progress	862.04	720.30	479.88
	954.10	720.30	479.88
Inventories at the end of the year			
Finished goods	(18.23)	-	-
Work-in-progress	(1,275.81)	(862.04)	(720.30)
	(1,294.04)	(862.04)	(720.30)
Net increase	(339.94)	(141.74)	(240.42)

* Represents finished goods acquired on slump sale wide Business Transfer Agreement (BTA) dated 24 May 2023. Refer to note 38.

29 Employee benefits expenses

	Note	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus		181.72	133.43	119.17
Contribution to provident and other funds	39.3	6.57	4.82	2.79
Gratuity expenses		4.35	3.37	6.22
Staff welfare expenses		15.04	15.90	7.03
Total employee benefits expense		207.68	157.52	135.21

30 Finance costs

	Note	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense on borrowing costs measured at amortised cost		93.20	59.06	20.85
Interest expense on lease liabilities	5.3	16.60	19.91	14.34
Other finance costs		8.10	7.99	2.54
Total finance costs		117.90	86.96	37.73

31 Depreciation and amortisation expenses

		For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation of property, plant and equipment	3	51.91	34.01	19.25
Amortisation of right-of-use assets	5.3	39.88	42.02	22.87
Amortisation of intangible assets	6	1.49	1.04	0.24
Total depreciation and amortisation expenses		93.28	77.07	42.36

Standard Glass Lining Technology Limited
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(All amounts are in INR Million, unless otherwise stated)

32 Other expenses

	Note	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Stores and spares consumed		200.69	231.08	197.32
Freight and forwarding charges		56.24	60.72	43.51
Security charges		15.66	13.41	7.47
Repairs and maintenance :				
- Buildings		17.93	17.54	0.13
- Plant and machinery		-	-	8.97
Water charges		2.43	2.24	1.15
Power and fuel		123.91	131.98	98.50
Rates and taxes		10.11	10.25	7.89
Legal and professional fees		18.94	24.26	8.76
Commission on sales		0.57	4.81	4.21
Labour charges		531.81	535.09	282.24
Warranty expenses	20.1	-	6.81	8.05
Insurance		4.56	2.97	1.76
Travelling and conveyance expenses		26.75	10.89	4.07
Rent	5.3	16.70	12.18	8.01
Bad debts written off		5.81	8.90	5.72
Allowance for expected credit loss		17.48	2.54	8.19
Printing, stationery, postage and courier		2.94	1.86	1.13
Advertising and sales promotion		11.95	12.54	0.44
Corporate social responsibility (CSR) expenditure	32.2	13.87	2.20	1.45
Auditors' remuneration	32.1	2.30	1.45	1.45
Communication expenses		2.64	0.96	0.49
Office maintenance		2.34	2.43	1.62
Subscription and renewals		2.08	1.77	1.63
Advances written off		8.45	-	2.18
Loss on foreign exchange transactions and translations (net)		0.09	0.86	0.83
Miscellaneous expenses		7.02	6.03	3.40
Total other expenses		1,103.27	1,105.77	710.57

32.1 Auditors' remuneration

The following is the break-up of auditor's remuneration (exclusive of goods and service tax)

	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
As auditor:			
Statutory audit	2.30	1.45	1.45
Total auditor's remuneration	2.30	1.45	1.45

32.2 Details of CSR expenditure:

	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Gross amount required to be spent by the Group during the year	10.13	5.45	1.43
(b) Amount required to be set off for the financial year, if any	-	(0.06)	(0.04)
(c) Total of previous years shortfall	2.39	-	-
(d) Total CSR obligation for the financial year	12.52	5.39	1.39
(e) Amount approved by the Board to be spent during the year	12.52	5.39	1.39
(f) Amount spent during the year (in cash)			
(i) Construction/ acquisition of any asset	1.01	-	-
(ii) On purposes other than (i) above	12.86	3.00	1.45
(g) Shortfall / (excess) at the end of the year	(0.34)	2.39	(0.06)

Nature of CSR activities: Rural development and construction of water plants for providing the safe drinking water.

Reason for shortfall for the year ended 31 March 2023: The Group has identified certain projects namely Construction of water plants for providing the safe drinking water and the cost of the projects are Rs. 4 Million. Out of Rs. 4 Million the company has paid Rs. 0.8 Million as advance to the vendor during the financial year ended 31 March 2023 and balance amount Rs. 3.2 Million has been transferred to CSR unspent account as per the timelines mentioned in the section 135 of Companies Act, 2013.

During the financial year ended 31 March 2024, the Group has completed one project costing around Rs. 1 Million for which balance payment of Rs. 0.8 Million (net off advance of Rs. 0.2 Million paid during financial year ended 31 March 2023) has been made from CSR unspent account. As at March 31, 2024, the Group has given further an advance of Rs. 1 Million to the vendor against the ongoing project and net balance Rs. 1.4 Million is in CSR unspent account.

33 Income taxes

33.1 Components of income tax expense

	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
(A) Income tax expense recognised in the restated consolidated statement of profit and loss			
(i) Current tax			
Current year	197.05	182.40	90.77
Tax pertaining to earlier years	0.77	(0.29)	-
Total (i)	197.82	182.11	90.77
(ii) Deferred tax			
Origination and reversal of temporary differences	0.08	2.18	(4.52)
Total (ii)	0.08	2.18	(4.52)
Total (i)+(ii)	197.90	184.29	86.25
(B) Income tax related to items recognised in OCI			
Deferred tax			
- On net loss/(gain) on remeasurements of defined benefit plans	(0.13)	0.18	(0.18)

33.2 Reconciliation of income tax expense and the accounting profit multiplied by India's domestic tax rate :

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Accounting profit before income tax	798.01	718.53	337.70
At India's statutory income tax rate of 31 March 2024: 25.17% (31 March 2023: 25.17%, 31 March 2022: 25.17%)	200.86	180.85	85.00
Non-deductible expenses for tax purposes:			
Expenses disallowed under Income tax Act, 1961	5.38	2.14	1.82
On account of prior period tax expense	0.77	(0.29)	-
On account of Ind AS transition impact	(11.45)	-	(1.60)
Others	2.34	1.59	1.03
	(2.96)	3.44	1.25
Income tax expense reported in the statement of profit and loss	197.90	184.29	86.25

34 Earnings per equity share (EPS)

34.1 Earnings per equity share prior to issue of bonus shares

	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Earnings			
Profit attributable to owners of the parent as per statement of profit and loss	583.84	534.24	251.45
Weighted average number of shares			
Weighted average number of shares outstanding at the beginning of the year	1,57,84,607	1,53,00,000	90,00,000
Add: Issued during the year	8,07,390	9,000	23,47,397
Weighted average number of equity shares outstanding at the end of the year	1,65,91,997	1,53,09,000	1,13,47,397
Earnings per equity share			
Basic earnings per equity share (INR)	35.19	34.90	22.16
Diluted earnings per equity share (INR)	35.19	34.90	22.16

Bonus shares

Through a board resolution dated 3 June 2024, the Company has issued 16,34,71,068 equity shares in proportion of 9 new equity shares of INR 10 each for every existing fully paid up equity share of INR 10 each held on the record date of 29 May 2024. In terms of Ind AS 33, Earnings per share of current period and previous periods have been adjusted retrospectively for bonus shares issued.

34.2 Earnings per equity share post issue of bonus shares

	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Earnings			
Profit attributable to owners of the parent as per statement of profit and loss	583.84	534.24	251.45
Weighted average number of shares			
Weighted average number of shares outstanding at the beginning of the year	1,57,84,607	1,53,00,000	90,00,000
Add: Issued during the year	8,07,390	9,000	23,47,397
Add: Issue of bonus shares on 3 June 2024 (Refer note above)	14,93,27,973	13,77,81,000	10,21,26,573
Weighted average number of equity shares outstanding at the end of the year	16,59,19,970	15,30,90,000	11,34,73,970
Restated earnings per equity share			
Basic earnings per equity share (INR)	3.52	3.49	2.22
Diluted earnings per equity share (INR)	3.52	3.49	2.22

The Company does not have any potential equity shares during the years ended 31 March 2024, 31 March 2023 and 31 March, 2022. Hence, basic and diluted EPS are the same.

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

(a) Name of related parties where control exists

Subsidiaries

S2 Engineering Industry Private Limited
Standard Flora Private Limited
Standard Engineering Solutions Private Limited
CPK Engineers Equipment Private Limited

(b) Name of other related parties with whom transaction have taken place during the period/ year

Enterprises owned or significantly influenced by Key Managerial Personnel or their relatives

Stanseals Private Limited
Stanvalves and Controls Private Limited
S2 Engineering Services
Standard Holdings
Stanpumps Engineering Industries
Standard Equipment Leasing Services
Stanflow Engineering Industries
Sri krishna Equipments
Standard Properties
Schematic Engineering Industries
Schematic Engineering Industries Private Limited
Standard Group of Companies Private Limited
Stylosoft LLP
Flora Polymer Industries
Higenic Flora Private Limited
SD Enterprises
Higenic Flora Polymers
Yashasve Glass Lining Industries

Key Management Personnel

Mr. Kandula Nageswara Rao
Mr. Pathuri Anjaneyulu
Mrs. Kallam Hima Priya
Mr. Kandula Ramakrishna
Mrs. Kandula Krishnaveni
Mr. Katragadda Venkata Mohana Rao

Nature of relationship

Managing director
Chief financial officer (w.e.f. 18 July 2022)
Company secretary (w.e.f. 1 October 2021)
Director
Director
Director

Directors

Mr. Katragadda Venkata Siva Prasad
Mr. Kudaravalli Punna Rao
Mr. Chamala Chandrashekar Reddy
Mr. Bachu Sivasankar Reddy
Mr. Yasuyuki Ikeda

Director
Director (up to 11 April 2022)
Director
Director
Director (w.e.f. 24 March 2023)

Independent Directors

Mr. Sudhakara Reddy Siddieddy
Mr. Sunkavilli Ramakrishna

Independent director (w.e.f. 4 June 2022)
Independent director (w.e.f. 4 June 2022)

Relatives of Directors/Key Management Personnel

Mrs. Katragadda Harini
Mr. Kandula Bhanu Prakash
Mr. Kudaravalli Krishnakanth
Mr. B. Radhakrishna
Mrs. Katragadda Venkata Ramani
Mrs. Pathuri Nirosha

Relative of director
Relative of director
Relative of director (up to 11 April 2022)
Relative of director
Relative of director
Relative of Chief financial officer

35.2 Details of transactions with related parties for the year ended:

	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Remuneration			
Mr. Kandula Nageswara Rao	1.84	1.81	1.80
Mr. Kandula Ramakrishna	4.92	4.80	1.25
Mrs. Kandula Krishnaveni	2.46	2.40	0.60
Mr. Katragadda Venkata Mohana Rao	1.94	1.81	1.20
Mr. Kudaravalli Punna Rao	-	0.09	1.20
Mr. Katragadda Venkata Siva Prasad	3.13	2.92	-
Mr. Chamala Chandrashekar Reddy	1.50	-	-
Mrs. Katragadda Harini	0.55	0.61	0.60
Mr. Kandula Bhanu Prakash	1.27	0.91	0.60
Mr. Kudaravalli Krishnakanth	-	0.03	0.55
Mrs. Katragadda Venkata Ramani	0.55	0.61	0.60
Mrs. Kallam Hima Priya	0.77	0.66	0.30
Mr. Pathuri Anjaneyulu	3.86	2.40	-
Mr. B. Radhakrishna	1.38	1.24	-
(b) Rent expense			
Mr. Kandula Ramakrishna	1.77	1.69	1.35
S2 Engineering Equipment	10.08	9.68	2.40
S2 Engineering Services	32.59	39.06	25.34
Stanseals Private Limited	-	2.60	-
Standard Group of Companies Private Limited	1.89	-	-
(c) Sale of goods (Net of sale returns)			
S2 Engineering Services	(0.14)	323.22	644.34
Stanpumps Engineering Industries	2.00	47.86	36.18
Stanvalves and Controls Private Limited	1.41	0.08	-
Schematic Engineering Industries	4.50	3.51	-
Standard Equipment Leasing Services	69.20	65.14	-
Schematic Engineering Industries Private Limited	3.26	-	-
Flora Polymer Industries	0.34	-	-
Higenic Flora Private Limited	61.73	-	-
(d) Purchase of goods			
S2 Engineering Services	0.34	8.20	16.99
Stanpumps Engineering Industries	-	1.78	18.15
Stanvalves and Controls Private Limited	7.66	2.48	-
Schematic Engineering Industries	26.88	8.96	6.52
Standard Group of Companies Private Limited	1.04	-	-
Schematic Engineering Industries Private Limited	13.15	-	-
Flora Polymer Industries	2.79	-	-
Higenic Flora Private Limited	17.01	-	-
SD Enterprises	0.02	-	-
(e) Receipt of services			
Stanseals Private Limited	0.01	0.10	0.02
Standard Holdings	0.03	3.99	2.63
Standard Group of Companies Private Limited	23.19	16.73	-
S2 Engineering Services	-	-	2.31
Stanpumps Engineering Industries	-	-	0.81
Sri Krishna Equipments	-	2.45	0.31
Stylosoft LLP	0.67	-	-
Higenic Flora Private Limited	0.04	-	-
(f) Rendering of services			
S2 Engineering Services	(0.24)	0.09	-

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(All amounts are in INR Million, unless otherwise stated)

(g) Advance given to			
Mrs. Kallam Hima Priya	1.50	-	-
(h) Loans taken from			
Mr. Kandula Nageswara Rao	2.50	120.00	4.00
Mr. Kudaravalli Punna Rao	-	-	2.97
Mr. Katragadda Venkata Mohana Rao	-	-	12.00
Mr. Kandula Ramakrishna	16.23	5.00	17.30
Mrs. Kandula Krishnaveni	16.23	25.00	21.95
Mr. Chamala Chandrashekar Reddy	10.00	-	-
Mr. Bachu Sivasankar Reddy	10.00	-	-
(i) Loan repayment			
Mr. Kandula Ramakrishna	18.14	-	-
Mrs. Kandula Krishnaveni	16.23	-	-
Mr. Kandula Nageswara Rao	24.79	-	-
Mr. Kudaravalli Punna Rao	2.97	-	-
Mr. Katragadda Venkata Mohana Rao	12.00	-	-
(j) Purchase of business			
S2 Engineering Services	-	-	200.00
Stanpumps Engineering Industries	-	-	65.00
Higenic Flora Polymers	120.00	-	-
Yashasve Glass Lining Industries	150.00	-	-
(k) Rental deposit			
Standard Group of Companies Private Limited	0.34	-	-
(l) Equity shares issued			
Mrs. Pathuri Nirosha	6.00	-	-
(m) Interest income			
Stanseals Private Limited	-	0.20	-
(n) Advance repaid by			
Mrs. Kallam Hima Priya	0.03	-	-
(o) Corporate guarantee given by			
S2 Engineering Services	2,415.00	1,645.00	621.66

35.3 Outstanding balances in relation to related parties

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
(a) Receivables			
Standard Holdings	-	0.03	0.35
Schematic Engineering Industries	-	2.86	-
Stanseals Private Limited	-	0.01	3.05
S2 Engineering Equipment	-	-	1.45
S2 Engineering Services	-	-	17.44
Stanpumps Engineering Industries	0.08	0.08	3.12
Sri Krishna Equipments	-	0.10	1.94
Stanvalves and Controls Private Limited	0.46	0.12	0.20
Standard Equipment Leasing Services	56.55	43.65	-
Standard Group of Companies Private Limited	9.74	-	-
Schematic Engineering Industries Private Limited	3.74	-	-
Higenic Flora Private Limited	6.36	-	-

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(All amounts are in INR Million, unless otherwise stated)

(b) Payables			
Stanseals Private Limited	-	0.01	2.36
S2 Engineering Services	2.38	1.70	-
Stanvalves and Controls Private Limited	6.71	0.11	-
Mr. Kandula Ramakrishna	0.18	0.17	-
Schematic Engineering Industries	-	0.14	8.20
Standard Equipment Leasing Services	-	-	3.01
S2 Engineering Equipment	0.91	0.64	-
Stylosoft LLP	0.13	-	-
Schematic Engineering Industries Private limited	28.93	-	-
Flora Polymer Industries	1.34	-	-
(c) Loans payable			
Mr. Kandula Nageswara Rao	-	22.29	12.40
Mr. Kandula Rama Krishna	-	1.91	18.24
Mr. Kudaravalli Punna Rao	-	2.97	2.97
Mr. Katragadda Venkata Mohana Rao	-	12.00	12.00
Mrs. Kandula Krishnaveni	-	-	21.95
Mr. Schematic Engineering Industries	-	-	1.00
Mr. Chamala Chandrashekar Reddy	10.00	-	-
Mr. Bachu Sivasankar Reddy	10.00	-	-
(d) Loan receivable			
Stanseals Private Limited	-	-	2.48
(e) Advance receivable			
Mrs. Kallam Hima Priya	1.47	-	-
(f) Rental deposit receivable			
S2 Engineering Equipment	3.00	3.00	3.00
Standard Group of Companies Private Limited	0.34	-	-
(g) Interest receivable			
Stanseals Private Limited	-	-	0.03
(h) Corporate guarantee given by			
S2 Engineering Services	1,409.67	559.20	-

35.4 Transactions eliminated during the year *

(a) Standard Glass Lining Technology Limited

Particulars

S2 Engineering Industry Private Limited

	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of goods	30.91	6.41	-
Purchase of goods	30.63	13.49	2.16
Purchase of fixed assets	0.20	-	-
Rendering of services	-	0.01	-
Investment in subsidiary	409.80	-	140.00
Loan given	70.00	141.84	109.86
Debenture application money paid	110.00	-	-
Repayment received	249.86	41.84	30.00
Interest income	7.42	11.05	3.49
Corporate guarantee given on behalf	960.00	750.00	310.90

Standard Flora Private Limited

Sale of goods	6.05	-	-
Sale of fixed assets	1.11	-	-
Reimbursement	1.05	-	-
Purchase of goods	7.96	-	-
Rendering of services	0.45	-	-
Investment in subsidiary	270.05	-	-
Loan given	230.74	-	-

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Repayment received from/Converted to optionally convertible debentures	210.00	-	-
Interest income	0.79	-	-
Standard Engineering Solutions Private Limited			
Investment in subsidiary	0.10	-	-
Loan given to	3.00	-	-
Repayment received from/converted to optionally convertible debentures	3.00	-	-
Interest income	0.11	-	-
CPK Engineers Equipment Private Limited			
Investment in subsidiary	0.05	-	-

(b) S2 Engineering Industry Private Limited

Particulars	For the year ended	For the year ended	For the year ended
	31 March 2024	31 March 2023	31 March 2022
Standard Glass Lining Technology Limited			
Purchase of goods	30.91	6.41	-
Sale of goods	30.63	13.49	2.16
Sale of fixed assets	0.20	-	-
Receipt of services	-	0.01	-
Shares issued	-	-	140.00
Loans taken	70.00	141.84	109.86
Optionally convertible debentures issued	409.80	-	-
Debenture application money received pending allotment	110.00	-	-
Repayments made	249.86	41.84	30.00
Interest expenses	7.42	11.05	3.49
Corporate guarantee taken from	960.00	750.00	310.90
Standard Flora Private Limited			
Sale of goods	0.07	-	-
Purchase of goods	3.83	-	-
Standard Engineering Solutions Private Limited			
Loan given	3.00	-	-
Repayment of loan received from	3.00	-	-
Interest expenses	0.11	-	-

(c) Standard Flora Private Limited

Particulars	For the year ended	For the year ended	For the year ended
	31 March 2024	31 March 2023	31 March 2022
Standard Glass Lining Technology Limited			
Purchase of goods	6.05	-	-
Receipt of services	0.45	-	-
Loans taken from	230.74	-	-
Repayments made for optionally convertible debentures	210.00	-	-
Shares issued	0.05	-	-
Optionally convertible debentures issued	270.00	-	-
Interest expense	0.79	-	-
Purchase of fixed assets	1.11	-	-
Reimbursement	1.05	-	-
Sale of goods	7.96	-	-
S2 Engineering Industry Private Limited			
Sale of goods	3.83	-	-
Purchase of goods	0.07	-	-

(d) Standard Engineering Solutions Private Limited

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Standard Glass Lining Technology Limited			
Shares Issued	0.10	-	-
Loans taken	3.00	-	-
Repayment of loan	3.00	-	-
Interest expense	0.11	-	-
S2 Engineering Industry Private Limited			
Loan taken	3.00	-	-
Repayment of loan	3.00	-	-
Interest income	0.11	-	-

(e) CPK Engineers Equipment Private Limited

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Standard Glass Lining Technology Limited			
Shares Issued	0.05	-	-

* As per Schedule VI (Para 11(I)(A)(i)(g)) of SEBI ICDR Regulations

35.5 Balances eliminated during the year **

(a) Standard Glass Lining Technology Limited

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
S2 Engineering Industry Private Limited			
Payables	-	8.79	2.90
Receivables	6.25	-	-
Loan receivable	-	225.68	124.60
Debenture application money payable	110.00	-	-
Interest receivables	1.61	0.99	2.18
Investment	549.80	-	-
Corporate guarantee given on behalf	579.93	357.22	218.35
Standard Flora Private Limited			
Receivables	1.23	-	-
Loan receivables	20.74	-	-
Interest receivables	0.69	-	-
Investment	270.05	-	-
Standard Engineering Solutions Private Limited			
Investment	0.10	-	-
Interest receivables	0.10	-	-
CPK Engineers Equipment Private Limited			
Investment	0.05	-	-

(b) S2 Engineering Industry Private Limited

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Standard Glass Lining Technology Limited			
Receivables	-	8.79	2.90
Payables	6.25	-	-
Loan payable	-	225.68	124.60
Optionally convertible debnetures	409.80	-	-
Preference shares issued	139.00	-	-
Equity shares issued	1.00	-	-
Debenture application money receivable pending allotment	110.00	-	-
Interest payable	1.61	0.99	2.18
Corporate guarantee taken from	579.93	357.22	218.35

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Standard Flora Private Limited

Payables	4.39	-	-
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Standard Engineering Solutions Private Limited

Interest receivable	0.10	-	-
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(c) Standard Flora Private Limited

Particulars	As at	As at	As at
	31 March 2024	31 March 2023	31 March 2022
Standard Glass Lining Technology Limited			
Loan Payable	20.74	-	-
Payables	1.23	-	-
Optional convertible debentures	270.00	-	-
Shares issued	0.05	-	-
Interest payable	0.69	-	-
S2 Engineering Industry Private Limited			
Receivables	4.39	-	-

(d) Standard Engineering Solutions Private Limited

Particulars	As at	As at	As at
	31 March 2024	31 March 2023	31 March 2022
Standard Glass Lining Technology Limited			
Shares issued	0.10	-	-
Interest payables	0.10	-	-
S2 Engineering Industry Private Limited			
Interest payable	0.10	-	-

(e) CPK Engineers Equipment Private Limited

Particulars	As at	As at	As at
	31 March 2024	31 March 2023	31 March 2022
Standard Glass Lining Technology Limited			
Shares issued	0.05	-	-

**** As per Schedule VI (Para 11(I)(A)(i)(g)) of SEBI ICDR Regulations**

35.6 Terms and conditions

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 (other than loans at market rates) to be settled in cash.

36 Segment information

The managing director and Board of the Company takes decision in respect of allocation of resources and assesses the performance basis the report / information provided by functional heads and are thus considered to be chief operating decision maker.

The Group is engaged in the manufacturing of pharmaceutical glass lined equipment, metal equipment & pumps and polytetrafluoroethylene (PTFE) line equipment (glass lined equipment and metal equipment & pumps for the years ended 31 March 2023 and 31 March 2022) and the same are three (31 March 2023 and 31 March 2022: two) reportable segments of the Group as per Ind AS 108, 'Operating Segments' Disclosure regarding operating segments is given below:

36.1 Segment revenue, segment results, segment assets and segment liabilities

For the year ended 31 March, 2024

	Glass lined equipment	Metal equipment and pumps	PTFE lined equipment	Total	Eliminations	Consolidated
Revenue						
External sales	2,057.26	3,089.69	289.73	5,436.69	-	5,436.69
Inter- segment sales	37.41	30.70	11.79	79.89	(79.89)	-
Total revenue	2,094.67	3,120.39	301.52	5,516.58	(79.89)	5,436.69
Segment results						
Profit/(loss) before tax and interest	391.93	500.85	54.85	947.63	(31.72)	915.91
Less: finance costs						117.90
Restated profit before taxes						798.01
Income tax expense						197.90
Restated profit for the year						600.11
Depreciation and amortisation expense	49.98	32.19	11.12	93.29	(0.01)	93.28
Segment assets						
Segment assets	4,445.57	2,774.44	435.51	7,655.52	(1,001.75)	6,653.77
Unallocated corporate assets	-	-	-	-	-	-
Total Group assets	4,445.57	2,774.44	435.51	7,655.52	(1,001.75)	6,653.77
Segment liabilities						
Segment liabilities	1,107.81	1,718.57	255.43	3,081.81	(517.81)	2,564.00
Unallocated corporate liabilities	-	-	-	-	-	-
Total Group liabilities	1,107.81	1,718.57	255.43	3,081.81	(517.81)	2,564.00

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For the year ended 31 March 2023

	Glass lined equipment	Metal equipment and pumps	PTFE lined equipment	Total	Eliminations	Consolidated
Revenue						
External sales	2,090.81	2,885.07	-	4,975.88	-	4,975.88
Inter- segment sales	6.42	13.49	-	19.91	(19.91)	-
Total revenue	2,097.23	2,898.56	-	4,995.79	(19.91)	4,975.88

Segment results

Profit/(loss) before tax and interest	315.67	506.09	-	821.77	(16.28)	805.49
Less: finance costs						86.96
Restated profit before taxes						718.53
Income tax expense						184.29
Restated profit for the year						534.24

Depreciation and amortisation expense

	45.00	32.08	-	77.07	-	77.07
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Segment assets

	Glass lined equipment	Metal equipment and pumps	PTFE lined equipment	Total	Eliminations	Consolidated
Segment assets	2,076.56	1,747.51	-	3,824.07	(346.22)	3,477.85
Unallocated corporate assets	-	-	-	-	-	-
Total Group assets	2,076.56	1,747.51	-	3,824.07	346.22	3,477.85

Segment liabilities

	Glass lined equipment	Metal equipment and pumps	PTFE lined equipment	Total	Eliminations	Consolidated
Segment liabilities	934.69	1,227.08	-	2,161.76	(241.11)	1,920.65
Unallocated corporate liabilities	-	-	-	-	-	-
Total Group liabilities	934.69	1,227.08	-	2,161.76	241.11	1,920.65

For the year ended 31 March 2022

	Glass lined equipment	Metal equipment and pumps	PTFE lined equipment	Total	Eliminations	Consolidated
Revenue						
External sales	1,527.28	874.59	-	2,401.87	-	2,401.87
Inter- segment sales	-	2.16	-	2.16	(2.16)	-
Total revenue	1,527.28	876.75	-	2,404.03	(2.16)	2,401.87

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Segment results:							
Profit/(loss) before tax and interest	242.94	138.21	-	381.15	(5.72)		375.43
Less: finance costs							37.73
Restated profit before taxes							337.70
Income tax expense							86.25
Restated profit for the year							251.45

Depreciation and amortisation expense	38.20	4.16	-	42.36	-		42.36
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Segment assets

	Glass lined equipment	Metal equipment and pumps	PTFE lined equipment	Total	Eliminations	Consolidated
Segment assets	1,708.01	1,506.03	-	3,214.04	(232.97)	2,981.07
Unallocated corporate assets	-	-	-	-	-	-
Total Group assets	1,708.01	1,506.03	-	3,214.04	(232.97)	2,981.07

Segment liabilities

	Glass lined equipment	Metal equipment and pumps	PTFE lined equipment	Total	Eliminations	Consolidated
Segment liabilities	1,100.84	1,323.69	-	2,424.54	(133.06)	2,291.48
Unallocated corporate liabilities	-	-	-	-	-	-
Total Group liabilities	1,100.84	1,323.69	-	2,424.54	(133.06)	2,291.48

36.2 Geographic information

(i) Revenue

	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
India	5,416.32	4,962.46	2,395.99
All foreign countries	20.37	13.42	5.88
Total	5,436.69	4,975.88	2,401.87

(ii) Non-current assets

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
India	1,065.96	846.56	605.52
All foreign countries	-	-	-
Total	1,065.96	846.56	605.52

37 Contingent liabilities, Commitments and Guarantees

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
(a) Contingent liabilities	-	-	-
Bank guarantee issued on behalf of third parties	251.99	84.60	-
(a) Capital commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided			
Property, plant and equipment	33.94	58.06	25.43
Total	33.94	58.06	25.43
(c) Guarantees			
(i) On account of suit by ex-employee	-	-	-
Letters of credit issued to supplier/vendors	26.49	8.70	-
Total	26.49	8.70	-

38 Business combinations

38.1 Acquisitions during the year ended 31 March 2024

(a) Summary of acquisition

On 24 May 2023, pursuant to a business transfer agreement, the Group acquired the business segment of Yashaswe Glass Lining Industries and Higenic Flora Polymers for consideration amounting to INR 150.00 Million and INR 120.00 Million in cash respectively on a going concern basis.

(b) Assets acquired and liabilities assumed recognised as a result of the acquisition

The fair values of the identifiable assets and liabilities as at the date of acquisition were:

	Yashaswe Glass Lining Industries	Higenic Flora Polymers	Total
Assets			
Property, plant and equipment	112.18	87.67	199.85
Inventories	56.00	105.00	161.00
Other current assets	1.82	19.33	21.15
Total assets	170.00	212.00	382.00
Liabilities			
Trade payables	(20.00)	(2.00)	(22.00)
Other current liabilities	-	(90.00)	(90.00)
Total liabilities	(20.00)	(92.00)	(112.00)
Net identifiable assets acquired	150.00	120.00	270.00
(c) Calculation of goodwill/(capital reserve)			
Total purchase consideration	150.00	120.00	270.00
Net identifiable assets acquired	(150.00)	(120.00)	(270.00)
Goodwill/(capital reserve)	(0.00)	(0.00)	(0.00)

38.1 Acquisitions during the year ended 31 March 2022

(a) Summary of acquisition

On 25 October 2021, pursuant to a business transfer agreement, the Group acquired the business of 100% of S2 Engineering Services and 100% of Stanpumps Engineering Industries for consideration amounting to INR 200.00 Million and INR 65.00 Million in cash respectively on a going concern basis under common control transaction. S2 Engineering Services Primarily involved in manufacturing and selling of stainless steel and nickel/alloy steel reactors, filters, dryers, vessels, and storage tanks for the pharmaceutical industry sector and Stanpumps Engineering Industries primarily involved in trading of vacuum pumps.

(b) Assets acquired and liabilities assumed recognised as a result of the acquisition at book values

	S2 Engineering Services	Stanpumps Engineering Industries	Total
Assets			
Property, plant and equipment	56.91	10.29	67.20
Loans	9.26	1.60	10.86
Inventories	513.96	27.45	541.41
Trade receivables	134.61	98.45	233.06
Other non-current financial assets	11.05	2.77	13.82
Other current financial assets	-	2.14	2.14
Cash and cash equivalents	3.81	0.01	3.82
Other current assets	112.25	9.45	121.70
Total assets	841.85	152.16	994.01
Liabilities			
Borrowings	(78.58)	(30.37)	(108.95)
Other current liabilities	(366.08)	(7.31)	(373.39)
Trade payables	(198.72)	(45.23)	(243.95)
Provisions	(40.15)	(11.88)	(52.03)
Current tax liabilities (net)	(2.20)	(0.68)	(2.88)
Total liabilities	(685.73)	(95.47)	(781.20)
Less: Provision for income tax	35.34	7.38	42.72
Net liabilities	(650.39)	(88.09)	(738.48)
Net identifiable assets acquired	191.46	64.07	255.53
(c) Calculation of capital reserve			
Total purchase consideration	200.00	65.00	265.00
Net identifiable assets acquired	(191.46)	(64.07)	(255.53)
Capital reserve	8.54	0.93	9.47

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39 Employee benefits

39.1 The Code on Social Security, 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Group will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules to determine the financial impact are published.

39.2 Defined contribution plan

Provident fund and employee state insurance

Contributions were made to provident fund and employee state insurance in India for the employees of the Company as per the regulations. These contributions 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 constructive obligation.

39.3 During the period, the Group has recognised the following amounts in the consolidated statement of profit and loss:-

	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Employers contribution to provident fund	5.77	4.40	2.32
Employers contribution to employee state insurance	0.80	0.42	0.47
Total	6.57	4.82	2.79

39.4 Defined benefit plan - Gratuity

(a) Information regarding gratuity plan

In accordance with applicable laws, the Group has a defined benefit plan which provides for gratuity payments (the "Gratuity Plan") and covers certain categories of employees in India. The gratuity plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amount of the payment is based on the respective employee's last drawn salary and the years of employment with the Group. Liabilities in respect of the gratuity plan are determined by an actuarial valuation and plan is funded.

The plan is exposed to a number of risks, including:

- Investment risk: movement of discount rate used against the return from plan assets
- Interest rate risk: decreases/increases in the discount rate used will increase/decrease the defined benefit obligation
- Longevity risk: changes in the estimation of mortality rates of current and former employees.
- Salary risk: increases in future salaries increase the gross defined benefit obligation

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(b) Reconciliation of defined benefit obligation and fair value of plan assets

	Defined benefit obligation			Fair value of plan assets			Net defined benefit liability/(asset)		
	31 March 2024	31 March 2023	31 March 2022	31 March 2024	31 March 2023	31 March 2022	31 March 2024	31 March 2023	31 March 2022
Balance as at the beginning of the year	13.90	9.79	4.02	-	-	-	13.90	9.79	4.02
Current service cost	3.30	2.65	1.76	-	-	-	3.30	2.65	1.76
Past service cost	0.02	-	-	-	-	-	0.02	-	-
Interest cost	1.03	0.72	4.46	-	-	-	1.03	0.72	4.46
Included in profit and loss	4.35	3.37	6.22	-	-	-	4.35	3.37	6.22
Remeasurement loss/(gain)									
Actuarial loss/(gain) arising from:									
Changes in financial assumptions	0.34	(0.08)	(0.17)	-	-	-	0.34	(0.08)	(0.17)
Changes in demographic assumptions	(0.14)	-	-	-	-	-	(0.14)	-	-
Experience adjustments	(0.12)	0.82	(0.28)	-	-	-	(0.12)	0.82	(0.28)
Included in other comprehensive income	0.08	0.74	(0.45)	-	-	-	0.08	0.74	(0.45)
Employer contributions	-	-	-	10.05	-	-	(10.05)	-	-
Employer direct benefit payments	-	-	-	0.37	0.15	-	(0.37)	(0.15)	-
Benefits paid	(0.37)	-	-	(0.37)	(0.15)	-	-	0.15	-
Other movements	(0.37)	-	-	10.05	-	-	(10.42)	-	-
Balance as at the end of the year	17.96	13.90	9.79	10.05	-	-	7.91	13.90	9.79
Classified as:									
Non-current							5.98	12.77	8.97
Current							1.93	1.13	0.82
							7.91	13.90	9.79

(c) Plan assets

Plan assets comprise the following:

	31 March 2024	31 March 2023	31 March 2022
Insurance policies	10.05	-	-
	10.05	-	-

The Group expects to contribute INR 7.84 Million (31 March 2023: INR Nil, 31 March 2022: INR Nil) into its Gratuity plan during the next financial year.

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(d) Actuarial assumptions

	31 March 2024	31 March 2023	31 March 2022
Discount rate	7.24%/7.23%	7.50%	7.35% /7.36%
Salary escalation rate	8.00%	8.00%	8.00%
Withdrawal rate	10.00%	8.00%/10.00%	8.00%/10.00%
Mortality rate	Indian Assured Lives Mortality 2012-14 Ult	Indian Assured Lives Mortality 2012-14 Ult	Indian Assured Lives Mortality 2012-14 Ult

The weighted-average duration of the defined benefit obligation as at 31 March 2024 was 8.00/9.00 years (31 March 2023: 6.01/8.85 years, 31 March 2022: 8.52/9.56 years).

(e) Sensitivity analysis

The impact to the value of the defined benefit obligation of a reasonably possible change to one actuarial assumption, holding all other assumption constant, is presented in the table below. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method has been applied as when calculating the defined benefit liability recognised in the balance sheet.

	31 March 2024	31 March 2023	31 March 2022
Salary escalation			
1% increase	11.92	15.00	10.51
1% decrease	(10.43)	(12.92)	(9.02)
Discount rate			
1% increase	(10.49)	(12.92)	(9.01)
1% decrease	11.89	15.02	10.55
Mortality rate			
10% increase	(11.14)	(13.90)	(9.72)
10% decrease	11.14	13.90	9.72
Withdrawal rate			
1% increase	(11.06)	(13.84)	(9.69)
1% decrease	11.23	13.97	9.76

(f) Maturity analysis	31 March 2024	31 March 2023	31 March 2022
Year 1	1.65	1.13	0.82
Year 2	1.14	1.53	0.80
Year 3	1.17	1.26	0.81
Year 4	1.06	1.29	0.94
Year 5	1.52	1.18	0.92
Year 6	1.19	1.74	0.83
Year 7	1.53	1.62	1.20
Year 8	0.75	1.54	1.15
Year 9	0.91	1.20	1.07
Year 10	0.58	1.29	0.78
Year 11+	8.67	15.21	11.23

40 Leave encashment

The Group provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of the unutilised compensated absences and utilise them in future periods or receive cash in lieu thereof as per the Group's policy. The Group records a provision for compensated absences in the period in which the employee renders the services that increases this entitlement. The total provision recorded by the Group towards this obligation was INR 4.63 Million as at 31 March 2024 (INR 2.80 Million as at 31 March 2023, INR 1.36 Million as at 31 March 2022). Total expense recognised in statement of profit and loss was INR 2.56 Million, INR 1.73 and INR 0.59 Million for the year ended 31 March 2024, 31 March 2023 and 31 March 2022 respectively.

41 Fair value measurements

41.1 The carrying fair value amounts of financial assets and liabilities by categories

At amortised cost	Note	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Financial assets				
Non-current				
Loans	7	-	-	2.48
Other financial assets	8	14.24	21.26	35.51
Current				
Trade receivables	11	1,547.80	912.81	821.66
Cash and cash equivalents	12	154.55	54.21	1.17
Bank balances other than cash and cash equivalents	13	364.88	-	-
Other financial assets	8	955.31	51.99	12.24
Total financial assets		3,036.78	1,040.27	873.06
Financial liabilities				
Non-current				
Borrowings	17	5.79	30.30	67.89
Current				
Borrowings	18	1,132.03	570.32	423.61
Trade payables	19	887.06	749.66	624.76
Other financial liabilities	22	17.55	7.73	20.52
Total financial liabilities		2,042.43	1,358.01	1,136.78

41.2 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).

41.3 Methods and assumptions

(a) The management assessed that fair value of cash and cash equivalents, other bank balances, Loans, trade receivables, trade payables, borrowings, lease liabilities and other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these financial instruments.

(b) Borrowings include Indian currency long-term loans wherein interest rates are linked to benchmark rates (Marginal Cost of Lending Rates/Prime Lending Rates) of respective lenders. These benchmark rates are determined based on cost of funds of the lenders, as well as, market rates. The benchmark rates are periodically revised by the lenders to reflect prevalent market conditions. Accordingly, effective cost of debt for borrowings at any point of time is in line with the prevalent market rates. Due to these reasons, management is of the opinion that they can achieve refinancing, if required, at similar cost of debt, as current effective interest rates. Hence, the discounting rate for calculating the fair value of borrowings has been taken in line with the current cost of debt.

42 Financial risk management

42.1 General objectives, policies and processes

The Group's principal financial liabilities comprise borrowings, lease liabilities and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, cash and cash equivalents and other financial assets that are out of regular business operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's risk management is carried out by a treasury department under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Risk management framework

The board of directors have overall responsibility for the risk management framework. The board of directors are responsible for developing and monitoring the risk management policies. The board of directors monitors the compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The risk management policies are to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

42.2 Credit risk

(a) Credit risk management

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. The Group's exposure to credit risk arises majorly from trade and other receivables.

(b) Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

Movement of expected credit loss of trade receivables

	As at	As at	As at
	31 March 2024	31 March 2023	31 March 2022
Opening balance	19.66	17.12	8.93
Increase in loss allowance recognised in profit or loss during the year	23.29	6.03	13.91
Reversal of earlier years provisions	-	(3.49)	(5.72)
Bad debts written off from earlier years provisions	(5.81)	-	-
Closing balance	37.14	19.66	17.12

(c) Details of financial assets – not due, past due and impaired

None of the Group's cash and cash equivalents, including term deposits with banks, were past due or impaired as of 31 March 2023. The Group's credit period for trade and other receivables payable by its customers generally ranges from 30 – 90 days.

(d) Other financial assets

Other financial assets like security deposits and bank deposits are mostly with government authorities and scheduled banks and hence, the Group does not expect any significant credit risk with respect to these financial assets.

The Group limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs.

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 also in some cases ensure that the notice period rentals are adjusted against the security deposits and only differential, if any, is paid out thereby further mitigating the non-realisation risk. The Group does not foresee any credit risks on deposits with regulatory authorities.

42.3 Liquidity risk

The Group's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Group relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/long term expansion needs. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

Maturities of financial liabilities

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

As at 31 March 2024

Particulars		Carrying value	Contractual cash flows				Total
			Less than 1 year	1-3 years	3-5 years	More than 5 years	
Non-current borrowings	17	38.32	32.53	5.79	-	-	38.32
Current borrowings	18	1,099.50	1,099.50	-	-	-	1,099.50
Trade payables	19	887.06	886.42	0.64	-	-	887.06
Other financial liabilities	22	17.55	17.55	-	-	-	17.55
Total		2,042.43	2,036.00	6.43	-	-	2,042.43

As at 31 March 2023

Particulars		Contractual cash flows					Total
		Carrying value	Less than 1 year	1-3 years	3-5 years	More than 5 years	
Non-current borrowings	17	70.84	40.54	30.30	-	-	70.84
Current borrowings	18	570.32	570.32	-	-	-	570.32
Trade payables	19	749.66	749.66	-	-	-	749.66
Other financial liabilities	22	7.73	7.73	-	-	-	7.73
Total		1,398.55	1,368.25	30.30	-	-	1,398.55

As at 31 March 2022

Particulars		Contractual cash flows					Total
		Carrying value	Less than 1 year	1-3 years	3-5 years	More than 5 years	
Non-current borrowings	17	109.15	41.26	67.89	-	-	109.15
Current borrowings	18	423.61	423.61	-	-	-	423.61
Trade payables	19	624.76	624.76	-	-	-	624.76
Other financial liabilities	22	20.52	20.52	-	-	-	20.52
Total		1,178.04	1,110.15	67.89	-	-	1,178.04

42.4 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument that will fluctuate because of changes in market prices. Market risk primarily comprises two types of risk i.e. interest rate risk and currency risk for the Group.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rate relates primarily to the Group's borrowings with floating interest rates.

Exposure to interest rate risk

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Variable rate borrowings	1,117.82	560.53	419.02

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 is affected through the impact on floating rate borrowings, as follows:

Sensitivity	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
1% increase in variable rate	1.31	5.16	4.16
1% decrease in variable rate	(1.31)	(5.16)	(4.16)

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(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).

Unhedged foreign currency exposure as at the reporting date

	Amount in USD	Equivalent amount in INR for USD	Amount in EURO	Equivalent amount in INR for EURO
31 March 2024				
Trade receivables	0.00	0.02	-	-
Trade payables	0.00	0.02	-	-
31 March 2023				
Trade payables	-	-	1.50	0.95
31 March 2022				
Trade receivables	-	-	-	-
Trade payables	-	-	-	-

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant:

	Currency	Profit or loss	
		Strengthening	Weakening
31 March 2024			
Change by 5%	EURO	0.14	(0.14)
Change by 5%	USD	1.77	(1.77)
31 March 2023			
Change by 5%	EURO	0.01	(0.01)
Change by 5%	USD	-	-
31 March 2022			
Change by 5%	EURO	-	-
Change by 5%	USD	-	-

43 Capital management

For the purpose of the Group's capital management, capital includes issued equity share capital, securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Group includes within net debt, interest bearing loans and borrowings less cash and cash equivalents and other bank balances.

The gearing ratio at the end of the reporting period was as follows:

		As at	As at	As at
		31 March 2024	31 March 2023	31 March 2022
Total debt		1,293.24	819.62	698.08
Less: Cash and cash equivalents and other bank balances		519.43	54.21	1.17
Net debt	(i)	773.81	765.41	696.91
Equity share capital		181.63	157.85	153.00
Other equity		3,891.77	1,399.35	536.59
Total equity	(ii)	4,073.40	1,557.20	689.59
Net debt plus total equity	(iii) = (i) + (ii)	4,847.21	2,322.61	1,386.50
Gearing ratio	(i)/(iii)	0.16	0.33	0.50

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024, 31 March 2023, and 31 March 2022.

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44 Non-controlling interests (NCI)

The subsidiaries of the Group having non-controlling interests, all of which have been included in these consolidated financial statements, are as follows:

Name of the company	Country of incorporation and principal place of business	Proportion of ownership interest			Proportion of equity interest held by non-controlling interests ("NCI")		
		As at 31 March 2024	As at 31 March 2023	As at 31 March 2022	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Standard Flora Private Limited	India	51%	-	-	49%	-	-
CPK Engineers Equipment Private Limited	India	51%	-	-	49%	-	-
Information regarding NCI					As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Accumulated balances of non-controlling interests							
Standard Flora Private Limited					88.17	-	-
CPK Engineers Equipment Private Limited					0.05	-	-
					88.22	-	-
Intra-group eliminations					(71.85)	-	-
					16.37	-	-
Profit allocated to non-controlling interests							
Standard Flora Private Limited					16.27	-	-
CPK Engineers Equipment Private Limited					-	-	-
					16.27	-	-
Intra-group eliminations					-	-	-
					16.27	-	-

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Summarised financial information in relation to Standard Flora Private limited and CPK Engineers Equipment Private Limited, before intra-group eliminations, is presented below together with amounts attributable to NCI:

	Standard Flora Private Limited			CPK Engineers Equipment Private Limited		
	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Summarised statement of profit and loss:						
Revenue from operations	301.52	-	-	-	-	-
Cost of materials consumed and changes in inventories	(196.77)	-	-	-	-	-
Depreciation and amortisation expenses	(11.12)	-	-	-	-	-
Employee benefits expense	(14.13)	-	-	-	-	-
Finance costs	(8.26)	-	-	-	-	-
Other expenses	(24.51)	-	-	-	-	-
Profit before tax	46.73	-	-	-	-	-
Income tax expense	(13.52)	-	-	-	-	-
Profit for the year	33.21	-	-	-	-	-
Profit allocated to NCI	16.27	-	-	-	-	-
Other comprehensive income allocated to NCI	-	-	-	-	-	-
Total comprehensive income allocated to NCI	16.27	-	-	-	-	-
Dividends paid to NCI	-	-	-	-	-	-

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Summarised balance sheet:	Standard Flora Private Limited			CPK Engineers Equipment Private Limited		
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Assets:						
Property plant and equipment	199.24	-	-	-	-	-
Right-of-use assets	-	-	-	-	-	-
Intangible assets	1.16	-	-	-	-	-
Inventories	136.56	-	-	-	-	-
Trade receivables	95.09	-	-	-	-	-
Cash and cash equivalents	0.02	-	-	0.10	-	-
Other financial assets	0.06	-	-	-	-	-
Other current assets	3.37	-	-	-	-	-
Liabilities:						
Borrowings	(191.68)	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-
Trade payables	(55.59)	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-
Provisions	(0.17)	-	-	-	-	-
Current tax liabilities (net)	(0.86)	-	-	-	-	-
Other financial liabilities	(0.85)	-	-	-	-	-
Deferred tax liabilities (net)	(2.83)	-	-	-	-	-
Other current liabilities	(3.59)	-	-	-	-	-
Total equity	179.93	-	-	0.10	-	-
Attributable to:						
Owners of the parent	91.76	-	-	0.05	-	-
Non-controlling interests	88.17	-	-	0.05	-	-
Summarised cash flow information:						
	Standard Flora Private Limited			CPK Engineers Equipment Private Limited		
	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flows from operating activities	(48.59)	-	-	-	-	-
Cash flows from investing activities	(281.68)	-	-	-	-	-
Cash flows from financing activities	330.29	-	-	0.10	-	-
Net cash inflows	0.02	-	-	0.10	-	-

45 Statutory Group information

Additional information as required under Schedule III of the Companies Act, 2013 of entities consolidated as subsidiaries

As at 31 March 2024	Net Assets, i.e. total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent company								
Standard Glass Lining Technology Limited	81.61%	3,337.76	43.95%	263.72	42.93%	0.17	43.94%	263.89
Subsidiaries incorporated in India								
S2 Engineering Industry Private Limited	25.82%	1,055.90	52.07%	312.49	57.07%	0.23	52.08%	312.72
Standard Flora Private Limited	2.25%	91.91	2.82%	16.94	0.00%	-	2.82%	16.94
Standard Engineering Solutions Private Limited	0.00%	(0.12)	-0.04%	(0.22)	0.00%	-	-0.04%	(0.22)
CPK Engineers Equipment Private Limited	0.00%	0.05	0.00%	-	0.00%	-	0.00%	-
	109.68%	4,485.50	98.80%	592.93	100.00%	0.40	98.80%	593.33
Non-controlling interests in all subsidiaries	0.40%	16.37	2.71%	16.27	0.00%	-	2.71%	16.27
Consolidation adjustments/eliminations	-10.08%	(412.10)	-1.51%	(9.09)	0.00%	-	-1.51%	(9.09)
	100.00%	4,089.77	100.00%	600.11	100.00%	0.40	100.00%	600.51

As at 31 March 2023	Net Assets, i.e. total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent company								
Standard Glass Lining Technology Limited	73.33%	1,141.88	37.66%	201.19	71.2%	-0.37	37.63%	200.82
Subsidiary incorporated in India								
S2 Engineering Industry Private Limited	33.42%	520.43	63.32%	338.26	28.8%	-0.15	63.35%	338.11
Consolidation adjustments/eliminations	-6.75%	(105.11)	-0.98%	(5.21)	-	-	-0.98%	(5.21)
	100.00%	1,557.20	100.00%	534.24	100.0%	-0.52	100.00%	533.71

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As at 31 March 2022

	Net Assets, i.e. total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent company								
Standard Glass Lining Technology Limited	88.05%	607.17	63.45%	159.55	100.00%	0.54	63.53%	160.09
Subsidiary incorporated in India								
S2 Engineering Industry Private Limited	26.44%	182.33	36.99%	93.00	0.00%	-	36.91%	93.00
Consolidation adjustments/eliminations								
	-14.49%	(99.91)	-0.44%	(1.10)	0.00%		-0.44%	(1.10)
	100.00%	689.59	100.00%	251.45	100.00%	0.54	100.00%	251.99

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46 Other regulatory information

46.1 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.

46.2 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.

46.3 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.

46.4 Details of crypto currency or virtual currency

The Group has not traded or invested in Crypto currency or Virtual currency during the year.

46.5 Utilisation of borrowed funds and share premium:

The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Group has not received any funds from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

46.6 Undisclosed income

The Group does not have any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

46.7 Utilisation of borrowings availed from banks and financial institutions

The Group does not have any borrowings from banks and financial institutions as at reporting date that are used for any other purpose other than the specific purpose for which it was taken.

46.8 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.

46.9 Wilful defaulter

The entities in the Group have not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

46.10 Compliance with approved scheme(s) of arrangements

There are no scheme of arrangements which have been approved by the competent authority in terms of sections 230 to 237 of the Companies Act, 2013 during the reporting period.

46.11 Title deeds of immovable properties not held in name of the Group

The Company has been allotted land by TSIC for setting up manufacturing facility. The agreement is entered into with the authority and possession obtained. Pursuant to the terms and conditions the registration of the land in the name of the Company would be made once the facility commences commercial operations.

46.12 Borrowings secured against current assets

The Group has borrowings secured against current assets and statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.

46.13 Core Investment Company

The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and the Group does not have any CICs, which are part of the Group.

46.14 Loans or advances to specified persons

Loans or advances in the nature of loans are granted to promoters, directors, KMP's and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

Type of borrower	Loans or advances granted individually or jointly with other	Repayable on demand (Yes/No)	Terms/period of repayment is specified (Yes/No)	Amount outstanding as at the balance sheet date	% of total (shall represent percentage to total loan and advance in the nature of loan)	Amount outstanding as at the balance sheet date	% of total (shall represent percentage to total loan and advance in the nature of loan)	Amount outstanding as at the balance sheet date	% of total (shall represent percentage to total loan and advance in the nature of loan)
KMP	Individually	Yes	Yes	1.47	100%	-	-	-	-
Other related parties	Individually	Yes	Yes	-	-	-	-	2.48	100%

47 Ratio analysis

S No.	Ratio	Formula	As at 31 March 2024		As at 31 March 2023		As at 31 March 2022		Ratio as on	Ratio as on	Ratio as on	Variation (As at 31 March 2024)	Variation (As at 31 March 2023)
			Numerator	Denominator	Numerator	Denominator	Numerator	Denominator	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022		
(a)	Current ratio	Current assets ⁽ⁱ⁾ / Current liabilities ⁽ⁱⁱ⁾	5,587.81	2,418.99	2,631.29	1,678.94	2,375.55	2,023.07	2.31	1.57	1.17	47%	33%
(b)	Debt-equity ratio	Total debt ⁽ⁱⁱⁱ⁾ / Shareholder's equity	1,137.82	4,089.77	600.62	1,557.20	491.50	689.59	0.28	0.39	0.71	-28%	-46%
(c)	Debt service coverage ratio	Earnings available for debt service ^(iv) / Debt service ^(v)	1,009.19	214.00	882.56	112.85	417.79	65.66	4.72	7.82	6.36	-40%	23%
(d)	Return on equity ratio	Profit after tax / Average shareholder's equity	600.11	2,823.48	534.24	1,123.40	251.45	344.80	0.21	0.48	0.73	-55%	-35%
(e)	Inventory turnover ratio	Cost of goods sold / Average inventory	3,176.67	1,841.06	2,854.91	1,346.68	1,151.45	629.63	1.73	2.12	1.83	-19%	16%
(f)	Trade receivables turnover ratio	Revenue from operations / Average trade receivables	5,436.69	1,230.31	4,975.88	867.24	2,401.87	410.83	4.42	5.74	5.85	-23%	-2%
(g)	Trade payables turnover ratio	Total purchases / Average trade payables	4,160.52	818.36	3,336.89	687.21	2,071.37	312.38	5.08	4.86	6.63	5%	-27%
(h)	Net capital turnover ratio	Revenue from operations / Working capital	5436.69	3,168.82	4,975.88	952.35	2,401.87	352.48	1.72	5.22	6.81	-67%	-23%
(i)	Net profit ratio	Net profit / Net sales	600.11	5436.69	534.24	4,975.88	251.45	2,401.87	0.11	0.11	0.10	3%	3%
(j)	Return on capital employed	Earnings before interest and taxes / Capital employed ^(vi)	1,009.19	5,223.98	882.56	2,157.51	417.79	1,181.03	0.19	0.41	0.35	-53%	16%

Footnote:

- (i) Current assets = Inventories + Trade receivables + Cash and cash equivalents + Other financial assets + Other current assets
(ii) Current Liabilities = Current borrowings + Trade Payables + Other financial liabilities + Current tax liabilities + Provisions + Other current liabilities + Current lease liabilities
(iii) Total debts = Non-current borrowings + Current borrowings + Current maturities of long-term borrowings
(iv) Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Interest (including interest on security deposits)
(v) Debt service = Principal payment of leases + Principal repayment of borrowings + Interest payment on leases + Interest payment on borrowings
(vi) Capital employed = Tangible Net worth (Total assets - total liabilities - intangible assets) + Total debt + Deferred tax liability

48 Subsequent events

There are no subsequent events that have occurred after the reporting period till the date of approval of these financial statements except for as disclosed in Restated Financial Information. Refer Note 15 and 15.5 to the Restated Financial Information.

As per our report attached
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.: 105047W

Mukesh Kumar Pugalía
Partner
Membership No: 221387

Place: Hyderabad
Date: 19 July 2024

For and on behalf of the Board of Directors of
Standard Glass Lining Technology Limited
(CIN: U29220TG2012PLC082904)

Kandula Nageswara Rao
Managing Director
DIN: 00762497

Anjaneyulu Pathuri
Chief Financial Officer

Place: Hyderabad
Date: 19 July 2024

Katragadda Venkata Mohana Rao
Director
DIN: 08362181

Hima Priya Kallam
Company Secretary
ICSI M No: 62384

Place: Hyderabad
Date: 19 July 2024

Standard Glass Lining Technology Limited
(Formerly known as Standard Glass Lining Technology Private Limited)
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Annexure VII: Statement of Adjustments to the Restated Consolidated Financial Information
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Part A: Statement of Restatement Adjustments to Audited Consolidated Financial Statements

Reconciliation of total equity as per the Audited Consolidated Financial Statements for the year ended 31 March 2024 and 31 March 2023 and the Audited Special Purpose Consolidated Financial Statements for the year ended 31 March 2022 with the total equity as per the Restated Consolidated Financial Information

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Total equity	4,089.77	1,557.20	689.59
Adjustments	-	-	-
Total equity as per the Restated Consolidated Statement of Assets and Liabilities	4,089.77	1,557.20	689.59

Reconciliation of profit for the year after tax as per the Audited Consolidated Financial Statements for the year ended 31 March 2024 and 31 March 2023 and the Audited Special Purpose Consolidated Financial Statements for the year ended 31 March 2022 with the restated profit after tax as per the Restated Consolidated Financial Information

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit for the year	600.11	534.24	251.45
Adjustments	-	-	-
Restated profit for the year as per the Restated Consolidated Statement of Profit and Loss	600.11	534.24	251.45

Part B: Material regrouping

Appropriate regroupings have been made in the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and the Restated Consolidated Statements of Cash Flows, wherever required, by reclassification of the corresponding items of incomes, expenses and cash flows, in order to bring them in line with the accounting policies and classification as per the Restated Consolidated Financial Information of the Group for the year ended 31 March 2024 prepared in accordance with Schedule III of the Companies Act, 2013, requirements of Ind AS 1 - 'Presentation of financial statements' and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.

Particulars	31 March 2023* (Reported)	31 March 2023 (Restated)	Change	Nature
Expenses				
Employee benefits expenses	250.38	157.52	(92.86)	Reclassification
Labour charges	442.23	-	(442.23)	Reclassification
Other expenses	570.68	1,105.77	535.09	Reclassification
Consolidated cash flow statement				
Net cash flows from/(used) from investing activities	(335.42)	(290.17)	(45.25)	Reclassification
Net cash flows from/(used) from financing activities	370.95	325.70	45.25	Reclassification

* As per Audited Consolidated Financial Statements

Particulars	31 March 2022* (Reported)	31 March 2022 (Restated)	Change	Nature
Expenses				
Labour charges	282.23	-	(282.23)	Reclassification
Other expenses	428.34	710.57	282.23	Reclassification

Standard Glass Lining Technology Limited
(Formerly known as Standard Glass Lining Technology Private Limited)
(CIN: U29220TG2012PLC082904)
Annexure VII: Statement of Adjustments to the Restated Consolidated Financial Information
(All amounts are in INR Million, unless otherwise stated)

Consolidated cash flow statement

Net cash flows from/(used) from operating activities	(354.09)	(71.49)	(282.60)	Reclassification
Net cash flows from/(used) from investing activities	(342.92)	(297.38)	(45.54)	Reclassification
Net cash flows from/(used) from financing activities	698.11	369.97	328.14	Reclassification

*** As per Audited Consolidated Financial Statements**

Part C: Non adjusting items

- (a) There are no audit qualification in auditor's report on the Statutory Consolidated Financial Statements for the year ended 31 March 2024, 31 March 2023 and in the auditor's report on the Special Purpose Consolidated Financial Statements for the year ended 31 March 2022.
- (b) Certain statements/ comments included in the CARO in the standalone financial statements, which do not require any adjustments in the Restated Consolidated Financial Information are reproduced below in respect of the financial statements presented. The information presented below is for the Parent Company and its subsidiaries whose audited financial statements are forming part of consolidated financial statements for each of the respective years.

As at and for the year ended 31 March, 2023

Clause (i)(c) of Companies (Auditor's Report) Order, 2020

(i) Standard Glass Lining Technology Limited

According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the company, except for the immovable property acquired during the year as below:

Sr.No.	Description of property	Gross Carrying Value (INR Million)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of the company
1	Land	80.28	TSIIC Limited	No	7 Months	Pursuant to the terms and conditions of the agreement to sell, the registration of the land in the name of the company would be made once the facility commences commercial operations.

Standard Glass Lining Technology Limited
(Formerly known as Standard Glass Lining Technology Private Limited)
(CIN: U29220TG2012PLC082904)
Annexure VII: Statement of Adjustments to the Restated Consolidated Financial Information
(All amounts are in INR Million, unless otherwise stated)

(ii) S2 Engineering Industry Private Limited

According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the company, except for the immovable property acquired during the year as below:

Sr.No.	Description of property	Gross Carrying Value (INR Million)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of the company
1	Land	80.24	TSIC Limited	No	7 Months	Pursuant to the terms and conditions of the agreement to sell, the registration of the land in the name of the company would be made once the facility commences commercial operations.

As at and for the year ended 31 March, 2023

Clause (iii)(a) of Companies (Auditor's Report) Order, 2020

(i) Standard Glass Lining Technology Limited

According to the information explanation provided to us, the company has provided loans or provided advances in the nature of loans, or given guarantee, or provided security to entities.

(A) The details of such loans or advances and guarantees or security to subsidiaries, Joint Ventures and Associates are as follows:

Amount in Million

Particulars	Guarantees	Loans
Aggregate amount granted/provided during the year	510.00	100.00
- Subsidiary		
Balance Outstanding as at balance sheet date in respect of above cases	750.00	179.86

As at and for the year ended 31 March, 2023

Clause (x)(a) of Companies (Auditor's Report) Order, 2020

(i) Standard Glass Lining Technology Limited

According to the information and explanations given to us and based on our examination of the records of the company, the company has made private placement of shares during the year and the requirements of Section 42 and Section 62 of the Act have been complied with. The amount raised has been used for the purposes for which they were raised.

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
Standard Glass Lining Technology Limited
(CIN: U29220TG2012PLC082904)

Mukesh Kumar Pugalila
Partner
Membership No: 221387

Kandula Nageswara Rao
Managing Director
DIN: 00762497

Katragadda Venkata Mohana Rao
Director
DIN: 08362181

Anjaneyulu Pathuri
Chief Financial Officer

Hima Priya Kallam
Company Secretary
ICSI M No: 62384

Place: Hyderabad
Date: 19 July 2024

Place: Hyderabad
Date: 19 July 2024

Place: Hyderabad
Date: 19 July 2024

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

(₹ in million other than percentages and per share values)

Particulars	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022
Earnings per equity share (Basic) ⁽¹⁾⁽³⁾⁽⁴⁾ (in ₹)	3.52	3.49	2.22
Earnings per equity share (Diluted) ⁽¹⁾⁽³⁾⁽⁵⁾ (in ₹)	3.52	3.49	2.22
Return on Net Worth ⁽⁶⁾⁽⁷⁾ (in %)	20.74	47.56	54.89
Net Asset Value per share ⁽⁸⁾ (in ₹)	24.55	10.17	6.08
EBITDA ⁽⁹⁾ (in ₹ million)	1,009.19	882.56	417.79
EBITDA Margin ⁽¹⁰⁾ (in %)	18.36	17.65	17.30

Notes:

1. EPS has been calculated in accordance with the Indian Accounting Standard 33 – “Earnings per share”.
2. The Company has pursuant to the Board resolution dated June 3, 2024 allotted 163,471,068 bonus Equity Shares (“Bonus Shares”) in the ratio of Nine Equity Shares for one Equity Share held by the Shareholders.
3. Basic EPS and Diluted EPS for all the period / year have been considered post the impact issue of Bonus Equity Shares in accordance with Ind AS 33 - Earnings per share notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).
4. Basic EPS= Restated profit for the year attributable to equity shareholders of the Company divided by weighted average number of equity shares outstanding during the year.
5. Diluted EPS= Restated profit for the year attributable to equity shareholders of the Company divided by weighted average number of equity shares outstanding during the year adjusted for the effects of all dilutive potential equity shares.
6. Return on Net Worth (%) = PAT attributable to owners / Average Net worth
7. Net Worth = Aggregate value of equity share capital and other equity (excluding the share of Non- Controlling Interest) created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses but does not include reserves created out of revaluation of assets and write-back of depreciation.
8. Net asset value per share= Net worth (excluding non-controlling interest) as restated / weighted average number of equity shares outstanding at the end of the year adjusted for the issue of Bonus Equity Shares for all year, in accordance with principles of Ind AS 33.
9. EBITDA is calculated as profit before tax expenses plus finance costs and depreciation and amortization expense and impairment of property, plant and equipment.
10. EBITDA Margin has been calculated as EBITDA divided by Total Income

Other financial statements

In accordance with the SEBI ICDR Regulations the audited standalone financial statements of the Company for the Fiscals ended March 31, 2022, March 31, 2023, and March 31, 2024 and the audited financial statements of our Material Subsidiary as at and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 (collectively, the “Audited Standalone Financial Statements”) are available on our website at <https://www.standardglr.com/investors#audited-financials-of-company>.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Standalone Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document 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 Standalone Financial Statements and reports thereon should not be considered as part of information that any investor should consider subscribing for any securities of our Company and should not be relied upon or used as a basis for any investment decision.

None of our Company 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 Standalone Financial Statements, or the opinions expressed therein.

For a reconciliation of the above-mentioned numbers, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations– Key Performance Indicators and Non-GAAP Financial Measures” on page 424.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 'Related Party Disclosures' for the Fiscals ended March 31, 2024, March 31, 2023 and March 31, 2022 and as reported in the Restated Financial Information, see "*Restated Financial Information – Related party disclosures – Note 35*" on page 370.

CAPITALIZATION STATEMENT

The following table sets forth our Company's capitalization 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 the sections entitled "Risk Factors", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 42, 326 and 410, respectively.

(in ₹ million, except ratios)

Particulars	Pre-Offer as at March 31, 2024	As adjusted for the Offer
Total borrowings:		-
Current borrowings	1,099.50	[●]
Non-current borrowings (including current maturities of long-term borrowings)	38.32	[●]
Total Borrowings (A)	1,137.82	[●]
Total Equity :		-
Equity share capital	181.63	[●]
Other equity	3,891.77	[●]
Non-Controlling interests	16.37	[●]
Total Equity (B)	4,089.77	[●]
Total Non-current borrowings (including current maturities of long-term borrowings)/ Total Equity	0.01	[●]
Total Borrowings / Total Equity	0.28	[●]

Notes:

1. The above statement has been prepared for the purpose of disclosing in the prospectus to be filed in connection with the proposed initial public offering ('the Offer'), in accordance with the requirements prescribed under Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ('SEBI ICDR Regulations').
2. The terms in the statement above carry the same meaning as per Schedule III of the Companies Act, 2013 (as amended).
3. The corresponding capitalisation data post the Offer for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement.
4. Changes in the share capital of the Company:
 - a. Pursuant to the resolution passed at the extra-ordinary general meeting held on June 1, 2024, Clause V of the Memorandum of Association was amended to increase the authorised share capital of the Company from ₹ 1,890,000,000 divided into 189,000,000 Equity Shares of ₹ 10 each to ₹ 2,160,000,000 divided into 216,000,000 Equity Shares of ₹ 10 each.
 - b. On June 3, 2024, the Company has allotted 163,471,068 Equity Shares pursuant to a bonus issue of Equity Shares in the proportion of 9 Equity Shares for every 1 Equity Share held by the Shareholders as on the record date i.e. May 29, 2024. Consequently, the Equity Share capital increased by ₹ 1,634.71 million to ₹ 1,816.34 million and the securities premium has decreased by ₹ 1,634.71.

FINANCIAL INDEBTEDNESS

Our Company avails loans and financing facilities in the ordinary course of business to meet our working capital and operational requirements, and for general corporate purposes. For details regarding the borrowing powers of our Board, see “*Our Management - Borrowing Powers of Board*” on page 300.

Set forth below is a brief summary of our aggregate borrowings as of May 31, 2024, on a consolidated basis:

<i>(in ₹ million)</i>		
Category of Borrowing	Sanctioned Amount as of May 31, 2024	Amount outstanding as on May 31,2024
Secured		
Fund Based Borrowings		
Term loans [^]	494.33	49.17
Cash Credit and Overdraft/Working Capital Demand Loan [#]	1,866.33	1,368.12
Vehicle Loans	14.36	9.64
Total fund based borrowings (A)	2,375.02	1,426.93
Non Fund Based Borrowings		
Letter of Credit and Bank Guarantee *	601.67	369.54
Total Non-Fund Based Borrowings (B)	601.67	369.54
Total Secured Borrowings (A+B)	2,976.69	1,796.47
Unsecured Borrowings		
Loans from Directors	20.00	20.00
Total Unsecured Borrowings (C)	20.00	20.00
Total Borrowings (A + B + C)	2,996.69	1,816.47

As certified by M/s Niranjana & Narayan, Chartered Accountants, pursuant to their certificate dated July 24, 2024.

Note:

[^] The term loan of ₹ 16.73 million in ICICI Bank Limited was availed by our Company and was repaid before May 31, 2024. As on May 31, 2024 there are no outstanding amount against the term loan. Accordingly, the Company cannot avail that term loan mentioned in sanction limit during the remaining tenure of the sanction letter. The term loan of ₹ 17.60 million in Axis Bank Limited was availed by S2 Engineering Industry Private Limited and was repaid before May 31, 2024. As on May 31, 2024, there are no outstanding amount against the term loan. Accordingly, S2 Engineering Industry Private Limited cannot avail the term loan mentioned in sanction limit during the remaining tenure of the sanction letter.

[#] Includes ₹ 35.00 million towards Inland Bills Purchased/Discounted, but not utilized the facility yet.

^{*}Includes Loan Equivalent Risk and LC backed Bill Discounting amounting to ₹ 43.00 million and ₹ 100.00 million, not utilized any facility of these two yet.

Principal terms of the facilities sanctioned to our Company:

The details below are indicative and there may be additional terms, conditions and requirements under the various borrowing agreements entered into by our Company.

1. **Penal Interest:** The terms of certain financing facilities availed by our Company prescribes penalties for non-compliance of certain obligations by our Company. These include, inter alia, delay in payment of or non-payment of instalments or interest, irregularity in cash credit, non-submission/delay in stock statement, non-submission of renewal data, non-compliance with covenants, use of funds for anything other than the purpose for which the loan was availed, non-payment / non acceptance of demand / usance bills of exchange on presenting at due dates etc. Further, the default interest payable on the facilities availed by us will go up to 6.00% per annum.

2. **Security:** In terms of our borrowings where security needs to be created, we are typically required to create security by way of first charge on the assets to be created out of the borrowings, first pari passu charge on entire gross block including plant and machinery, land and building and miscellaneous fixed assets (both existing and new), second pari passu charge on our fixed and current assets (both present and future) and mortgage of immovable properties. Further, certain of our borrowings are personally guaranteed by our Promoters. The nature of securities described herein is indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

3. **Re-payment:** The repayment period for the term loans availed by our Company is up to 60 months. We are required to repay in such instalments as per the repayment schedule stipulated in the relevant loan documentation. The working capital facilities have a validity of 12 months and they are repayable either on demand or on the maturity date.

4. **Pre-payment:** The terms of facilities availed by us typically have prepayment provisions which allow for pre-payment of the outstanding loan amount, subject to such prepayment penalties as laid down in the facility agreements. Such prepayment terms are set out below:
 - i. Prepayment of most of our facilities does not allow prior to payment of 6 equated monthly instalments.
 - ii. The rate of prepayment premium on principle outstanding varies from 0.00% to 4.00%.

5. **Events of Default:** The financing arrangements entered into by us contain standard events of default, including
 - i. Default in performance of covenants, conditions or agreements in respect of the loan;
 - ii. Default in payment of equated monthly instalments or any other amounts due to the lender
 - iii. Any unauthorized modification in the shareholding pattern of our Company including issuance of new shares in the share capital of our Company
 - iv. Any action taken or legal proceedings initiated for winding up, dissolution, or re-organisation or for appointment of receiver, trustee or similar officer of any of Company's assets;
 - v. Any information provided by our Company for financial assistance found to be misleading or incorrect in any material respect;
 - vi. Any default by our Company and/or the security provider under any other agreement or other document between our Company and/or the security provider and the bank or between our Company and/or the security provider and any third party;
 - vii. An event where our Company ceases or provides notice to cease carrying on the business its carries to any statutory regulatory authority and/or the bank;
 - viii. Change in control upon the management of our Company, ceasing to enjoy the confidence of the bank.

The details above are indicative and there are additional terms that may amount to an event of default under the financing arrangements entered into by our Company. We are required to ensure that the aforementioned events of default and other events of default, as specified under the agreements relating to the financing arrangements entered into by our Company, are not triggered.

6. **Consequences of Events of Default:** The financing arrangements entered into by us set out the consequences of occurrence of events of default, including:
 - i. Obligation on part of the lender to make or continue to make the loan available, stands terminated;
 - ii. The lender may demand all or any part of the amount due together with accrued interest and all other amounts accrued shall become due and payable immediately;
 - iii. The lender may, without any prior notice to our Company, enforce any and/or all security created in its favour;
 - iv. The lender may levy additional/ default interest;

- v. The lender may apply or appropriate or set off any credit balance standing on our Company's account with the lender towards satisfaction of any sum due
 - vi. The lender may invoke personal/ corporate guarantees of the guarantors or any other contractual comfort that may have been provided;
 - vii. The lender may cancel the undrawn commitment and suspend withdrawals under the facility; or
 - viii. The lender will have the right to appoint a nominee and/or observer on our Board. The details provided above are indicative and there may be additional terms, conditions and requirements under the specific financing arrangements entered into by our Company.
7. **Restrictive Covenants:** Certain financing arrangements entered into by us contain restrictive covenants. An indicative list of such restrictive covenants is disclosed below. Our Company shall not without the prior approval of the lenders:
- i. Avail any credit facility or accommodation from any other bank(s) so long as the accounts continue in the books of the bank;
 - ii. Change or in any way alter the capital structure of the borrowing concern;
 - iii. Effect any scheme of amalgamation or reconstitution;
 - iv. Implement a new scheme of expansion/ modernization or take up an allied line of business manufacture;
 - v. Revaluing the assets of our Company;
 - vi. Changing the accounting system of our Company radically;
 - vii. Declare a dividend or distribute profits after deduction of taxes, except where the instalments of principal and interest payable to the bank are being paid regularly;
 - viii. Enlarge the scope of other manufacturing/trading activities, if any undertaken at the time of the application and notified to the bank as such;
 - ix. Withdraw or allow to be withdrawn any monies brought in by its proprietors, partners, relatives, and friends or proprietors/ partners/promoters or directors;
 - x. Invest any funds by way of deposits, or loans or in share capital of any other concern (including subsidiaries) so long as any money is due to the bank; our Company will however be free to deposit funds by way of security, with third parties in the normal course of business or if required for the business;
 - xi. Any material change/s in the project;
 - xii. Undertake or permit any merger, de-merger, consolidation, re-organisation, scheme of arrangement or compromise with its creditors or shareholders or affect any scheme of amalgamation or reconstruction including creation of any subsidiary;
 - xiii. Permit any company to become its subsidiary without prior consent of the bank;
 - xiv. Create or permit to change any mortgage, charge (whether floating or specific), pledge, lien or other security interest on any of our Company's undertakings, properties or assets;
 - xv. Implement any scheme of expansion or diversification or capital expenditure except normal replacements indicated in funds flow statement submitted to and approved by the bank;
 - xvi. Voluntarily or involuntarily sell, transfer, grant, lease or otherwise dispose of or deal with, all or substantially all of its properties or assets or any division thereof in favour of any person; and
 - xvii. Invest by way of share capital in or lent or advance funds to or place deposits with any other company/firm/concern (including group companies/ associates)/persons. Normal trade credit or security deposit in the normal course of business or advance to employees can, however, be extended.

This is an indicative list and there may be such other additional terms under the borrowing arrangements entered into by our Company, that may require the consent of the relevant lender, the breach of which may amount to an event of default under various borrowing agreements entered into by our Company, which may lead to consequences other than those stated above. We are also required to keep our lenders informed of any event likely to have a substantial effect on our business.

For the purpose of the Offer, our Company has obtained the necessary consents from our lenders as required under the relevant borrowing arrangements for undertaking activities relating to the Issue, such as, *inter alia*, effecting changes to our shareholding and making amendments to our memorandum and articles of association.

For risks in relation to the financial and other covenants required to be complied with in relation to our borrowings, see “*Risk Factors – We have incurred indebtedness and an inability to comply with repayment and other covenants in our financial arrangements could adversely affect our business and financial condition. Further, certain of our financial agreements involve variable interest rates and an increase in interest rates may adversely affect our results of operations and financial condition*” on page 61.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey management’s perspective on our financial condition and results of operations for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022. You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our Restated Financial Consolidated Information and the sections entitled “Summary of Financial Information” and “Financial Statements” on pages 86 and 236, respectively. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled “Risk Factors” on page 42. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer to the section entitled “Forward-Looking Statements” on page 22. Unless otherwise stated or unless the context otherwise requires, the financial information of our Company used in this section has been derived from the Restated Consolidated Financial Information. Unless noted otherwise, some of the industry related information in this section is obtained or extracted from the F&S Report (which is a paid report and was commissioned by us solely in connection with the Offer), which is available on the website of our Company at <https://www.standardglr.com/investors/#f-s-industry-report>.

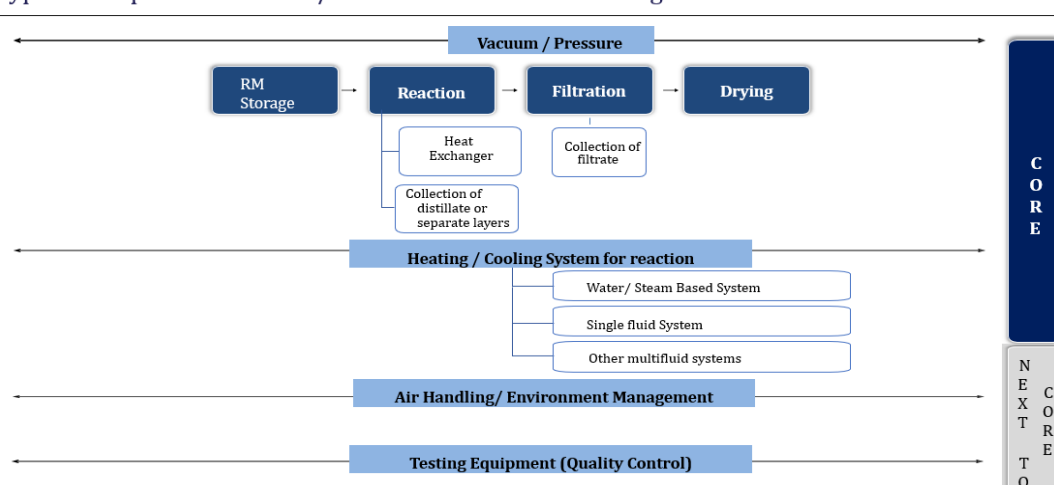
Our financial year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular financial year are to the 12-month period ended March 31 of that year.

Overview

We are one of the top five specialised engineering equipment manufacturer for pharmaceutical and chemical sectors in India, in terms of revenue in Fiscal 2024 (Source: F&S Report), with in house capabilities across the entire value chain. Our capabilities include designing, engineering, manufacturing, assembly, installation and commissioning solutions as well as establishing standard operating procedures for pharmaceutical and chemical manufacturers on a turnkey basis. Our portfolio comprises core equipments used in the manufacturing of pharmaceutical and chemical products, which can be categorized into: (i) Reaction Systems; (ii) Storage, Separation and Drying Systems; and (iii) Plant, Engineering and Services (including other ancillary parts). We are also one of India’s top three manufacturers of glass-lined, stainless steel, and nickel alloy based specialised engineering equipment, in terms of revenue in Fiscal 2024 (Source: F&S Report). We are also one of the top three suppliers of polytetrafluoroethylene (“PTFE”) lined pipelines and fittings in India, in terms of revenue in Fiscal 2024 (Source: F&S Report). We have been the fastest-growing company in the industry in which we operate during the past three completed Fiscals in terms of revenue (Source: F&S Report).

We possess in-house capabilities to manufacture all the core specialised engineering equipment required in the active pharmaceutical ingredient (“API”) and fine chemical products manufacturing process (Source: F&S Report). Over the last decade we have supplied over 11,000 products. The below graphic illustrates our presence across the core functions of API or fine chemical product manufacturing process:

Typical Setup in Pharma API / Fine Chemical manufacturing



(Source: F&S Report)

Our engineered solutions are used in processes across pharmaceutical, chemical, food and beverage, biotechnology and fertilizer sectors. We customise our products basis the unique process requirements of our customers. We also provide turnkey automated equipment solutions, optimising processes like vacuum distillation, solvent recovery and gas dispersion.

We have a diversified customer base including end users operating in a range of sectors across pharmaceutical, chemicals, paint, bio technology and food and beverages. Our marquee customer base includes 30 out of approximately 80 pharmaceutical and chemical companies in the NSE 500 index as of June 30, 2024 (*Source: F&S Report*). Some of our customers include Apitoria Pharma Private Limited, Aurobindo Pharma Limited, CCL Food and Beverages Private Limited, Cohance Lifesciences Limited, Cadila Pharmaceutical Limited, Deccan Fine Chemicals (India) Private Limited, Dasami Lab Private Limited, Laurus Labs Limited, Granules India Limited, Macleods Pharmaceuticals Limited, MSN Laboratories Private Limited, Natco Pharma Limited, Honour Lab Limited, Hetero Drugs Limited, Hetero Labs Limited, Hazelo Lab Private Limited, Piramal Pharma Limited, Sanvira Biosciences Private Limited, Suven Pharmaceuticals Limited, Tagros Chemicals India Private Limited, Vamsi Labs Limited and Viyash Life Sciences Private Limited.

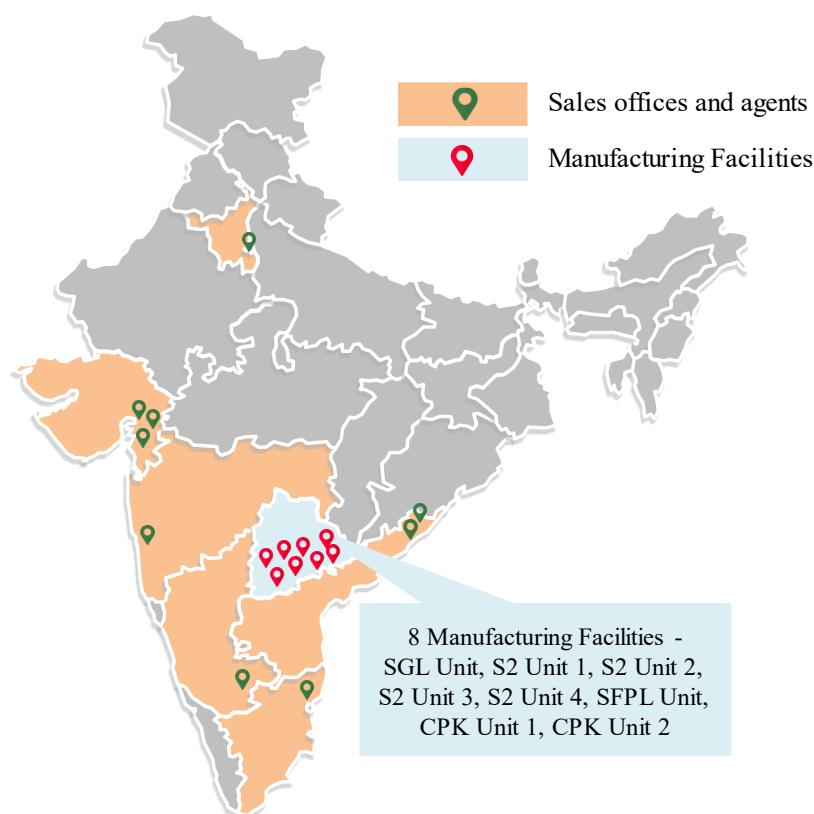
The following table sets forth our revenues by end user industries for Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively.

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of total revenue from operations	Amount (₹ in million)	% of total revenue from operations	Amount (₹ in million)	% of total revenue from operations
Pharmaceuticals	4,446.70	81.79%	4,119.79	82.80%	2,054.33	85.53%
Chemicals	681.72	12.54%	713.37	14.34%	324.48	13.51%
Others*	308.27	5.67%	142.72	2.86%	23.06	0.96%
Total	5,436.69	100.00%	4,975.88	100.00%	2,401.87	100.00%

*Others includes: (i) paint; (ii) bio technology; (iii) food and beverages and (iv) other industries

We operate through our eight manufacturing facilities spread across built-up/floor area of over 400,000 sq. ft., strategically located in Hyderabad, Telangana, the “Pharma Hub” of India, which accounted for 40.00% of the total Indian bulk drug production in Fiscal 2024 (*Source: F&S Report*). Our manufacturing capabilities are complemented by a sales ,service and distribution network operating from four sales offices located in Vadodara, Gujarat, Ankleshwar, Gujarat, Mumbai, Maharashtra and Vishakhapatnam, Andhra Pradesh and sales team members in Jhagadia, Gujarat, Chennai, Tamil Nadu, New Delhi, Bengaluru, Karnataka and Vijayawada, Andhra Pradesh with pan-India reach. We also have agency arrangements for sale and marketing of our products in Bangladesh as well as agency and distribution agreement for sale, marketing and distribution of our products in Russia. Further, we have resale arrangements for North America (excluding Cuba), South America, Europe (excluding Belarus and Russia) and certain countries in Asia and Africa.

Set out below are the locations of our various manufacturing facilities, branches, headquarters and sales touchpoints.



(Map not to scale. This map is only for the purpose of representation and is not to be considered an accurate geopolitical representation)

Our growth has been compounded by our partnerships. We have entered into an agreement with HHV Pumps Private Limited (“**HHV**”), for supply of vacuum pumps along with a private label arrangement. We also have a supply and purchase arrangement for India with Japan based Asahi Glassplant Inc. and GL Hakko Co. Ltd (“**GL Hakko**”) for procurement of specified grades of glass for our glass lining division. These partnerships have enabled us to fortify our position in the Glass Lining and Vacuum Pumps market in India (Source: F&S Report).

Our revenues from our various lines of business were as follows:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in million)	% of total revenue from operatio ns	Amount (₹ in million)	% of total revenue from operatio ns	Amount (₹ in million)	% of total revenue from operatio ns
Reaction Systems	3,083.79	56.71%	3,047.86	61.25%	1,638.78	68.23%
Storage, Separation and Drying Systems	1,635.49	30.08%	1,540.98	30.97%	626.22	26.07%
Plant, Engineering and Services	718.11	13.21%	387.04	7.78%	136.87	5.70%
Total	5,436.69	100.00%	4,975.88	100.00%	2,401.87	100.00%

Note:

1. Reaction Systems include: (i) heat transfer systems; (ii) pipes and fittings; (iii) pumps; and (iv) reactors.
2. Storage, Separation and Drying Systems include: (i) Filtration and Drying; (ii) storage and (iii) vessels.
3. Plant, Engineering and Services include: (i) services; (ii) utility systems; and (iii) others

We also benefit from an experienced management team, which is supported by a capable and motivated pool of employees. Our senior management team has diverse experience in manufacturing and functions related to our business, and an in-depth understanding of the specific industry, products and geographic regions they cover, which enables them to appropriately support and guide our employees. Our management team is guided by our seasoned Board, who have extensive experience in the pharmaceutical, chemicals and engineering sectors.

Financial and operational metrics

The following table sets forth certain key financial information relating to our business for the periods indicated:

(in ₹ million, unless otherwise stated)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from Operations (₹ in millions)	5,436.69	4,975.88	2,401.87
YoY Growth Rate (%)	9.26%	107.17%	-
2Y CAGR (%)	50.45%	-	-
EBITDA ⁽¹⁾ (₹ in millions)	1,009.19	882.56	417.79
EBITDA Margin (%) ⁽²⁾	18.36%	17.65%	17.30%
PAT ⁽³⁾ (₹ in millions)	600.11	534.24	251.45
YoY Growth Rate (%)	12.33%	112.46%	-
PAT Margin (%) ⁽⁴⁾	10.92%	10.68%	10.41%
ROCE (%) ⁽⁵⁾	25.49%	43.43%	42.03%
ROE (%) ⁽⁶⁾	20.74%	47.56%	54.89%
RoA (%) ⁽⁷⁾	11.85%	16.54%	13.23%
Total Debt to Equity ⁽⁸⁾	0.32	0.53	1.01
Net Debt to Equity ⁽⁹⁾	0.19	0.49	1.01
Net Fixed Asset Turnover Ratio ⁽¹⁰⁾	6.08	7.60	6.26
Adjusted ROCE (%) ⁽¹¹⁾	29.70%	43.86%	42.03%

Notes:

⁽¹⁾ EBITDA is calculated as profit before tax expenses plus finance costs and depreciation and amortization expense and impairment of property, plant and equipment for the year/period.

⁽²⁾ EBITDA Margin has been calculated as EBITDA divided by Total Income

⁽³⁾ PAT refers to Restated Profit for the year

⁽⁴⁾ PAT margin refers to PAT divided by Total Income

⁽⁵⁾ ROCE calculated as Profit before tax add finance cost divided by Average Capital employed. Capital employed refers to Total Equity plus total borrowings and lease liabilities (long term and short term) excluding cash and cash equivalents and Bank balances other than cash and cash equivalents

⁽⁶⁾ Return on Equity has been calculated as net income (owners share) divided by Average Net Worth

Net Worth = Aggregate value of equity share capital (excluding non-controlling interest) and other equity created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses but does not include reserves created out of revaluation of assets and write-back of depreciation.

⁽⁷⁾ RoA is calculated as PAT divided by Average Total Assets

⁽⁸⁾ Debt to equity ratio has been calculated as total borrowings and lease liabilities (including current maturities of long-term debt and lease liabilities) divided by Net Worth (excluding non-controlling interest)

⁽⁹⁾ Net debt/ Equity refers to Total borrowings and lease liabilities including current maturities of long-term debt and lease liabilities) less cash and cash equivalents and Bank balances other than cash and cash equivalents divided by Net Worth (excluding non-controlling interest)

⁽¹⁰⁾ Net Fixed asset turnover ratio calculated as Revenue from Operations/ Average Net Fixed Assets. Net Fixed assets includes Property, plant and equipment, Capital work-in-progress, Other intangible assets, goodwill, right of use assets and Intangible assets under development.

Adjusted ROCE calculated as Profit before tax add finance cost divided by Average Capital employed. Capital employed refers to Total Equity plus total borrowings and lease liabilities (long term and short term) excluding cash and cash equivalents and Bank balances other than cash and cash equivalents and Fixed Deposits excluding Margin Money.

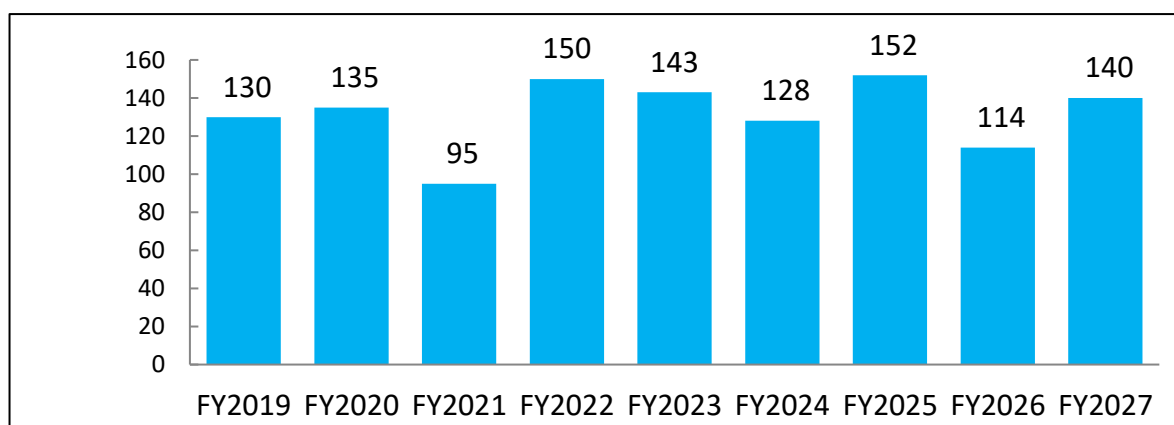
Significant Factors Affecting Our Results of Operations

Our results of operations have been, and will be, affected by many factors, some of which are beyond our control. The following is a discussion of certain factors that have had, and will continue to have, a significant effect on our financial condition and results of operations:

Macroeconomic trends that affect the pharmaceuticals and chemicals sectors

Our growth and results of operations and financial condition are significantly affected by end-customer demand for products manufactured or sold or services provided by our end-customers, which in turn is linked to macro factors driving demand for chemical and pharmaceutical sectors in India and globally. These factors include health concerns, pandemics, regulatory oversight, levels of per capita disposable income, levels of consumer spending, consumer preferences, business investment, changes in interest rates, fuel and power prices, government policies or taxation, social or civil unrest and political, economic or other developments that affect consumption and business activities in general. In each of the last three Fiscals, more than 94.33% of our revenue from operations were derived from the pharmaceutical and chemical sectors. As per the F&S Report, capital spending in the pharmaceuticals sector is likely to remain at the current level or perhaps increase to between ₹ 120 billion and ₹ 150 billion per year till Fiscal 2027, owing to local and export demand from semi-regulated markets. Furthermore, the government's Production Linked Incentives (PLI) policy, which envisions India as the world's pharmacy, would provide additional support.

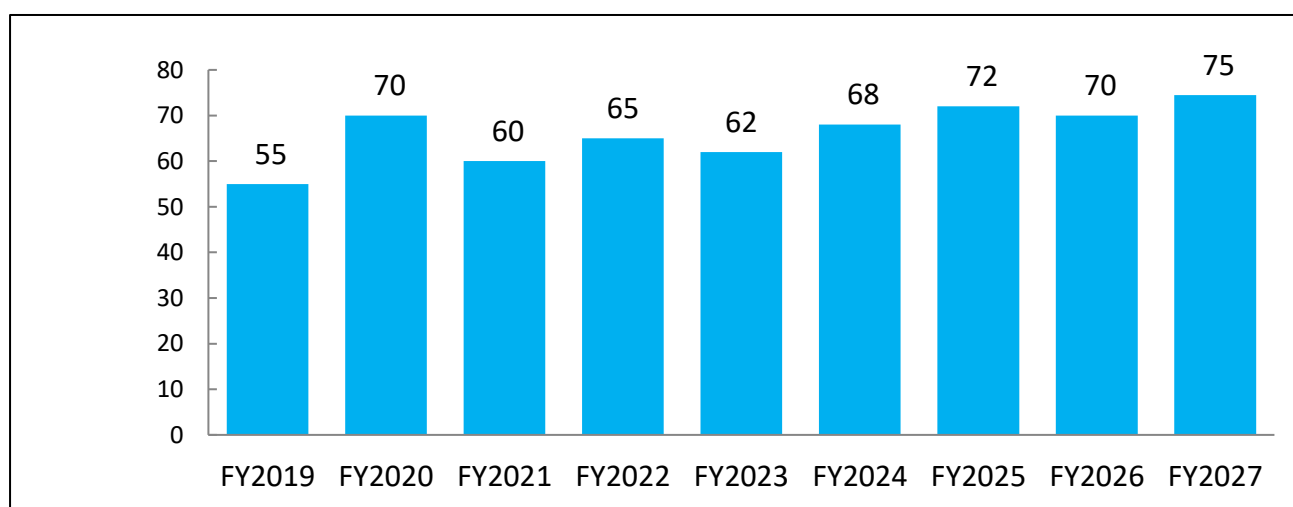
Capex in Indian Pharmaceutical Sector, FY2019 -FY2027 (Values in INR Bn.)



Source: Frost & Sullivan Analysis

Furthermore, F&S expects demand for chemicals manufactured in India in the worldwide market to grow in the coming years, as key markets move their demand away from China to avoid potential disruptions. This in turn will incentivize industry players to increase their capacity to meet future demand. As a result, F&S predicts that the players' capex will increase by 7% to 9% CAGR until FY2025-26, to reach INR 70 Bn per year in FY2025-26. This predicted rise in expenditure is on account of robust demand potential from overseas markets owing to China plus one trend, as well as government backing to ramp up capacity through PLI scheme. (Source: F&S Report)

Capex in Indian Chemical Sector, FY2019 -FY2027(Values in INR Bn)



Source: Frost & Sullivan Analysis

Our performance may decline during recessionary periods or in other periods where one or more macro-economic factors, or potential macro-economic factors, negatively affect the level of consumer and business confidence and consumption or the performance of our end-customers.

Raw materials cost and availability

Our Cost of Goods Sold, which is the aggregate of our costs of materials consumed and changes in inventories of finished goods and work in progress, make up the largest portion of our operating expenses. For Fiscal 2024, Fiscal 2023 and Fiscal 2022, our Cost of Goods Sold amounted to ₹3,176.67 million, ₹ 2,854.91 million and ₹ 1,151.45 million, respectively, which represented 57.79%, 57.09% and 47.68% of our total income, respectively. Our financial condition and results of operations are significantly impacted by the availability and cost of our major raw materials, particularly stainless steel, carbon/ mild steel, nickel alloy, forgings, castings, chemicals and PTFE powder. Additionally, we also rely on certain bought out components such as motor, gear box, mechanical seals, etc.

We primarily source our key raw materials used in the manufacturing process from third-party suppliers in India and globally. The prices of our raw materials are based on, or linked to, the global pricing of such raw materials and the variations in pricing cannot be passed on to our customers, except when there is a change in the scope of the original order. While we are not significantly dependent on any single raw material supplier, we depend on our top 10 suppliers of raw material and therefore supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, transportation and labour costs, labour unrest, natural disasters, competition, import duties, tariffs and currency exchange rates, and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. We cannot assure you that we will be able to procure adequate supplies of raw materials in the future, as and when we need them on commercially acceptable terms. Please also see “*Risk Factors- 14. We do not have long term or exclusive contracts with majority of our customers and suppliers. If such customers choose not to source their requirements from us and or if such suppliers choose not to provide us with the requisite raw materials, there may be a material adverse effect on our business, financial condition, cash flows and results of operations.*” on page 50.

Volatility in commodity prices can significantly affect our raw material costs. We usually do not enter into long-term supply contracts with our raw material suppliers, and typically source raw materials on a periodic purchase orders basis. The absence of long-term supply contracts at fixed prices exposes us to volatility in the prices of raw materials that we require. While we endeavour to account for raw material price increases at the time of providing estimates to our customers, we may not be able to compensate for or pass on our increased costs to our customers in all cases. If we are not able to compensate for increased raw materials costs, such price increases could have a material adverse impact on our result of operations, financial condition and cash flows.

We face the risk that suppliers may be unable to provide raw materials in the quantities we ordered or at all or that the market price of raw materials may increase without warning. Where certain raw materials may not be available at all or at commercially acceptable prices, we may be unable to manufacture the products in which such raw materials are components at all until such raw materials become available again. Increases in prices of raw materials, or the unavailability thereof, could have a material adverse effect on our business, financial condition and results of operations.

Dependence upon a limited number of customers and suppliers

We are dependent on certain key customers for a significant portion of our revenue and the loss of any one or more of such key customers for any reason (including due to loss of contracts or failure to negotiate acceptable terms during contract renewal negotiations, disputes with customers, adverse change in the financial condition of such customers, including due to possible bankruptcy or liquidation or other financial hardship, merger or decline in their sales, reduced or delayed customer requirements for our products, plant shutdowns, labour strikes or other work stoppages) could have an adverse effect on our business, results of operations and financial condition. For further details, please see “*Risk Factors- Our revenue from operations is dependent upon a limited number of customers and the loss of any of these customers or loss of revenue from any of these customers could have a material adverse effect on our business, financial condition, results of operations and cash flows.*” on page 44.

For certain of our key raw materials, we are dependent on a limited number of suppliers. The loss of one or more of these suppliers could adversely impact our manufacturing processes and supply timelines, in turn adversely impacting our ability to comply with delivery schedules agreed with clients resulting in impact on our financial condition and results of operations. For further details, please see “*Risk Factors- We are dependent on a limited*

number of suppliers for our key raw materials such as stainless steel, carbon/ mild steel, nickel alloy, forgings, castings, chemicals and polytetrafluoroethylene powder. The loss of one or more of these suppliers could adversely impact our manufacturing processes and supply timelines, in turn adversely impacting our ability to comply with delivery schedules agreed with clients resulting in impact on our financial condition and results of operations.” on page 45.

Capital expenditure

We require substantial capital to construct new manufacturing facilities, maintain our existing facilities, and expand and modernize our existing manufacturing facilities. As of date, we have eight manufacturing facilities in India, located in Hyderabad, Telangana.

In Fiscal 2024, Fiscal 2023 and Fiscal 2022, we incurred capital expenditure of ₹ 372.50 million, ₹ 300.76 million and ₹ 118.94million, respectively. A significant amount of our capital expenditure has been and is expected to continue to be aimed at increasing our manufacturing capacities, upgrading our facilities and diversifying our product lines. In order to augment our existing capacities, we will require additional machinery and equipment. For further details, please see *“Risk Factors- We intend to utilize a portion of the Net Proceeds for funding our capital expenditure requirements in relation to the expansion of our manufacturing capacities which may be subject to the risk of unanticipated delays in implementation, cost overruns and other risks and uncertainties.”* on page 62.

The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our products, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and your interest in the Company and could adversely impact our Equity Share price.

Operating costs and efficiencies

As we continue to expand the size and scope of our business, optimizing our operating costs and enhancing operating efficiencies will be critical to maintaining our competitiveness and profitability, particularly in view of the competitive environment in which we operate. Our employee benefit expenses have increased as a percentage of our revenue from operations, mainly due to an expansion of our workforce. In Fiscal 2024, Fiscal 2023 and Fiscal 2022, our employee benefit expenses accounted for 3.82%, 3.17% and 5.63% of our revenue from operations, respectively. Employee costs are semi-fixed in nature. We believe that, with the expected expansion in operations going forward, our employee and other operating costs as a percentage to overall revenue will be under control. Accordingly, our profitability is partially dependent on our ability to spread such costs over higher sales volumes.

Competition

Our competition varies by market, geographic areas and type of product. We face competition in India from organized and unorganized manufacturers and from international manufacturers. Our leadership position in our key products offers us advantages, such as cost efficiency due to economies of scale, competitive product pricing, ability to scale our business and the ability to strategically expand into new product lines. Despite such advantages, to remain competitive in our markets, we must continuously strive to strengthen our brand, reduce our costs of production, transportation and distribution and improve our operating efficiencies. We compete primarily on the basis of product quality, price, product delivery and service. Some of our competitors may be able to produce products at competitive costs and, consequently, supply their products at cheaper prices. Such competitors may also have greater financial and technological resources and may also have larger sales and marketing teams. They might be in a better position to identify market trends, adapt to changes in industry, innovate new products and offer competitive prices due to economies of scale. We are unable to assure you that we will be able to continue to charge pricing at commercially acceptable levels. Any inability to do so will adversely affect our financial condition and results of operation. Any inability on our part to remain competitive in our markets will adversely affect our financial condition and results of operation. For further details, see *“Business – Competition”* on page 262 and *“Risk Factors - Our success depends on our ability to understand evolving industry trends and to fulfill the changing preferences of our customers. Further, the cost of implementation of new technologies could be significant.”* on page 49.

Government regulations, policies and initiatives

We are subject to national, regional and state laws and government regulations in India, including regulations related to manufacturing facilities, safety, health, labour, environmental protection and hazardous waste management. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. We incur significant costs to comply with all such laws and regulations. We are unable to assure you that such laws or regulations will not change in the future or that no new compliance requirements will be imposed on our operations. Any such changes could increase our operational costs, which could have a material and adverse effect on our financial condition and results of operations.

We import a portion of our raw materials for our manufacturing operations. For each of Fiscal 2024, Fiscal 2023 and Fiscal 2022, we imported 2.79%, 3.25% and 0.94% of our total raw materials. Further, we are dependent on certain foreign suppliers for imports of nickel alloy, which accounted for 2.28%, 2.65% and 0.65% of our total cost of raw materials in each of Fiscal 2024, Fiscal 2023 and Fiscal 2022. Therefore, government regulations and policies, of India and of the countries from which we import supplies, can affect the price and availability of our raw materials, as well as the demand for our products. These regulations and policies are extensive and cover a broad range of industries to which we cater, some of which are politically sensitive. These regulations and policies and the tax regimes to which we are subject could change at any time, with little or no warning or time for us to prepare. If, in the future, any trade restrictions, sanctions or higher tariffs are imposed by India on imports from another country or similar restrictions, sanctions or higher tariffs are placed by the exporting country for supply of products to India, such restrictions, sanctions or higher tariffs may significantly impact our sourcing decisions and it may lead to increased cost of purchase, and shortages of materials, which could impact our supply commitment to our customers and adversely affect our manufacturing activities.

For further details, see “*Risk Factors –Changes in trade policies and regulations may adversely affect our operations and future profitability, especially on account of restrictions in import of our key raw materials.*” on page 59 and “*Key Regulations and Policies in India*” on page 267.

Our Critical Accounting Policies

The significant accounting policies followed by us in the preparation of our Restated Financial Information are set out below.

A. Revenue recognition

Revenue from contracts with customers

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 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.

Sale of products

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.

Sale of services

Revenue from sale of services is recognised in accordance with the terms of the relevant agreement entered with customers and revenue is recognised at a point in time as and when the related services are rendered.

B. 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.

C. Foreign currency transactions and balances

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.

D. 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.

E. 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

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at:

- Amortised cost;
- FVOCI;
- FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest 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 other income in the Statement of 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 Group 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.

For trade receivables, the Group applies a simplified approach in calculating ECL's. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL's 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

Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or 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 liabilities are offset and the net amount is reported in the balance sheet if there is a currently legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

F. Property, plant and equipment

Recognition and measurement

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 Group 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

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Category of asset	Useful lives estimated by the management
Factory sheds	30

Plant and machinery	15
Electrical equipment	10
Computers	3
Office equipments	5
Furniture and Fixtures	10
Motor cars and cycles	8 to 10 years

Leasehold improvements are depreciated over the remaining period of the lease or estimated useful life of the assets, whichever is lower.

Depreciation method, useful lives and residual values are reviewed at each period end and adjusted if appropriate.

G. 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 (Computer software) are amortised over the useful economic life of 6 to 10 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.

H. 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, stores and spares: 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.

Provision for inventories

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

I. Impairment of non-financial assets

The Group non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units ("CGUs"). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used.

J. Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured on an undiscounted basis at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Defined contribution plans

The Group's contributions to defined contribution plans are charged to the statement of profit and loss as and when the services are received from the employees.

Defined benefit plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market interest rates on government bonds are used. The current service cost of the defined benefit plan, recognised in the statement of profit and loss in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognised immediately in the statement of profit and loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions for defined benefit obligation and plan assets are recognised in OCI in the period in which they arise. When the benefits under a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Group recognises gains or losses on the settlement of a defined benefit plan obligation when the settlement occurs.

Compensated absences

The Group's current policies permit certain categories of its employees to accumulate and carry forward a portion of their unutilised compensated absences and utilise them in future periods or receive cash in lieu thereof in accordance with the terms of such policies. The Group measures the expected cost of accumulating compensated absences as the additional amount that the Group incurs as a result of the unused entitlement that has accumulated at the reporting date. Such measurement is based on actuarial valuation as at the reporting date carried out by a qualified actuary. The Group presents the compensated absences as a current liability in the balance sheet as it does not have an unconditional right to defer its utilisation for 12 months after the reporting date.

K. 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.

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.

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.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (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 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.

L. Income-tax

Income-tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

Current 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. Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

M. 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.

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.

N. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

The weighted average number of equity shares outstanding during the year 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 year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

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. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group), whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Operating segments of the Group are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Q. Business combinations - Common control transactions

Business combinations involving entities that are controlled by the Group are accounted for using the pooling of interest method as follows:

- (i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- (ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- (iii) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- (iv) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- (v) The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- (vi) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

Key Performance Indicators and Non-GAAP Financial Measures

In addition to our results determined in accordance with Ind AS, we believe the following non-GAAP measures are useful to our Company and our investors as a means of assessing and evaluating our performance in comparison to prior periods. We use the following non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes: CAGR, EBITDA, EBITDA Margin, PAT Margin, Return on Capital Employed, Return on Equity, Return on Assets, Net Debt to Equity Ratio, Adjusted Return on Capital Employed, Net Worth, Return on Net Worth and Net Asset Value per Equity Share. We believe that non-GAAP financial information, when taken collectively with financial measures prepared in accordance with Ind AS, may be helpful to investors because it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance. However, our management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with Ind AS.

Non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with Ind AS. Non-GAAP financial information are not recognized under Ind AS and do not have standardized meanings prescribed by IND AS. In addition, non-GAAP financial measures used by us may differ from similarly titled non-GAAP measures used by other companies. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by Ind AS to be recorded in our financial statements, as further detailed below. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these non-GAAP financial measures. A reconciliation is provided below for each non-GAAP financial measure to the most directly comparable financial measure prepared in accordance with Ind AS. Investors are encouraged to review the related Ind AS financial measures and the reconciliation of non-GAAP

financial measures to their most directly comparable Ind AS financial measures included below and to not rely on any single financial measure to evaluate our business.

Particulars	Fiscal 2022	Fiscal 2023	Fiscal 2024
Revenue from Operations (₹ in millions)	2,401.87	4,975.88	5,436.69
YoY Growth Rate (%)	-	107.17%	9.26%
2Y CAGR (%)	-	-	50.45%
EBITDA ⁽¹⁾ (₹ in millions)	417.79	882.56	1,009.19
EBITDA Margin (%) ⁽²⁾	17.30%	17.65%	18.36%
PAT ⁽³⁾ (₹ in millions)	251.45	534.24	600.11
YoY Growth Rate (%)	-	112.46%	12.33%
PAT Margin (%) ⁽⁴⁾	10.41%	10.68%	10.92%
ROCE (%) ⁽⁵⁾	42.03%	43.43%	25.49%
ROE (%) ⁽⁶⁾	54.89%	47.56%	20.74%
RoA (%) ⁽⁷⁾	13.23%	16.54%	11.85%
Total Debt to Equity ⁽⁸⁾	1.01	0.53	0.32
Net Debt to Equity ⁽⁹⁾	1.01	0.49	0.19
Net Fixed Asset Turnover Ratio ⁽¹⁰⁾	6.26	7.60	6.08
Adjusted ROCE (%) ⁽¹¹⁾	42.03%	43.86%	29.70%

As certified by Niranjana & Narayan, Chartered Accountants through their certificate dated July 24, 2024.

Notes:

- ⁽¹⁾ EBITDA is calculated as profit before tax expenses plus finance costs and depreciation and amortization expense and impairment of property, plant and equipment for the year/period.
- ⁽²⁾ EBITDA Margin has been calculated, as EBITDA divided by Total Income
- ⁽³⁾ PAT refers to Restated Profit for the year
- ⁽⁴⁾ PAT margin refers to PAT divided by Total Income
- ⁽⁵⁾ ROCE calculated as Profit before tax add finance cost divided by Average Capital employed. Capital employed refers to Total Equity plus total borrowings and lease liabilities (long term and short term) excluding cash and cash equivalents and Bank balances other than cash and cash equivalents
- ⁽⁶⁾ Return on Equity has been calculated as net income (owners share) divided by Average Net Worth
Net Worth = Aggregate value of equity share capital (excluding non- controlling interest) and other equity created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses but does not include reserves created out of revaluation of assets and write-back of depreciation.
- ⁽⁷⁾ RoA is calculated as PAT divided by Average Total Assets
- ⁽⁸⁾ Debt to equity ratio has been calculated as total borrowings and lease liabilities (including current maturities of long-term debt and lease liabilities) divided by Net Worth (excluding non-controlling interest)
- ⁽⁹⁾ Net debt/ Equity refers to Total borrowings and lease liabilities including current maturities of long-term debt and lease liabilities) less cash and cash equivalents and Bank balances other than cash and cash equivalents divided by Net Worth (excluding non-controlling interest)
- ⁽¹⁰⁾ Net Fixed asset turnover ratio calculated as Revenue from Operations/ Average Net Fixed Assets. Net Fixed assets includes Property, plant and equipment, Capital work-in-progress, Other intangible assets, goodwill, right of use assets and Intangible assets under development
- ⁽¹¹⁾ Adjusted ROCE calculated as Profit before tax add finance cost divided by Average Capital employed. Capital employed refers to Total Equity plus total borrowings and lease liabilities (long term and short term) excluding cash and cash equivalents and Bank balances other than cash and cash equivalents and Fixed Deposits excluding Margin Money.

Explanation for the KPI:

S. no.	KPI	Explanation
1	Revenue from operations	Revenue from Operations is used by the management to track the revenue profile of the business and in turn helps assess the overall financial performance of the Company and size of the business.
2	Growth in revenue from operations (%)	Growth in revenue from operations provides information regarding the growth of the business for the respective period.
3	EBITDA	EBITDA provides information regarding the operational profitability of the business.
4	EBITDA Margin	EBITDA margin is an indicator of the operational efficiency of the business in comparison to the revenue from operations.

S. no.	KPI	Explanation
5	Profit for the Year / Period	Profit after tax provides information regarding the overall profitability of the business.
6	PAT Margin	Tracking PAT margin assists in tracking the margin profile of the business of the Company and allows comparison of results over multiple periods.
7	ROE	RoE provides how efficiently the Company generates profits from shareholders' funds.
8	ROCE	ROCE provides how efficiently the Company generates earnings from the capital employed in the business.
9	ROA	Represents the ratio of return on average assets which is profit after tax (PAT) to average Total assets for the relevant fiscal year. It is used to assess the return on the total assets of the company.
10	Debt to Equity Ratio	Debt to equity ratio is a metric that measures the degree to which the Company is financing its operation with debt compared to its own equity.
11	Net Debt to Equity Ratio	Debt to equity ratio is a metric that measures the degree to which the Company is financing its operation with net debt compared to its own equity.
12	Fixed Asset Turnover	This formula helps assess the Company how efficiently sales are being generated from existing fixed assets over multiple periods.
13	Adjusted ROCE	Adjusted Return on Capital Employed provides how efficiently the Company generates earnings from the capital employed in the business excluding cash and cash equivalents and Bank balances other than cash and cash equivalents and Fixed Deposits excluding Margin Money.

EBITDA, EBITDA Margin, Net Worth, RoNW and NAV per Equity Share

The following table sets forth our EBITDA, EBITDA Margin, Net Worth, RoNW and NAV per Equity Share, including a reconciliation of (i) EBITDA and EBITDA Margin to our restated profits/losses before tax and prior period items, and (ii) Net Worth, RoNW and NAV to our restated profits/losses, in each of Fiscal 2024, Fiscal 2023 and Fiscal 2022.

(in ₹ millions, except percentages)

Particulars	For the fiscal year ended March 31,		
	2024	2023	2022
Total income (A)	5,496.81	5,000.76	2,415.02
Revenue from operations (B)	5,436.69	4,975.88	2,401.87
Profit before tax (C)	798.01	718.53	337.70
Add: Finance costs (D)	117.90	86.96	37.73
Add: Depreciation & amortization expense (E)	93.28	77.07	42.36
EBITDA (G=C+D+E)	1,009.19	882.56	417.79
EBITDA Margin (H=G/A)	18.36%	17.65%	17.30%
Profit for the year (I)	600.11	534.24	251.45
Equity (excluding non-controlling interest) (J)	4,073.40	1,557.20	689.59

(in ₹ millions, except percentages)

Particulars	For the fiscal year ended March 31,		
	2024	2023	2022
Profit after tax attributable to owners	583.84	534.24	251.45
Equity attributable to owners of the parent	4,073.40	1,557.20	689.59
Average Net Worth	2,815.30	1,123.40	458.08
Return on Net Worth(%)	20.74%	47.56%	54.89%
Net Asset Value			
Net asset value (excluding Non Controlling Interest)	4,073.40	1,557.20	689.59

<i>Weighted average number of equity shares outstanding at the end of the year adjusted for the issue of Bonus Equity Shares for all year, in accordance with principles of Ind AS 33</i>	165.92	153.09	113.47
Net Asset Value per share	24.55	10.17	6.08
Net worth *	4,073.40	1,557.20	689.59

* Networth is Equity attributable to owners of the Parent/entity.

Principal Components of our Statement of Profit and Loss

The following descriptions set forth information with respect to the key components of our restated statement of profit and loss.

Our Income

Revenue from operations

Our revenue from operations primarily consists of (i) revenue from contracts with customers consisting (a) sale of products and (b) sale of services and (ii) other operating revenue consisting of scrap sales.

The following table sets out the break-up of revenue from contracts with customers and other operating revenues for the periods indicated:

(₹ in million)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from contracts with customers			
Sale of products	5,348.38	4,917.03	2,387.98
Sale of services	80.56	46.19	11.33
Other Operating revenue			
Scrap sales	7.75	12.66	2.56
Total revenue from operations	5,436.69	4,975.88	2,401.87

The reconciliation of our revenue recognised with contract price

(₹ in million)

Reconciliation of amount of revenue recognised with contract price	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue as per contracted price (including concession / subsidy on fertilisers)	5,454.06	4,988.46	2,427.47
Adjustments:			
Sales returns	(14.54)	(7.60)	(10.52)
Rebates	(2.83)	(2.80)	(2.29)
Others	-	(2.18)	(12.79)
Revenue from contracts with customers	5,436.69	4,975.88	2,401.87

Other income

The key components of our other income are: (i) interest income on fixed deposits, other financial assets and other deposits; (ii) insurance claim received; (iii) liabilities no longer written back and (iv) miscellaneous income in the nature of grant received from Government of Telangana under Industrial Investment Promotion Policy 2010-15 scheme ("IIPP 2010-15"), warranty reversal, recovery of bad debts written off and interest on Income Tax refund.

Our Expenses

Our expenses primarily consist of the following:

- *Cost of materials consumed* consists of the cost of materials consumed by us during the course of our

operations. Purchases of stainless steel plates, coils, mild steel plates, carbon steel plates, vacuum pumps, chemicals, and stainless steel and mild steel pipes, comprise the majority of our cost of materials, followed by cost of purchase of rods, gear boxes, motors, and mechanical seals.

- *Changes in inventories of finished goods and work-in-progress* reflects the difference between our opening stock and closing stock.
- *Employee benefits expense* consists of salaries, wages and bonus, contribution to provident and other funds, gratuity and compensated absences expenses and staff welfare expenses.
- *Finance costs* includes interest expense on borrowing cost measured at amortised cost, interest on lease liabilities and other finance costs in the nature of processing fee on working capital renewals and bank charges including towards lines of credit and bank guarantee facilities.
- *Depreciation and amortisation* comprises depreciation expenses on our property, plant and equipment and amortization expenses on our intangible assets and right of use assets. Our depreciation and amortisation expenses also includes the impact of the amortisation of right of use assets under Ind AS 116.
- *Other expenses* primarily includes (i) stores and spares consumed, (ii) freight and forwarding charges, (iii) security charges, (iv) repairs and maintenance expenses, (v) power and fuel expenses, (vi) labour charges, (vii) travelling and conveyance expenses, (viii) rent expenses, (ix) advertising and sales promotion expenses, (x) corporate social responsibility expenses, (xi) legal and professional fees and (xii) expected credit losses.

Our Tax Expenses

Elements of our tax expense are as follows:

- *Current tax*: Our current tax is the amount of tax payable based on the taxable profit for the year / period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.
- *Deferred tax*: Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

Other Comprehensive Income for the period / year

The other comprehensive income consists of items that will not be reclassified to profit or loss in subsequent period, in the nature of remeasurement of post employment benefit plans and income tax on items not to be reclassified to profit or loss.

Total Comprehensive Income for the period / year

Total comprehensive income for the period / year consists of profit for the period / year and other comprehensive income for the period / year.

Our Results of Operations

The following table sets forth a breakdown of our restated results of operations for the Fiscals ended March 31, 2024, March 31, 2023 and March 31, 2022:

Particulars	Year ended March 31, 2024		Year ended March 31, 2023		Year ended March 31, 2022	
	(₹) in million	(%) of Total Revenue	(₹) in million	(%) of Total Revenue	(₹) in million	(%) of Total Revenue
Revenue from operations	5,436.69	98.91	4,975.88	99.50	2,401.87	99.46

Particulars	Year ended March 31, 2024		Year ended March 31, 2023		Year ended March 31, 2022	
	(₹) in million	(%) of Total Revenue	(₹) in million	(%) of Total Revenue	(₹) in million	(%) of Total Revenue
Other income	60.12	1.09	24.88	0.50	13.15	0.54
Total Income	5,496.81	100.00	5,000.76	100.00	2,415.02	100.00
Expenses						
Cost of materials consumed	3,516.61	63.98	2,996.65	59.92	1,391.87	57.63
Change in inventories of finished goods and work-in-progress	(339.94)	(6.18)	(141.74)	(2.83)	(240.42)	(9.96)
Employee benefits expense	207.68	3.78	157.52	3.15	135.21	5.60
Finance costs	117.90	2.14	86.96	1.74	37.73	1.56
Depreciation and amortisation expense	93.28	1.70	77.07	1.54	42.36	1.75
Other expenses	1,103.27	20.07	1,105.77	22.11	710.57	29.42
Total expenses	4,698.80	85.48	4,282.23	85.63	2,077.32	86.02
Profit Before Tax	798.01	14.52	718.53	14.37	337.70	13.98
Tax expenses						
Current tax						
- for the current year	197.05	3.58	182.40	3.65	90.77	3.76
- pertaining to earlier year(s)	0.77	0.01	(0.29)	(0.01)	-	-
Deferred tax	0.08	0.00	2.18	0.04	(4.52)	(0.19)
Total tax expense	197.90	3.60	184.29	3.69	86.25	3.57
Profit for the year	600.11	10.92	534.24	10.68	251.45	10.41
Other Comprehensive Income						
<i>a) Items that will not be reclassified to profit and loss</i>						
<i>(i) Remeasurement of post-employment defined benefit plan</i>	0.53	0.01	(0.71)	(0.01)	0.72	0.03
<i>(ii) Income-tax relating to the above items</i>	(0.13)	(0.00)	0.18	0.00	(0.18)	(0.01)
Restated other comprehensive income/(loss) for the year	0.40	0.01	(0.53)	(0.01)	0.54	0.02
Total comprehensive income for the year	600.51	10.92	533.71	10.67	251.99	10.43
Restated profit for the year attributable to:						

Particulars	Year ended March 31, 2024		Year ended March 31, 2023		Year ended March 31, 2022	
	(₹) in million	(%) of Total Revenue	(₹) in million	(%) of Total Revenue	(₹) in million	(%) of Total Revenue
Owners of the parent	583.84	10.62	534.24	10.68	251.45	10.41
Non-controlling interests	16.27	0.30	-	-	-	-

Fiscal 2024 compared to Fiscal 2023

Total income

Our total income increased by 9.92% from ₹ 5,000.76 million for Fiscal 2023 to ₹ 5,496.81 million for Fiscal 2024 for the reasons set out below:

Revenue from Operations:

(₹ in million)

Particulars	Fiscal 2024	Fiscal 2023
Revenue from contracts with customers		
Sale of products	5,348.38	4,917.03
Sale of services	80.56	46.19
Other Operating revenue		
Scrap sales	7.75	12.66
Total revenue from operations	5,436.69	4,975.88

Revenue from Operations increased by 9.26% from ₹ 4,975.88 million in Fiscal 2023 to ₹ 5,436.69 million in Fiscal 2024. This increase was primarily due to the following

- Increase in overall quantity of products sold during the year in line with increased production. In addition to increase in production, we also acquired a new manufacturing facility for manufacture of PTFE lined pipes and fittings on a slump sale basis during the Fiscal 2024, which in turn allowed us increase our offerings as well as quantities;
- Increase in sale prices of our products during Fiscal 2024 in line with change in product mix and specifications;
- Increase in sale of services from ₹ 46.19 million in Fiscal 2023 to ₹ 80.56 million in Fiscal 2024 due to services provided under annual maintenance contracts and comprehensive maintenance contracts; and

However, the increase in revenue from operations was partially offset by a decrease in other operating revenue from ₹ 12.66 million in Fiscal 2023 as compared to ₹ 7.75 million in Fiscal 2024, in the nature of scrap sales.

Other Income:

Our other income increased by 141.64% from ₹ 24.88 million in Fiscal 2023 to ₹ 60.12 million in Fiscal 2024, primarily on account on increase in interest income on fixed deposits at amortized cost from ₹ 1.06 million in Fiscal 2023 to ₹ 39.12 million in Fiscal 2024. The increase in fixed deposits as at March 31, 2024 was due to temporary investment of a portion of the funds received by the Company during Fiscal 2024 towards investment in equity share capital of the Company amounting to ₹ 1,932.07 million.

Total expenses:

Our total expenses increased by 9.73% from ₹ 4,282.23 million in Fiscal 2023 to ₹ 4,698.80 million in Fiscal 2024. This increase was mainly due to the following factors:

- *Cost of materials consumed:* Our cost of materials consumed increased by 17.35% from ₹ 2,996.65 million

in Fiscal 2023 to ₹ 3,516.61 million in Fiscal 2024. The increase was mainly due to an increase in volume of raw material (stainless steel and nickel alloy) purchased during the year in line with increased sales and addition of SFPL Unit in Fiscal 2024 for the manufacture of PTFE lined pipes and fittings, which was acquired on slump sale basis pursuant to a business transfer agreement dated May 24, 2023, partially offset by a decrease in the price of materials, such as stainless steel and carbon/ mild steel.

- *Changes in inventories of finished goods and work-in-progress:* Changes in inventories of finished goods and work-in-progress was ₹ (141.74) million in Fiscal 2023, as compared to ₹ (339.94) million in Fiscal 2024. This increase in inventories was due to addition of a new facility engaged in the manufacture of PTFE lined pipes and fittings, including inventories of such facility, and increase in the finished goods at the end of the year.
- *Employee benefits expense:* Our employee benefits expense increased by 31.84% from ₹ 157.52 million in Fiscal 2023 to ₹ 207.68 million in Fiscal 2024. This increase was primarily due to a 36.19% increase in salaries, wages and bonus from ₹ 133.43 million in Fiscal 2023 to ₹ 181.72 million in Fiscal 2024. This increase was due to increase in the number of employees employed by us.
- *Finance costs:* Our finance cost increased by 35.58% from ₹ 86.96 million in Fiscal 2023 to ₹ 117.90 million in Fiscal 2024. This increase was primarily due to increase in interest expense on working capital loans availed which is in line with increased in working capital borrowings due to increase in the operations.
- *Depreciation and amortisation expense:* Our depreciation and amortisation expense increased by 21.03% from ₹ 77.07 million in Fiscal 2023 to ₹ 93.28 million in Fiscal 2024. This was primarily due to addition of a new facility engaged in the manufacture of PTFE lined pipes and fittings, which has commenced the operations from June 1, 2023.
- *Other expenses:* Our other expenses decreased marginally by 0.23% from ₹ 1,105.77 million in Fiscal 2023 to ₹ 1,103.27 million in Fiscal 2024. This was primarily due to an increase in (i) travel and conveyance expenses from ₹ 10.89 million in Fiscal 2023 to ₹ 26.75 million in Fiscal 2024; (iii) allowance for ECL of ₹ 2.54 million in Fiscal 2023 as compared to ₹ 17.48 million in Fiscal 2024; (iv) advances written off amounting to ₹ 8.45 million in Fiscal 2024 as compared to Nil in Fiscal 2023; and (v) CSR expenses of ₹ 2.20 million in Fiscal 2023 as compared to ₹ 13.87 million in Fiscal 2024. The increase in other expenses was offset by a decrease in (i) stores and spares consumed from ₹ 231.08 million in Fiscal 2023 to ₹ 200.69 million in Fiscal 2024 and (ii) power and fuel charges from ₹ 131.98 million in Fiscal 2023 to ₹ 123.91 million in Fiscal 2024 and (iii) labour charges from ₹ 535.09 million in Fiscal 2023 to ₹ 531.81 million in Fiscal 2024.

Profit before tax: As a result of the factors outlined above, our profit before tax increased by 11.06% from ₹ 718.53 million in Fiscal 2023 as compared to ₹ 798.01 million in Fiscal 2024.

Tax expense

- *Current tax:* We recorded a current tax expense of ₹ 182.11 million in Fiscal 2023 as compared to ₹ 197.82 million in Fiscal 2024. This increase was primarily due to increase in profit before tax.
- *Deferred tax:* We recorded a ₹ 2.18 million deferred tax expense for Fiscal 2023 as compared to ₹ 0.08 million in Fiscal 2024.

Profit for the period / year: As a result of the factors outlined above, our profit for the year increased by 12.33% from ₹ 534.24 million in Fiscal 2023 to ₹ 600.11 million in Fiscal 2024.

Fiscal 2023 compared to Fiscal 2022

Total Income

Our total income increased by 107.07% from ₹ 2,415.02 million for Fiscal 2022 to ₹ 5,000.76 million for Fiscal 2023 for the reasons set out below:

Revenue from Operations:

(₹ in million)

Particulars	Fiscal 2023	Fiscal 2022
Revenue from contracts with customers		
Sale of products	4,917.03	2,387.98
Sale of services	46.19	11.33
Other Operating revenue		
Scrap sales	12.66	2.56
Total revenue from operations	4,975.88	2,401.87

Revenue from Operations increased by 107.17% from ₹ 2,401.87 million in Fiscal 2022 to ₹ 4,975.88 million in Fiscal 2023. This increase was mainly due to the following:

- Increase in overall production and sale of products in Fiscal 2023 as compared to Fiscal 2022. The increase in overall production capacities and production was on account of the completion of the acquisition of the business of M/s S2 Engineering Services and M/s Stanpumps Engineering Industries (four facilities - S2 Unit 1, S2 Unit 2, S2 Unit 3 and S2 Unit 4) in the second half of Fiscal 2022, which are engaged in manufacturing stainless steel and nickel alloy equipment and supply and service of vacuum pumps. These manufacturing facilities were acquired on a slump sale basis pursuant to a business transfer agreement dated October 25, 2021 and commenced operations in Fiscal 2022. The operations of Fiscal 2023 reflects a full year of operations of these additional facilities and our enhanced production capacities;
- Increase in sale prices in Fiscal 2023 as compared to Fiscal 2022, in line with increase in cost of certain raw materials, such as carbon/ mild steel, stainless steel and nickel alloy; and
- Increase in our revenue from sale of services from ₹ 11.33 million in Fiscal 2022 to ₹ 46.19 million in Fiscal 2023 due to services provided under annual maintenance contracts and comprehensive maintenance contracts.

Other Income

Our other income increased by 89.20% from ₹ 13.15 million in Fiscal 2022 to ₹ 24.88 million in Fiscal 2023, primarily on account on increase in miscellaneous income from ₹ 0.29 million in Fiscal 2022 to ₹ 22.61 million in Fiscal 2023. This was partially offset by liabilities no longer required written back of ₹ 3.17 million in Fiscal 2022 as compared to Nil in Fiscal 2023. The increase in miscellaneous income in Fiscal 2023 as compared to Fiscal 2022 is mainly due to receipt of subsidy under the IIPP 2010-15 scheme.

Total expenses:

Our total expenses increased by 106.14% from ₹ 2,077.32 million in Fiscal 2022 to ₹ 4,282.23 million in Fiscal 2023. This increase was mainly due to the following factors:

- *Cost of materials consumed:* Our cost of materials consumed increased by 115.30% from ₹ 1,391.87 million in Fiscal 2022 to ₹ 2,996.65 million in Fiscal 2023. The increase was mainly due to an increase in volume of raw material (stainless steel and nickel alloy) purchased during the year in line with increased sales, coupled with increase in the price of materials.
- *Changes in inventories of finished goods and work-in-progress:* Changes in inventories of finished goods and work-in-progress was ₹ (240.42) million in Fiscal 2022, as compared to ₹ (141.74) million in Fiscal 2023. This was primarily due to increase in the purchases of raw materials during the year in Fiscal 2023 and as compared to Fiscal 2022, in line with increased orders on hand as of March 31, 2023 as compared to March 31, 2022.
- *Employee benefits expense:* Our employee benefits expense increased by 16.50% from ₹ 135.21 million in Fiscal 2022 to ₹ 157.52 million in Fiscal 2023. This increase was primarily due to an increase in salaries, wages and bonus from ₹ 119.17 million in Fiscal 2022 to ₹ 133.43 million in Fiscal 2023, and an increase in expenses towards staff welfare from ₹ 7.03 million in Fiscal 2022 to ₹ 15.90 million in Fiscal 2023. This increase was due to an increase in the number of employees employed by us and annual compensation increments.

- *Finance costs:* Our finance cost increased by 130.48% from ₹ 37.73 million in Fiscal 2022 to ₹ 86.96 million in Fiscal 2023. This increase was primarily due to increase in interest expense on borrowing costs measured at amortised cost to ₹ 59.06 million in Fiscal 2023 from ₹ 20.85 million in Fiscal 2022, in line with an increase in the overall level of borrowings due to increase in the operations of Company.
- *Depreciation and amortisation expense:* Our depreciation and amortisation expense totaled ₹ 77.07 million in Fiscal 2023, an increase of 81.94% over depreciation and amortisation expense of ₹ 42.36 million in Fiscal 2022. This was primarily due to additional of four additional facilities during the Fiscal 2022, which became operational in Fiscal 2022.
- *Other expenses:* Our other expenses increased by 55.62% from ₹ 710.57 million in Fiscal 2022 to ₹ 1,105.77 million in Fiscal 2023. This was primarily due to an increase in (i) stores and spares consumed from ₹ 197.32 million in Fiscal 2022 to ₹ 231.08 million in Fiscal 2023, (ii) freight and forwarding charges from ₹ 43.51 million in Fiscal 2022 to ₹ 60.72 million in Fiscal 2023, (iii) power and fuel charges from ₹ 98.50 million in Fiscal 2022 to ₹ 131.98 million in Fiscal 2023; (iv) labour charges from ₹ 282.24 million in Fiscal 2022 to ₹ 535.09 million in Fiscal 2023 and (v) advertising and sales promotion expenses from ₹ 0.44 million in Fiscal 2022 to ₹ 12.54 million in Fiscal 2023. These increases were partially offset by decrease in (i) allowance for ECL from ₹ 8.19 million in Fiscal 2022 to ₹ 2.54 million in Fiscal 2023 and (ii) advances written off of ₹ 2.18 million in Fiscal 2022 to Nil in Fiscal 2023. The increase in other expenses was in line with the increase in revenues from operations.

Profit before tax: As a result of the factors outlined above, our profit before tax increased by 112.77% from ₹ 337.70 million in Fiscal 2022 as compared to the profit before tax of ₹ 718.53 million in Fiscal 2023.

Tax expense

- *Current tax:* We recorded a current tax expense of ₹ 90.77 million in Fiscal 2022 as compared to a current tax expense of ₹ 182.11 million in Fiscal 2023. This increase was primarily due to increase in profit before tax in the Fiscal 2023.
- *Deferred tax:* We recorded a ₹ (4.52) million deferred tax expense for Fiscal 2022 as compared to ₹ 2.18 million in Fiscal 2023.

Profit for the period / year: As a result of the factors outlined above, our profit for the year increased by 112.46% from ₹ 251.45 million in Fiscal 2022 to ₹ 534.24 million in Fiscal 2023.

Liquidity and Capital Resources

Capital Requirements

For Fiscal 2024, Fiscal 2023 and Fiscal 2022, we met our funding requirements, including capital expenditure, satisfaction of debt obligations, investments, taxes, working capital requirements and other cash outlays, principally with funds generated from operations with the balance principally met using external borrowings.

The following table sets forth information on liquidity and capital resources as at the dates indicated:

(₹ in million)

Particulars	As at March 31		
	2024	2023	2022
Cash and cash equivalents at the end of the year	154.55	54.21	1.17
Non Current borrowings	5.79	30.30	67.89
Current Borrowings	1,132.03	570.32	423.61
Leases	155.42	219.00	206.58
Bank balances other than cash and cash equivalent	364.88	-	-
Other Financial assets (FD portion/Margin money deposit)	920.28	36.51	19.81

Cash Flows

The following table sets forth certain information concerning our cash flows for Fiscal 2024, Fiscal 2023 and Fiscal 2022 indicated:

	(₹ in million)		
Particulars	For year ended March 31, 2024	For year ended March 31, 2023	For year ended March 31, 2022
Net cash flow (used in) / generated from operating activities	(650.27)	17.51	(71.49)
Net cash used in investing activities	(1,568.34)	(290.17)	(297.38)
Net cash flow (used in) / generated from financing activities	2,318.95	325.70	369.97

Net cash flow (used in) / generated from operating activities

For Fiscal 2024, our net cash flow used in operating activities was ₹ (650.27) million which primarily comprised of (i) profit before tax for the year of ₹ 798.01 million which was adjusted primarily for, among other things, depreciation and amortization expense of ₹ 93.28 million and finance cost of ₹ 117.90 million; (ii) working capital changes; and (iii) income taxes paid (net of refund). Working capital changes primarily included, *inter-alia*, increase in inventories of ₹ (813.93) million, increase in trade receivables of ₹ (658.28) million and decrease in other financial assets of ₹ 12.02 million, increase in other current assets of ₹ (139.06) million, offset by increase in trade payables of ₹ 137.39 million and increase in other current liabilities of ₹ 31.22 million. Net cash flow from operating activities also included income taxes paid (net of refund) of ₹ (188.49) million.

For Fiscal 2023, our net cash flow generated from operating activities was ₹ 17.51 million which primarily comprised of (i) profit before tax for the year of ₹ 718.53 million which was adjusted primarily for, among other things, depreciation and amortization expense of ₹ 77.07 million and finance cost of ₹ 86.96 million; (ii) working capital changes; and (iii) income taxes paid (net of refund). Working capital changes primarily included, *inter-alia*, increase in inventories of ₹ (174.82) million, increase in trade receivables of ₹ (102.59) million, increase in other financial assets of ₹ (25.67) million, decrease in other current assets of ₹ 103.03 million, offset by increase in trade payables of ₹ 124.92 million and decrease in other current liabilities of ₹ (599.58) million. Net cash flow from operating activities also included income taxes paid (net of refund) of ₹ (204.93) million.

For Fiscal 2022, our net cash flow used in operating activities was ₹ (71.49) million which primarily comprised of (i) profit before tax for the year of ₹ 337.70 million which was adjusted primarily for, among other things, depreciation and amortization expense of ₹ 42.36 million and finance cost of ₹ 37.73 million; (ii) working capital changes; and (iii) income taxes paid (net of refund). Working capital changes primarily included, *inter-alia*, increase in inventories of ₹ (481.88) million, increase in trade receivables of ₹ (392.89) million, increase in other financial assets of ₹ (17.77) million, increase in other current assets of ₹ (56.65) million, offset by increase in trade payables of ₹ 148.80 million and increase in other current liabilities of ₹ 420.16 million. Net cash flow from operating activities also included income taxes paid (net of refund) of ₹ (85.05) million.

Net cash flow used in investing activities

For Fiscal 2024, our net cash flow used in investing activities was ₹ (1,568.34) million which was towards payments for acquisition of property, plant and equipment of ₹ (331.03) million, payments for acquisition of intangible assets of ₹ (4.99) million and investment in deposits of ₹ (1,248.65) million which was partially offset by interest received of ₹ 16.33 million.

For Fiscal 2023, our net cash flow used in investing activities was ₹ (290.17) million which was towards payments for acquisition of property, plant and equipment of ₹ (292.20) million and payments for acquisition of intangible assets of ₹ (2.26) million which was partially offset by proceeds from loans to related parties of ₹ 2.48 million and interest received of ₹ 1.81 million.

For Fiscal 2022, our net cash flow used in investing activities was ₹ (297.38) million which was towards payments for acquisition of property, plant and equipment of ₹ (51.34) million, payments made for business combinations, net of cash acquired of ₹ (261.18) million, loans to related parties of ₹ 10.86 million and payments for acquisition of intangible assets of ₹ (1.66) million which was partially offset by proceeds from loans to related parties of ₹ 0.02 million and interest received of ₹ 5.92 million.

Net cash flow (used in) / generated from financing activities

For Fiscal 2024, our net cash flow from financing activities was ₹ 2,318.95 million which primarily comprised of proceeds from issue of equity shares to owners of ₹ 1,931.96 million, proceeds from issue of equity shares to non - controlling interest (“NCI”) of ₹ 0.10 million and net proceeds from current borrowings of ₹ 561.71 million, which was partially offset by finance costs of ₹ (101.30) million, payment of principal portion of lease liabilities of ₹ (32.41) million, payment of interest portion of lease liabilities of ₹ (16.60) million and net repayment of long term borrowings of ₹ (24.51) million.

For Fiscal 2023, our net cash flow from financing activities was ₹ 325.70 million which primarily comprised of proceeds from issue of equity shares to owners of ₹ 333.90 million and net proceeds from current borrowings of ₹ 146.70 million, which was partially offset by finance costs of ₹ (67.05) million, payment of principal portion of lease liabilities of ₹ (30.35) million, payment of interest portion of lease liabilities of ₹ (19.91) million and net repayment of long term borrowings of ₹ (37.59) million.

For Fiscal 2022, our net cash flow from financing activities was ₹ 369.97 million which primarily comprised of proceeds from issue of equity shares to owners of ₹ 211.03 million and net proceeds from current borrowings of ₹ 206.55 million, which was partially offset by finance costs of ₹ (23.39) million, payment of principal portion of lease liabilities of ₹ (12.59) million and payment of interest portion of lease liabilities of ₹ (14.34) million.

Contractual Obligations

The following table sets forth the details regarding our contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities as of the respective periods mentioned:

(in ₹ million)

As at March 31, 2024		Contractual cash flows				
Particulars	Carrying value	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Non-current borrowings	38.32	32.53	5.79	-	-	38.32
Current borrowings	1,099.50	1,099.50	-	-	-	1,099.50
Trade payables	887.06	886.42	0.64	-	-	887.06
Other financial liabilities	17.55	17.55	-	-	-	17.55
Total	2,042.43	2,036.00	6.43	-	-	2,042.43
As at March 31, 2023		Contractual cash flows				
Particulars	Carrying value	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Non-current borrowings	70.84	40.54	30.30	-	-	70.84
Current borrowings	570.32	570.32	-	-	-	570.32
Trade payables	749.66	749.66	-	-	-	749.66
Other financial liabilities	7.73	7.73	-	-	-	7.73
Total	1,398.55	1,368.25	30.30	-	-	1,398.55
As at March 31, 2022		Contractual cash flows				
Particulars	Carrying value	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Non-current borrowings	109.15	41.26	67.89	-	-	109.15
Current borrowings	423.61	423.61	-	-	-	423.61

Trade payables	624.76	624.76	-	-	-	624.76
Other financial liabilities	20.52	20.52	-	-	-	20.52
Total	1,178.04	1,110.15	67.89	-	-	1,178.04

Indebtedness

As of May 31, 2024, we had total outstanding borrowings amounting to ₹1,816.47 million, which consisted, *inter alia* fund based working capital loans and term loans from banks. For further details related to our indebtedness, see “*Financial Indebtedness*” on page 406.

Ageing Schedule of Financial Liabilities

The table below provides details regarding the ageing of significant financial liabilities as of March 31, 2024

(₹ in million)

	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	69.11	-	-	-	69.11
(ii) Others	817.31	0.60	0.04	0.00	817.95
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	886.42	0.60	0.04	0.00	887.06

Contingent Liabilities, Commitments and Guarantees

Set out below are the details of our contingent liabilities, capital commitments and guarantees as of March 31, 2024:

Particulars	Amount (₹ in million)
Contingent liabilities	
Bank guarantee issued on behalf of third parties	251.99
Capital commitments	
Estimated amount of contracts remaining to be executed on capital account and not provided for: Property, plant and equipment	33.94
Guarantees	
Letter of credit issued to supplier/vendors	26.49
Total	312.42

Auditor Observations

There are no qualifications, reservations and adverse remarks by our Statutory Auditors in our Restated Financial Information.

Related Party Transactions

We have entered into related party transactions with, amongst others, members of our Promoter Group and our Key Managerial Personnel.

For further information on our related party transactions, see “*Summary of the Offer Document – Summary of Related Party Transactions*” on page 29. Also, see “*Risk Factors – We have in the past entered into certain related party transactions and may continue to do so in the ordinary course of our business and we cannot assure you that such transactions will not have an adverse effect on our results of operation and financial condition.*” on page 54.

Off-Balance Sheet Transactions

We have not entered into any off-balance sheet transactions.

Quantitative and Qualitative Disclosures

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 Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency). The Company did not have any material unhedged foreign currency exposures for each of March 31, 2023 and March 31, 2022. As at March 31, 2024, we had unhedged foreign currency exposure towards trade receivables amounting to ₹ 0.02 million and towards trade payables of ₹ 0.02 million.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. Our exposure to credit risk arises majorly from trade and other receivables. Other financial assets like security deposits and bank deposits are mostly with government authorities and scheduled banks and hence, we do not expect any credit risk with respect to these financial assets.

Our exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business.

We limit our exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. 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. We conduct financial and credibility check on landlords before taking any property on lease and we have not encountered any instance of non-refund of security deposit on vacating the leased property in the past three Fiscals. In some cases, we ensure that the notice period rentals are adjusted against the security deposits and only differential, if any, is paid out thereby further mitigating the non-realisation risk. We do not foresee any credit risks on deposits with regulatory authorities.

We limit our exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. We do not expect any losses from non-performance by these counter-parties, and do not have any significant concentration of exposures to specific industry sectors or specific country risks.

Commodity Price Risk

We are subject to market risks related to the volatility in the price of steel, and to a lesser extent, of nickel alloy. Our financial results can be affected significantly by fluctuations in these prices, which depend on many factors, including demand for these materials, changes in the economy, world-wide production levels, world-wide inventory levels and disruptions in the supply chain. However, there is no assurance our practices will adequately protect us from price fluctuations in steel or other raw materials. For further details, please see, "*Risk Factors – We are dependent on a limited number of suppliers for our key raw materials such as stainless steel, carbon/ mild steel, nickel alloy, forgings, castings, chemicals and polytetrafluoroethylene powder. The loss of one or more of these suppliers could adversely impact our manufacturing processes and supply timelines, in turn adversely impacting our ability to comply with delivery schedules agreed with clients resulting in impact on our financial condition and results of operations*" on page 45.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the group's financial instruments will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in market interest rate relates primarily to our borrowings with floating interest rates.

As at March 31, 2024, we had outstanding variable rate borrowings of ₹ 1,117.82 million that were at floating rate of interest linked to the MCLR of the respective banks, representing our total outstanding debt as at March 31, 2024. It exposes us to market risk as a result of changes in interest rates. We undertake debt obligations primarily

to support our working capital needs and capital expenditure. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, global interest rates, regulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. Upward fluctuations in interest rates increase the cost of debt and interest cost of outstanding variable rate borrowings. We do not currently use any derivative instruments to hedge interest rate risk considering the short term rates charged by the bankers.

For further details, please see, “*Risk factors – We have incurred indebtedness and an inability to comply with repayment and other covenants in our financial arrangements could adversely affect our business and financial condition. Further, certain of our financial agreements involve variable interest rates and an increase in interest rates may adversely affect our results of operations and financial condition.*” on page 61.

Market Risk

Market risk is the risk of loss of future earnings, to fair values or to future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the foreign currency exchange rates, interest rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, foreign currency payables and debt.

Inflation Risk

In recent years, India has experienced relatively high rates of inflation. High fluctuation in inflation rates may make it more difficult for us to accurately estimate or control our costs. Further, inflation generally impacts the overall economy and business environment and hence could affect us.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, there have been no events or transactions to our knowledge that have in the past or may in the future affect our business operations or financial performance which may be described as “unusual” or “infrequent”.

Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

Changes in revenue in the last three Fiscals are as described in “–*Fiscal 2024 as compared to Fiscal 2023*”, and “–*Fiscal 2023 as compared to Fiscal 2022*” above on pages 430 and 431, respectively.

Known Trends or Uncertainties

Other than as described in “*Risk Factors*” and this “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 42 and 410, respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenue or income from continuing operations.

Future Relationships Between Expenditure and Income

Other than as described in “*Risk Factors*” on page 42 and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 410, to our knowledge there are no known factors which we expect will have a material adverse impact on our operations or finances.

New Product or Business Segments

Other than as described in “*Our Business*” on page 244 there are no new products or business segments in which we operate.

Seasonality

We do not believe that our business exhibits any significant seasonal trends in revenues.

Significant dependence on suppliers or customers

We are dependent on certain key customers for a significant portion of our revenue and the loss of any one or more of such key customers for any reason (including due to loss of contracts or failure to negotiate acceptable terms during contract renewal negotiations, disputes with customers, adverse change in the financial condition of such customers, including due to possible bankruptcy or liquidation or other financial hardship, merger or decline in their sales, reduced or delayed customer requirements for our products, plant shutdowns, labour strikes or other work stoppages) could have an adverse effect on our business, results of operations and financial condition. For further details, please see *“Risk Factors- Our revenue from operations is dependent upon a limited number of customers and the loss of any of these customers or loss of revenue from any of these customers could have a material adverse effect on our business, financial condition, results of operations and cash flows.” on page 44.*

For certain of our key raw materials, we are dependent on a limited number of suppliers. The loss of one or more of these suppliers could adversely impact our manufacturing processes and supply timelines, in turn adversely impacting our ability to comply with delivery schedules agreed with clients resulting in impact on our financial condition and results of operations. For further details, please see *“Risk Factors- We are dependent on a limited number of suppliers for our key raw materials such as stainless steel, carbon/ mild steel, nickel alloy, forgings, castings, chemicals and polytetrafluoroethylene powder. The loss of one or more of these suppliers could adversely impact our manufacturing processes and supply timelines, in turn adversely impacting our ability to comply with delivery schedules agreed with clients resulting in impact on our financial condition and results of operations.” on page 45.*

Competitive Conditions

We expect competitive conditions in our industry to further intensify as new entrants emerge and as existing competitors seek to increase their offerings and benefit from economies of scale. For further details, please refer to *“Risk Factors”* and *“Our Business”* beginning on pages 42 and 244, respectively.

Total turnover of each major industry segment in which the company operated and Segment Reporting

Please refer to *“Note 36- Restated Financial Information”* on page 377 for details in relation to our segment reporting.

Significant Developments after March 31, 2024

Except as otherwise disclosed in this Draft Red Herring Prospectus and below, there are no subsequent development after the date of our financial statements contained in this Draft Red Herring Prospectus which materially and adversely affects, or is likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months:

- On June 3, 2024, our Company has allotted 163,471,068 Equity Shares pursuant to a bonus issue of Equity Shares in the proportion of nine Equity Shares for every one Equity Share held by the Shareholders as on the record date i.e. May 29, 2024, pursuant to the board resolution dated June 3, 2024.

SECTION VIII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding (i) criminal proceedings (including any notices received for such criminal proceedings or matters which are at first information report (“FIR”) stage, whether cognizance has been taken or not), (ii) outstanding actions (including all outstanding penalties and show cause notices) taken by regulatory and statutory authorities the non-disclosure of which may have bearing on the investment decision in the Offer, (iii) outstanding claims related to any direct or indirect tax liabilities; or (iv) proceedings (other than proceedings covered under (i) to (iii) above) which have been determined to be material pursuant to the Materiality Policy, involving our Company, Directors, Promoters and Subsidiaries (collectively, the “**Relevant Parties**”).

Further, there is no outstanding litigation involving our Group Companies which may have a material impact on our Company.

In relation to (iv) above, in terms of the Materiality Policy adopted by our Board in its meeting held on July 19, 2024, any pending litigation or arbitration proceeding involving the Relevant Parties has been considered “material” for the purposes of disclosure in this Draft Red Herring Prospectus, if:

- a) the monetary amount of the claim/ dispute amount/ liability by or against the Relevant Party in any such proceeding is equal to or in excess of 1.00% of the profit after tax of our Company as per the most recently completed financial year as per the Restated Consolidated Financial Information (the “**Litigation Materiality Threshold**”). The restated profit after tax of our Company for Fiscal 2024 is ₹ 600.11 million, and accordingly, all litigation involving the Relevant Parties, in which the amount involved is equal to or exceeds ₹ 6.00 million have been considered as material, if any;
- b) the monetary liability in any proceeding is not quantifiable, or the amount involved does not cross the Litigation Materiality Threshold, but the outcome of any such proceeding (including any proceedings relating to infringement of trademark or intellectual property) may have a material adverse bearing on the business, operations, performance, prospects, or reputation of our Company, or our Subsidiaries, on a consolidated basis; or
- c) the decision in one litigation is likely to affect the decision in similar cases such that the cumulative amount involved in such cases exceeds the Litigation Materiality Threshold, even though the amount involved in an individual case may not exceed the Litigation Materiality Threshold.

Further, except as disclosed in this section, there are no (i) disciplinary actions taken including penalty imposed by SEBI or any stock exchange against our Promoters in the five Fiscals preceding the date of this Draft Red Herring Prospectus, including outstanding action; and (ii) any outstanding litigation involving any of our Group Companies which may have a material impact on our Company.

For the purposes of the above, pre-litigation notices (excluding show cause notices) received by the Relevant Parties and Group Companies from third parties (excluding governmental/statutory/regulatory/judicial/taxation authorities or notices threatening criminal action) shall, in any event, not be considered as litigation until such time that the Relevant Parties or Group Companies are impleaded as defendants or respondents in proceedings initiated before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

Further, in terms of the Materiality Policy, a creditor of our Company shall be considered ‘material’ if the amount due to such creditor exceeds 5.00% of the total trade payables of our Company as of the end of the latest period included in the Restated Consolidated Financial Information. The total trade payables of our Company as on March 31, 2024 was ₹ 887.06 million. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditor exceeds ₹ 44.35 million as on March 31, 2024.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

I. Litigation proceedings involving our Company

Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no criminal proceedings involving our Company.

Statutory or regulatory proceedings

As on the date of this Draft Red Herring Prospectus, there are no statutory or regulatory proceedings involving our Company.

Other material pending proceedings

As on the date of this Draft Red Herring Prospectus, there are no material pending proceedings involving our Company.

II. Litigation proceedings involving our Promoters

A. Litigation proceedings initiated against our Promoters

Criminal proceedings

1. Pioneer Torsteel Mills Private Limited has filed a petition against M/s S2 Engineering Services, Kandula Krishna Veni and Kandula Ramakrishna under section 138 of Negotiable Instrument Act, 1881 before the XI Metropolitan Magistrate, Manoranjan Complex at Hyderabad on June 22, 2022. For further details, see “– *Outstanding Litigation and Other Material Proceedings – Litigation proceedings initiated by our Promoters – Other material pending proceedings*” on page 441.

Statutory or regulatory proceedings

As on the date of this Draft Red Herring Prospectus, there are no statutory or regulatory proceedings initiated against our Promoters.

Other material pending proceedings

As on the date of this Draft Red Herring Prospectus, there are no material pending proceedings initiated against the Promoters of our Company.

Disciplinary action taken against our Promoters in the five Fiscals preceding the date of this Draft Red Herring Prospectus by SEBI or any stock exchange

As on the date of this Draft Red Herring Prospectus, there are no disciplinary action taken against our Promoters in the five Fiscals preceding the date of this Draft Red Herring Prospectus by SEBI or any stock exchange.

B. Litigation proceedings initiated by our Promoters

Criminal proceedings

Except for the FIR filed by M/s S2 Engineering Services, Kandula Krishna Veni and Kandula Ramakrishna in relation to the matter described in “– *Outstanding Litigation and Other Material Proceedings – Litigation proceedings initiated by our Promoters – Other material pending proceedings*” on page 441, as on the date of this Draft Red Herring Prospectus, there are no criminal proceedings initiated by our Promoters.

Statutory or regulatory proceedings

As on the date of this Draft Red Herring Prospectus, there are no statutory or regulatory proceedings initiated by our Promoters.

Other material pending proceedings

A petition, bearing number, COP No. 73 of 2023, has been filed under Section 9 of the Arbitration and Conciliation Act, 1996 before the Court of the Principal Special Court in the Cadre of District Judge for Trial and Disposal of Commercial Disputes, City Civil Court at Hyderabad (“**Arbitration Petition**”) by M/s S2 Engineering Services (“**Petitioner 1**”), Kandula Krishna Veni (“**Petitioner 2**”) and Kandula Ramakrishna (Petitioner 3, along with Petitioner 1 and Petitioner 2, Petitioners) against Pioneer Torsteel Mills Private Limited (“**Respondent**”) in terms of the provisions of agreement of sale dated June 14, 2021 (“**Agreement of Sale**”) for property in respect of land in survey no 142/AA, to an extent of Ac.5-17 guntas, situated at Bollaram village, Jinnaram mandal, Medak district (“**Premise**”) entered by and between Petitioner 1, represented by Petitioner 2 and Petitioner 3 and Respondent.

In terms of the Agreement of Sale, the Petitioners paid ₹ 35.00 million in advance out of which ₹ 25.00 million was paid through a cheque. Subsequent to entering into the Agreement of Sale and upon being aware that the Premise had encumbrances, the Petitioners filed a first information report dated August 11, 2021 (“**FIR**”) with the Banjara Hills Police Station under section 420 for cheating and dishonestly inducing delivery of property, section 406 for criminal breach of trust, section 342 for wrongful confinement, section 506 for criminal intimidation read with section 34 of Indian Penal Code, 1860. In this regard, a charge sheet bearing no CC No. 5873/22 was also filed under section 173 of Code of Criminal Procedure, 1973.

The Petitioners further intimated the concerned bank to stop the payment of cheque issued towards advance consideration of ₹ 25.00 million. Consequently, the cheque issued towards advance consideration of ₹ 25.00 million was dishonoured and the Respondent filed a complaint bearing no 1623 of 2022 (“**NI Petition**”) under section 138 of Negotiable Instrument Act, 1881 before the XI Metropolitan Magistrate, Manoranjan Complex at Hyderabad on June 22, 2022.

The Petitioners subsequently filed a Memorandum of Criminal Petition bearing number CRLP 5975 of 2022 dated July 6, 2022, under section 482 of Criminal Procedure Code, 1973 before the High Court of Telangana (“**Criminal Petition**”) against the NI Petition. The High Court of Telangana has passed an order dated July 7, 2022, for stay of all further proceedings in NI Petition. Under the Arbitration Petition, the Petitioners have claimed for an amount of ₹ 13.40 million along with future interest. The Arbitration Petition is currently pending.

III. Litigation proceedings involving our Directors

Criminal proceedings

Except for the litigation involving few of our Promoters who are also our Directors, as disclosed in “–*Litigation involving our Promoters – Litigation proceedings initiated against our Promoters – Criminal Proceedings*” on page 441, there are no other criminal proceedings involving our Directors.

Statutory or regulatory proceedings

As on the date of this Draft Red Herring Prospectus, there are no statutory or regulatory proceedings involving our Directors.

Other material pending proceedings

Except for the litigation involving few of our Promoters who are also our Directors, as disclosed in “–*Litigation involving our Promoters – Litigation proceedings initiated by our Promoters – Other material pending proceedings*” on page 441, there are no other material pending proceedings involving our Directors.

IV. Litigation proceedings involving our Subsidiaries

Criminal proceedings

As on the date of this Draft Red Herring Prospectus, there are no criminal proceedings involving our Subsidiaries.

Statutory or regulatory proceedings

As on the date of this Draft Red Herring Prospectus, there are no statutory or regulatory proceedings involving our Subsidiaries.

Other material pending proceedings

As on the date of this Draft Red Herring Prospectus, there are no material proceedings involving our Subsidiaries.

V. Litigation involving our Group Companies

As on the date of this Draft Red Herring Prospectus, there are no litigation involving our Group Companies which will have a material impact on our Company.

Tax Claims

Except as disclosed below, there are no claims related to direct and indirect taxes involving our Company, Subsidiaries, Directors and Promoters.

A. Details of tax proceedings involving the Company:

Nature of the case	Number of cases	Total amount involved (in ₹ million)
Direct tax litigations	0	-
Indirect tax litigations	9	921.12
Total	9	921.12

B. Details of tax proceedings involving the Directors of the Company:

Nature of the case	Number of cases	Total amount involved (in ₹ million)
Direct tax litigations	-	-
Indirect tax litigations	-	-
Total	-	-

C. Details of tax proceedings involving the Promoters of the Company:

Nature of the case	Number of cases	Total amount involved (in ₹ million)
Direct tax litigations	-	-
Indirect tax litigations	-	-
Total	-	-

D. Details of tax proceedings involving the Subsidiaries of the Company:

Nature of the case	Number of cases	Total amount involved (in ₹ million)
Direct tax litigations	0	0
Indirect tax litigations	1	6.61
Total	1	6.61

Outstanding dues to Creditors

As of March 31, 2024, the total number of creditors of our Company was 610 and the total outstanding dues to these creditors by our Company was ₹ 887.06 million. Our Company owes an amount of ₹ 69.11 million to micro, small and medium enterprises ("MSMEs") as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

Details of outstanding dues owed to MSMEs, material creditors and other creditors as of March 31, 2024, are set out below:

S. No.	Type of creditor	No. of creditors [#]	Amount involved (in ₹ million) [#]
1.	Dues to micro, small and medium enterprises*	60	69.11
2.	Dues to material creditor(s)	1	72.89
3.	Dues to other creditors	549	745.06
	Total	610	887.06

*As defined under the Micro, Small and Medium Enterprises Development Act, 2006, as amended.

[#]As certified by Niranjana & Narayan, Chartered Accountants by way of their certificate dated July 24, 2024.

As per the Materiality Policy, creditors of our Company to whom an amount exceeding 5.00% of the total trade payables of the Company as per the Restated Consolidated Financial Information of the Company as at March 31, 2024, disclosed in the Draft Red Herring Prospectus shall be considered as ‘material’ creditors of our Company.

The trade payables of the Company on a consolidated basis as at March 31, 2024, as per the Restated Consolidated Financial Statements, amounted to ₹ 887.06 million. Accordingly, a creditor has been considered to be a material creditor, if the amounts due to such creditor as at March 31, 2024 exceeded ₹ 44.35 million. As of March 31, 2024, there is one material creditor, namely, Reliability Engineering Industries Private Limited, to whom our Company owes an aggregate amount of ₹ 72.89 million. The details pertaining to net outstanding dues towards our material creditor, along with its names and amount involved, are available on the website of our Company at <https://www.standardglr.com/investors#material-creditors>.

It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus and investors should not make any investment decision based on information available on the website of our Company. Anyone placing reliance on any other source of information, including our Company’s website, would be doing so at their own risk.

Material Developments

Other than as stated in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant developments after March 31, 2024 that may affect our future results of operations*” on page 438, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our trading, our profitability or the value of our assets or our ability to pay our liabilities within the next 12 months.

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.

Our Company has one manufacturing unit and has been referred to as SGL Manufacturing Unit. Our Material Subsidiary has four manufacturing units that have been referred by S2 Unit 1, S2 Unit 2, S2 Unit 3, and S2 Unit 4.

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 267. For incorporation details of our Company and our Material Subsidiary, “History and Certain Corporate Matters” on page 275. For details of risk associated with not obtaining or delay in obtaining the requisite approvals, see “Risk Factors – We require various licenses and approvals for undertaking our businesses and the failure to obtain or retain such licenses or approvals in a timely manner, or at all, may adversely affect our operations.” on page 58.

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 450.

B. Incorporation details of our Company and Material Subsidiary

(a) Our Company

1. Certificate of incorporation dated September 6, 2012, issued by the Registrar of Companies, Andhra Pradesh at Hyderabad, in the name of Standard Glass Lining Technology Private Limited with CIN U29220AP2012PTC082904.
2. Fresh certificate of incorporation dated June 17, 2022, issued by the RoC upon conversion of our Company from a private to a public limited company with CIN U29220TG2012PLC082904.

(b) Our Material Subsidiary

Certificate of incorporation dated September 20, 2021, issued by the RoC in the name of S2 Engineering Industry Private Limited with CIN U29304TG2021PTC155070.

C. Material approvals required in relation to our Company and Material Subsidiary

I. Tax related approvals obtained by our Company and Material Subsidiary

(a) Our Company

1. The permanent account number (“PAN”) of our Company is AARCS9773Q issued by the Income Tax Department, Government of India.
2. The tax deduction account number (“TAN”) of our Company is HYDS34312F issued by the Income Tax Department, Government of India.

3. The GST registration certificate issued to our Company by the State of Telangana for GST payments in the State of Telangana. The GST identification number for our facility situated in Telangana is 36AARCS9773Q2ZW.
4. The professional tax registration number of our Company issued under the Telangana Tax on Professions, Trades, Callings and Employments Act, 1987 is 36410671290.
5. Importer-exporter code bearing number 0912018500 dated November 15, 2012, issued to our Company by the Office of Additional Director General of Foreign Trade, Hyderabad, Ministry of Commerce and Industry, Government of India.

(b) Our Material Subsidiary

1. The PAN of our Material Subsidiary is ABGCS8653R issued by the Income Tax Department, Government of India.
2. The TAN of our Material Subsidiary is HYDS66714E issued by the Income Tax Department, Government of India.
3. The GST registration certificate issued to our Material Subsidiary by the State of Telangana for GST payments in the State of Telangana. The GST identification number for the facility of our Material Subsidiary situated in Telangana is 37ABGCS8653R1Z9.
4. The professional tax registration number of our Material Subsidiary issued under Telangana Tax on Professions, Trades, Callings and Employments Act, 1987 is 36833376564.
5. Importer-exporter code bearing number ABGCS8653R dated January 5, 2022, issued to our Material Subsidiary by the Office of Additional 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

1. Code number intimation letter issued to SGL Manufacturing Unit, S2 Unit 1, S2 Unit 2, S2 Unit 3, and S2 Unit 4 under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, as amended.
2. Code number intimation letter issued to SGL Manufacturing Unit, S2 Unit 1, S2 Unit 2, S2 Unit 3, and S2 Unit 4 under the Employees' State Insurance Act, 1948, as amended.
3. Certificate of registration issued to SGL Manufacturing Unit, S2 Unit 1, S2 Unit 2, S2 Unit 3, and S2 Unit 4 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

1. **Factory licenses:** Under the Factories Act, 1948, and the rules made thereunder, each as amended, SGL Manufacturing Unit, S2 Unit 1, S2 Unit 2, S2 Unit 3, and S2 Unit 4 are required to obtain registrations/licenses to work a factory for each of our manufacturing facilities.
2. **Environment related approvals:** SGL Manufacturing Unit is required to obtain environmental clearances, consents, and authorizations including consents from the state pollution control board of the relevant states wherein our manufacturing facilities are situated, to operate under the Water (Prevention and Control of Pollution) Act, 1974, as amended and Air (Prevention and Control of Pollution) Act, 1981, as amended.
3. **Shops and establishment registration:** Our Company and Material Subsidiary are required to obtain annual registrations under Telangana Shops and Establishments Act, 1988.
4. Other material licenses/approvals/authorisations:

- (i) Approvals/permissions/registrations issued to SGL Manufacturing Unit, S2 Unit 1, S2 Unit 2, S2 Unit 3, and S2 Unit 4 from the electricity authorities of the Telangana State Government.
- (ii) Trade licenses issued to SGL Manufacturing Unit, S2 Unit 1, S2 Unit 2, S2 Unit 3, and S2 Unit 4 under the Telangana Municipalities Act, 2019, and the Telangana Municipalities Trade License (Regulation of Issue and Renewal) Rules, 2020.

Except as stated below, all licenses and approvals obtained by our Company and Material Subsidiary are valid for lifetime, or until they are cancelled or revoked by the issuing authority:

Name of the facility	Name of the approval / license	Name of the legislation under which approval / license is issued	Date of approval	Validity period
SGL Manufacturing Unit	Consent to operate	Water (Prevention and Control of Pollution) Act, 1974, as amended and Air (Prevention and Control of Pollution) Act, 1981, as amended	July 2, 2024	July 31, 2032
SGL Manufacturing Unit	Trade license	Telangana Municipalities Act, 2019, and the Telangana Municipalities Trade License (Regulation of Issue and Renewal) Rules, 2020	April 1, 2024	March 31, 2025
SGL Manufacturing Unit	Shops and establishment registration certificate	Telangana Shops and Establishments Act, 1988	December 28, 2023	December 31, 2024
S2 Unit 1	Trade license	Telangana Municipalities Act, 2019, and the Telangana Municipalities Trade License (Regulation of Issue and Renewal) Rules, 2020	April 2, 2024	March 31, 2025
S2 Unit 2	Trade license	Telangana Municipalities Act, 2019, and the Telangana Municipalities Trade License (Regulation of Issue and Renewal) Rules, 2020	April 3, 2024	March 31, 2025
S2 Unit 3	Trade license	Telangana Municipalities Act, 2019, and the Telangana Municipalities Trade License (Regulation of Issue and	April 2, 2024	March 31, 2025

Name of the facility	Name of the approval / license	Name of the legislation under which approval / license is issued	Date of approval	Validity period
		Renewal) Rules, 2020		
S2 Unit 4	Trade license	Telangana Municipalities Act, 2019, and the Telangana Municipalities Trade License (Regulation of Issue and Renewal) Rules, 2020	April 1, 2024	March 31, 2025
S2 Unit 4	Shops and establishment registration certificate	Telangana Shops and Establishments Act, 1988	December 2, 2023	December 31, 2024

IV. Material approvals pending in respect of our Company



1. *Material approvals for which applications are currently pending before relevant authorities*
Nil
2. *Material approvals expired and approvals yet to be applied for*
Nil

V. Material approvals pending in respect of our Material Subsidiary

1. *Material approvals for which applications are currently pending before relevant authorities*
Nil
2. *Material approvals expired and approvals yet to be applied for*
Nil

VI. Intellectual property related approvals

As on the date of this Draft Red Herring Prospectus, each of our Company and our Material Subsidiary have registered one trademark in India. Set forth below is description of the trademarks held by our Company and our Material Subsidiary.

S. No.	Description	Class of registration	Registering Authority	Registration number	Date of expiry
<i>Registered in the name of our Company</i>					
1.	 stanglass [®]	Class-1	Trade Marks Registry, Government of India	5722347	December 14, 2032
<i>Registered in the name of our Material Subsidiary</i>					
2.	 stanpumps	Class-7	Trade Marks Registry, Government of India	5722351	December 14, 2032

As on the date of this Draft Red Herring Prospectus, our Company has applied for 2 trademarks and 3 patents in India, and our Material Subsidiary has applied for 2 trademarks in India. Set forth below is description of the trademarks and patents applied by our Company and Material Subsidiary.

S. No.	Description	Class of registration	Registering Authority	Application number	Date of application
Trademarks					
<i>Applications made by our Company</i>					
1.	'Standard Glass' with tagline 'Customer Inspired Excellence'	Class 11	Trade Marks Registry, Government of India	5722348	December 15, 2022
2.	'Standard Glass' with tagline 'Customer Inspired Excellence'	Class 20	Trade Marks Registry, Government of India	5722349	December 15, 2022
<i>Applications made by our Material Subsidiary</i>					
1.	'S2 Engineering'	Class 11	Trade Marks Registry, Government of India	5722350	December 15, 2022
2.	'S2 Engineering'	Class 7	Trade Marks Registry, Government of India	5722352	December 15, 2022
Patents					
<i>Applications made by our Company</i>					
1.	Glass lined shell and tube heat exchanger (mechanical engineering)	-	Office of the Controller General of Patents, Designs and Trade Marks	201941048185	November 25, 2019
2.	Clean room glass lined reactor (mechanical engineering)	-	Office of the Controller General of Patents, Designs and Trade Marks	202141018455	April 21, 2021
3.	Manhole sealing assembly for a glass lined reactor	-	Office of the Controller General of Patents, Designs and Trade Marks	202341063237	September 20, 2023

For risks associated with intellectual property, please refer to the section titled “Risk Factors – We may not be able to adequately protect our intellectual property. Further, our logo is not registered as of date of this DRHP.” on page 68.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Fresh Issue has been authorized by a resolution of our Board of Directors dated July 19, 2024, and a special resolution passed by our Shareholders at their meeting held on July 22, 2024. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to a resolution dated July 24, 2024.

This Draft Red Herring Prospectus has been approved by our Board pursuant to a resolution passed on July 24, 2024.

The Selling Shareholders have confirmed and approved their participation in the Offer for Sale in relation to their respective portion of the Offered Shares and have approved their participation in the Offer for Sale in relation to their respective portion of the Offered Shares. For details, see “*The Offer*” on page 84.

Our Board of Directors has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to the resolution passed at its meeting dated July 24, 2024. Each of the Selling Shareholders have, severally and not jointly, confirmed and approved their participation in the Offer for Sale in relation to its respective portion of the Offered Shares, as set out below:

Sr. No.	Name of Selling Shareholder	Maximum number of Equity Shares offered in the Offer for Sale	Date of the consent letter to participate in the Offer for Sale
Promoter Selling Shareholders			
1.	M/s S2 Engineering Services	Up to 52,04,000	July 22, 2024
2.	Kandula Ramakrishna	Up to 48,96,000	July 22, 2024
3.	Kandula Krishna Veni	Up to 41,31,000	July 22, 2024
4.	Nageswara Rao Kandula	Up to 7,65,000	July 22, 2024
5.	Kudaravalli Punna Rao	Up to 50,000	July 22, 2024
6.	Venkata Mohana Rao Katragadda	Up to 40,000	July 22, 2024
Promoter Group Selling Shareholders			
7.	M/s Standard Holdings	Up to 5,04,000	July 22, 2024
8.	Katragadda Venkata Ramani	Up to 5,00,000	July 22, 2024
9.	Venkata Siva Prasad Katragadda	Up to 3,50,000	July 22, 2024
10.	Krishna Kanth Kudravalli	Up to 2,00,000	July 22, 2024
11.	Kudaravalli Srikanth	Up to 2,00,000	July 22, 2024
12.	Balabhavani K	Up to 50,000	July 22, 2024
13.	Poojitha Katragadda	Up to 40,000	July 22, 2024
Other Selling Shareholders			
14.	Venkata Sandeep Gopineedi	Up to 4,50,000	July 22, 2024
15.	Likitha Katragadda	Up to 3,50,000	July 22, 2024
16.	Mahitha Katragadda	Up to 3,50,000	July 22, 2024
17.	Katragadda Harini	Up to 3,50,000	July 22, 2024
18.	Shirish Nilkantharao Dhamnekar	Up to 14,000	July 22, 2024

Our Company shall apply for in-principle approvals from BSE and NSE for the listing of the Equity Shares before the filing of Red Herring Prospectus.

Prohibition by SEBI or other Governmental Authorities

Our Company, Promoters, members of our Promoter Group, Directors, persons in control of our Company and the persons in control of our Promoters are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoters and 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 associated with securities market related business, in any manner and there have been no outstanding actions initiated by SEBI against our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Our Company, Promoters or Directors have not been declared as wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the RBI.

Our Promoters or Directors have not been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

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.

The Selling Shareholders, severally and not jointly, confirm that they have not been prohibited from accessing the capital market 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 our Directors are in any manner, associated with securities market and there is no outstanding action initiated by SEBI against our Directors in the 5 years preceding the date of this Draft Red Herring Prospectus.

Except as already disclosed in this DRHP, there are no findings/observations of any of the inspections by SEBI or any other regulator which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision.

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoters, members of our Promoter Group, and the Selling Shareholders confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1), and is in compliance with the conditions specified therein in the following manner:

- Our Company has net tangible assets of at least ₹30.00 million, calculated on a restated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- Our Company has an average operating profit of at least ₹150.00 million, calculated on a restated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;
- Our Company has a net worth of at least ₹10.00 million in each of the preceding three full years (of 12 months each), calculated on a restated basis; and
- Our Company has not changed its name in the last one year.

Our Company's operating profit, net worth, net tangible assets and monetary assets derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus as at, and for the last three Fiscals are set forth below:

Derived from our Restated Consolidated Financial Information:

<i>(₹ in million)</i>				
S. No.	Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
A.	Restated net tangible assets ⁽¹⁾ (A) (₹ in million)	4,090.36	1,574.79	698.66
B.	Restated monetary assets ⁽²⁾ (B) (₹ in million)	1,464.87	91.33	21.76
C.	% of Monetary assets to net tangible assets (B/A*100)	35.81%	5.80%	3.11%

1. Net tangible assets have been defined in Section 2(1) gg of the SEBI ICDR Regulations as the sum of all net assets of our Company, excluding intangible assets as defined in Indian Accounting Standard (Ind AS) 38;

2. Monetary assets means cash and cash equivalents, bank balance other than cash and cash equivalents, non-current bank balances and accrued interest

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

- (i) Our Company, our Promoters, members of our Promoter Group, the Selling Shareholders and our Directors are not debarred from accessing the capital markets by SEBI;
- (ii) The companies with which our Promoters or our Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;
- (iii) Neither our Company, nor our Promoters, or Directors is a wilful defaulter (as defined in the SEBI ICDR Regulations);
- (iv) None of our Directors has been declared as a fugitive economic offender under 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 has entered into tripartite agreements dated January 5, 2023 and June 6, 2022 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares . Further, our Company shall enter into a tripartite agreement with the respective Depositories and the Registrar to the Offer prior to the filing of the Red Herring Prospectus with RoC;
- (vii) The Equity Shares of our Company held by the Promoters are in the dematerialised form;
- (viii) Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, failing which, the entire application money will be refunded forthwith; and
- (ix) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus.
- (x) Our Company has appointed [●] as the Designated Stock Exchange.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, BEING IIFL SECURITIES LIMITED AND MOTILAL OSWAL INVESTMENT ADVISORS LIMITED (“BRLMs”), HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. 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, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JULY 24, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(FORM A) OF THE SEBI ICDR REGULATIONS.

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 OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to this Offer will be complied with at the time of filing of the Prospectus with the Registrar of Companies in terms of sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Disclaimer from our Company, our Directors, the Selling Shareholders and BRLMs

Our Company, the Selling Shareholders, our Directors 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 instance and anyone placing reliance on any other source of information, including our Company's website at www.standardglr.com, or the respective websites of our Promoters or any affiliate of our Company would be doing so at his or her own risk. Each Selling Shareholder, its respective directors / partners, affiliates, associates and officers neither accept nor undertake any responsibility for any statements made or undertakings provided other than those specifically undertaken or confirmed by such Selling Shareholder, and only in relation to itself and, or, to their respective Offered Shares

The BRLMs 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 between the Underwriters, the Selling Shareholders, and our Company.

All information shall be made available by our Company, Selling Shareholders and the BRLMs to the Bidders and the public at large 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 the Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, the Selling Shareholders, their respective 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, the Selling Shareholders, and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, 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 equity shares, domestic Mutual Funds, 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, public financial institutions as specified under Section 2(72) of the Companies Act, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any

person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only. This Draft Red Herring Prospectus does not constitute 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 comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. 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 the 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.

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 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 outside the United States in ‘offshore transactions’ in reliance on 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.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been 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 and the Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to 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 the RoC filing.

Listing

The Equity Shares proposed to be issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications 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.

Consents

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Legal Counsel to the Company and the Selling Shareholders as to Indian Law, Bankers to our Company, the BRLMs, Registrar to the Offer, our Statutory Auditors, the Independent Chartered Accountant, the Independent Chartered Engineer, F&S, have been obtained; and consents in writing of the Syndicate Members, Escrow Collection Bank(s)/Refund Bank(s)/ Public Offer Account/ Sponsor Bank to act in their respective capacities, will be obtained as required under the Companies Act, 2013. All such consents have not been withdrawn until the date of this Draft Red Herring Prospectus.

Expert to the Offer

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

- (a) Our Company has received written consent dated July 24, 2024 from M/s M S K A & Associates, Chartered Accountants, to include their name as 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 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) the examination report dated July 19, 2024 relating to the Restated Consolidated Financial Information as at and for the years ended March 31, 2024, 2023 and 2022; and (ii) statement on special tax benefits available to our Company, its Material Subsidiary and its Shareholders under the direct and indirect tax laws dated July 24, 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. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.
- (b) Our Company has received written consent dated July 24, 2024 from M/s Niranjana & Narayan, Chartered Accountants, to include their name in this Draft Red Herring Prospectus, as an “expert” as defined under section 2(38) of the Companies Act to the extent and in their capacity as an independent chartered accountant to our Company, and in respect of the certificates and the details derived therefrom to be included in this Draft Red Herring Prospectus. 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.
- (c) Our Company has received written consent dated July 24, 2024 from Global Engineers & Industrial Consultants the Chartered Engineer, 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 an independent chartered engineer, in relation to the certificate dated July 24, 2024, certifying, inter alia, the details of the installed and production capacity of our manufacturing facilities. 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.

Particulars regarding public or rights issues undertaken by our Company during the last 5 years

Our Company has not made any public issue as defined under the SEBI ICDR Regulation, during the last 5 years immediately preceding the date of this Draft Red Herring Prospectus. Other than as disclosed in “*Capital Structure*” on page 102, our Company has not made any rights issue as defined under the SEBI ICDR Regulation, during the last 5 years immediately preceding the date of this Draft Red Herring Prospectus.

Particulars regarding capital issues by our Company and listed group companies, subsidiary, or associate entities during the last three years

Other than as disclosed in “*Capital Structure*” on page 102, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

Our Company does not have any listed group company or any listed subsidiary or a listed associate entity. Accordingly, none of our Subsidiaries or Group Company have made any capital issues during the 3 years immediately preceding the date of this Draft Red Herring Prospectus.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's incorporation.

Performance vis-à-vis objects – Public/ rights issue of our Company

Our Company has not made any public issue as defined under the SEBI ICDR Regulation, during the last 5 years immediately preceding the date of this Draft Red Herring Prospectus. Other than as disclosed in “*Capital Structure*” on page 102, our Company has not made any rights issue as defined under the SEBI ICDR Regulation, during the last 5 years immediately preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/listed Promoter of our Company

Our Subsidiary is not listed on any stock exchange.

Price information of past issues handled by the BRLMs

1) IIFL Securities Limited

Price information of past issues handled by IIFL Securities Limited

Sr. No.	Issue Name	Issue Size (in ₹ million)	Issue Price (₹)	Designated Stock Exchange as disclosed in the red herring prospectus filed	Listing Date	Opening Price on Listing Date	+/- % change in closing price*, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Cello World Limited	19,000.00	648.00 ⁽¹⁾	NSE	November 6, 2023	829.00	+21.92%, [+7.44%]	+32.99%, [+12.58%]	+40.57%, [+15.78%]
2	Protean eGov Technologies Limited	4,892.02	792.00 ⁽²⁾	BSE	November 13, 2023	792.00	+45.21%, [+7.11%]	+73.18%, [+10.26%]	+45.85%, [+11.91%]
3	ASK Automotive Limited	8,339.13	282.00	NSE	November 15, 2023	303.30	+2.73%, [+7.66%]	+6.29%, [+9.86%]	+5.05%, [+12.10%]
4	DOMS Industries Limited	12,000.00	790.00 ⁽³⁾	BSE	December 20, 2023	1400.00	+80.59%, [+0.97%]	+82.13%, [+3.18%]	+143.28%, [+9.20%]
5	Medi Assist Healthcare Services Limited	11,715.77	418.00	BSE	January 23, 2024	465.00	+22.32%, [+3.20%]	+15.66%, [+3.86%]	+33.86%, [+14.54%]
6	R K Swamy Limited	4,235.60	288.00	BSE	March 12, 2024	252.00	-1.30%, [+1.86%]	-6.70%, [+4.11%]	N.A.
7	Bharti Hexacom Limited	42,750.00	570.00	BSE	April 12, 2024	755.20	+58.25%, [-2.13%]	+85.03%, [+7.65%]	N.A.
8	JNK India Limited	6,494.74	415.00	NSE	April 30, 2024	621.00	+54.47%, [+0.44%]	N.A.	N.A.
9	Go Digit General	26,146.46	272.00	NSE	May 23, 2024	286.00	+22.83%, [+2.32%]	N.A.	N.A.

	Insurance Limited									
10	Awfis Space Solutions Limited	5,989.25	383.00 ⁽⁴⁾	NSE	May 30, 2024	435.00	+34.36%, [+6.77%]		N.A.	N.A.

Source: www.nseindia.com; www.bseindia.com, as applicable

- (1) A discount of ₹ 61 per equity share was offered to eligible employees bidding in the employee reservation portion.
- (2) A discount of ₹. 75 per equity share was offered to eligible employees bidding in the employee reservation portion.
- (3) A discount of ₹ 75 per equity share was offered to eligible employees bidding in the employee reservation portion.
- (4) A discount of ₹ 36 per equity share was offered to eligible employees bidding in the employee reservation portion.

Note: Benchmark Index taken as NIFTY 50 or S&P BSE SENSEX, as applicable. Price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered for all of the above calculations. The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th /90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. NA means Not Applicable. The above past price information is only restricted to past 10 initial public offers.

Summary statement of price information of past issues handled by IIFL Securities Limited

Financial Year	Total No. of IPO's	Total Funds Raised (in ₹ million)	No. of IPOs trading at discount – 30 th calendar days from listing			No. of IPOs trading at premium – 30 th calendar days from listing			No. of IPOs trading at discount – 180 th calendar days from listing			No. of IPOs trading at premium – 180 th 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%
2022-23	12	1,06,650.92	-	-	4	-	4	4	-	-	3	1	4	4
2023-24	15	1,54,777.80	-	-	4	3	4	4	-	-	-	5	4	5
2024-25	4	81,380.45	-	-	-	2	1	1	-	-	-	-	-	-

Source: www.nseindia.com; www.bseindia.com, as applicable

Note: Data for number of IPOs trading at premium/discount taken at closing price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered. NA means Not Applicable.

2) Motilal Oswal Investment Advisors Limited

Price information of past issues handled by Motilal Oswal Investment Advisors Limited

S. No.	Issue name	Designated Stock Exchange	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	R K Swamy Limited ⁽⁶⁾	BSE	4,235.60	288.00	March 12, 2024	252.00	-1.30% [+1.86%]	-6.70% [+4.11%]	Not applicable
2.	Happy Forgings Limited	NSE	10,085.93	850.00	December 27, 2023	1000.00	+14.06% [-1.40%]	+4.44% [+2.04%]	+42.78% [+8.53%]
3.	Cello World Limited ⁽⁵⁾	NSE	19,000.00	648.00	November 06, 2023	829.00	+21.92% [+7.44%]	+32.99% [+12.58%]	+40.57% [+15.78%]
4.	Updater Services Limited	BSE	6,400.00	300.00	October 04, 2023	299.90	-13.72% [-1.76%]	+9.05% [+10.80%]	6.77% [+12.92%]
5.	Sai Silks (Kalamandir) Limited	BSE	12,009.98	222.00	September 27, 2023	230.10	+8.09% [-4.49%]	+25.09% [+7.54%]	-12.30% [+10.15%]
6.	Rishabh Instruments Limited	NSE	4907.83	441.00	September 11, 2023	460.05	+20.12% [-1.53%]	+13.24% [+4.87%]	+5.94% [+12.49%]
7.	IKIO Lighting Limited	BSE	6,065.00	285.00	June 16, 2023	391.00	+44.77% [+4.22%]	+23.84% [+6.44%]	+23.86% [+9.73%]
8.	Radiant Cash Management Limited	NSE	2,566.41	94.00	January 04, 2023	103.00	+2.55% [-2.40%]	2.23% [-3.75%]	-1.31% [+6.35%]
9.	Tamilnad Mercantile Bank Limited	BSE	8,078.40	510.00	September 15, 2022	510.00	-8.43% [-3.36%]	+2.14% [+4.34%]	-11.07% [-1.33%]
10.	Dreamfolks Services Limited	BSE	5,621.01	326.00	September 6, 2022	505.00	+12.07% [-1.91%]	+14.80% [+6.20%]	+12.94% [+1.24%]

Notes:

1. The S&P CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index, depending upon the Designated Stock Exchange.
2. Price is taken from NSE or BSE, depending upon Designated Stock Exchange for the above calculations.
3. The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.
4. Not applicable – Period not completed.
5. A discount of ₹ 61 per Equity Share was offered to eligible employees bidding in the employee reservation portion.
6. A discount of ₹ 27 per Equity Share was offered to eligible employees bidding in the employee reservation portion.

2. *Summary statement of price information of past issues handled by Motilal Oswal Investment Advisors Limited*

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2024-25*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2023-24	7	62,704.34	-	-	2	-	1	4	-	-	1	-	2	3
2022-23	3	16,265.81	-	-	1	-	-	2	-	-	2	-	-	1

* The information is as on the date of the DRHP.

The information for each of the financial years is based on issues listed during such financial year.

Notes: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available

Data for number of IPOs trading at premium/discount taken at closing price on NSE or BSE on the respective date, depending upon the Designated Stock Exchange

Track record of past issues handled by the BRLMs

For details regarding the track record of the Book Running Lead Managers, as specified in circular (reference CIR/MIRSD/1/2012) dated January 10, 2012 issued by SEBI, please see the websites of the BRLMs, as set forth in the table below:

S. No.	Name of the Book Running Lead Manager	Website
1.	IIFL Securities Limited	www.iiflcap.com
2.	Motilal Oswal Investment Advisors Limited	www.motilaloswalgroup.com

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 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, 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, UPI ID, PAN, 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.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Bank for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs 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.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four 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 four Working Days from the Bid/Offer Closing Date by the intermediary 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. Our Company, the BRLMs 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. In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. 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.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

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 herein.

Our Company has not received investor complaints in relation to the Equity Shares for the three years prior to the filing of the Draft Red Herring Prospectus, hence no investor complaint in relation to our Company is pending as on the date of filing of the Draft Red Herring Prospectus.

Disposal of Investor Grievances by our Company

Our Company shall obtain authentication on the SEBI Complaints Redress System (“SCORES”) in terms of circular no. CIR/OIAE/1/2014 dated December 18, 2014, circular no. SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and SEBI circular SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 7, 2022 issued by SEBI in relation to redressal of investor grievances through SCORES.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be around five Working Days from the date of receipt of the complaint, provided however, in relation to complaints pertaining to blocking/unblocking of funds, investor complaints shall be resolved on 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. Each of the Selling Shareholder, severally and not jointly, has authorised our Compliance Officer and the Registrar to the Offer to redress any complaints received from Bidders in respect of its Offered Shares.

Our Company has also appointed Kallam Hima Priya, the Company Secretary of our Company, as the Compliance Officer for the Offer. For details, see “*General Information*” on page 92.

Our Company has constituted a Stakeholders’ Relationship Committee comprising Radhika Nannapaneni, Venkata Mohana Rao Katragadda and Sudhakara Reddy Siddareddy as members. For details, see “*Our Management - Stakeholders’ Relationship Committee*” on page 305.

Disposal of investor grievances by listed Group Company and Subsidiaries

As on the date of this Draft Red Herring Prospectus, our Group Company and Subsidiaries are not listed on any stock exchange, and, therefore, there are no investor complaints pending against them.

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

As on the date of this Draft Red Herring Prospectus, our Company has not filed for exemption from complying with any provisions of securities laws.

Other Confirmations

Our Company has no conflict of interest with the suppliers of raw materials and third party service providers (crucial for operations of the Company).

SECTION IX: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered, Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital, offer for sale, and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, the NHB, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the Government of India, the Stock Exchanges, the RoC and/or any other governmental, statutory or regulatory authorities while granting their approval for the Offer, to the extent and for such time as these continue to be applicable.

The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. For details in relation to the Offer expenses, see “*Objects of the Offer – Offer expenses*” on page 144.

Ranking of the Equity Shares

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. The Equity Shares being offered and Allotted/ transferred in the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, MoA and AoA and shall rank *pari passu* with the existing Equity Shares in all respects including voting, right to receive dividends and other corporate benefits. For further details, see “*Main Provisions of Articles of Association*” on page 498.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the MoA and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines, regulations or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see “*Dividend Policy*” and “*Main Provisions of Articles of Association*” on pages 325 and 498, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹10 and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. 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 size for the Offer will be decided by our Company, in consultation with the BRLMs, and advertised in all editions of [●], a widely circulated English national daily newspaper and in all editions of [●], a widely circulated Hindi national daily newspaper, and the Telugu edition of [●], a widely circulated Telugu daily newspaper (Telugu also being the regional language of Hyderabad, where our Registered 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 the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company, in consultation with the BRLMs, after the Bid/ Offer Closing Date on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process.

At any given point of time, there shall be only one denomination for the 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 the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or “e-voting”, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable laws including any RBI rules and regulations; 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 the Articles of Association.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer, transmission, consolidation or sub-division, see “*Main Provisions of Articles of Association*” on page 498.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, and the SEBI Listing Regulation, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, our Company has entered into the following agreements with the respective Depositories and Registrar to the Offer:

- Tripartite agreement dated January 5, 2023 amongst our Company, NSDL and KFin Technologies Limited; and
- Tripartite agreement dated June 6, 2022 amongst our Company, CDSL and KFin Technologies Limited.

For details in relation to the Basis of Allotment, see “*Offer Procedure*” on page 474.

Market Lot and Trading Lot

Since trading of the Equity Shares on the Stock Exchanges is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in dematerialised and electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For further details on the Basis of Allotment, see “*Offer Procedure*” on page 474.

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 will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Hyderabad, Andhra Pradesh, India.

Period of operation of subscription list

See “– Bid/ Offer Programme” on page 465.

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.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the Sole Bidder, or the First Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of Sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is modified or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), in accordance with Section 72 of the Companies Act, 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 modified by nominating any other person in place of the present nominee, by the holder of the Equity Shares who made the nomination, by giving a notice of such cancellation or variation to our Company. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the Registrar and Transfer Agent 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, the Board may thereafter withhold payment of all dividends, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Bid/Offer Programme

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
BID/OFFER OPENS ON	[●] ⁽¹⁾
BID/OFFER CLOSES ON	[●] ⁽²⁾
Finalisation 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 Account*	On or about [●]
Credit of Equity Shares to dematerialized accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

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

⁽²⁾ UPI mandate end time and date shall be at 5:00 pm IST on Bid/ Offer Closing Date, i.e. [●]

* In case of (i) 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 for the entire duration of delay exceeding two Working Days from the Bid/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 Bidders shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, read with SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs, to the extent applicable, issued by SEBI, and any other applicable law in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. The processing fees for applications made by the 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 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022. SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, read with SEBI master circular no. SEBI/HO/CFD/PoD2/P/CIR/2023/00094 dated June 21, 2023, 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 ₹ 0.5 million, shall use UPI. RIBs for up to ₹ 0.5 million and individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹ 0.2 million and up to ₹ 0.5 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.

The above timetable other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company, the Selling Shareholders or the BRLMs.

Any circulars or notifications from the SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the offer procedure is subject to change to any revised circulars issued by the SEBI to this effect.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within three Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by SEBI, 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.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till 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 confirmation to the BRLMs and the Registrar on the daily basis. 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.

SEBI vide circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the post issue timeline for initial public offerings. The revised timeline of T+3 days has been made applicable in two phases, i.e., voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Accordingly, the Offer will be made under UPI Phase III on mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time, including with respect to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023.

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, 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	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of electronic application (bank ASBA through online channels like internet banking, mobile banking and syndicate ASBA applications through UPI as a payment mechanism where Bid Amount is up to ₹0.50 million)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of electronic applications (syndicate non-retail, non- individual applications of QIBs and NIIs)	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/cancelled of Bids	
Upward Revision of Bids by QIBs and Non-Institutional Bidders categories#	Only between 10.00 a.m. 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. and up to 5.00 p.m. IST

* UPI mandate end time shall be 5:00 p.m. on the Bid/ Offer Closing Date

QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids

On the Bid/ Offer Closing Date, the Bids shall be uploaded until:

- (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders; and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs.

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received from RIBs after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

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 and in any case no later than 1:00 p.m. IST on the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids and any revision in Bids will be accepted only during Working Days during the Bid/ Offer Period and revision shall not be accepted on Saturdays and public holidays. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing. Bidders may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE, respectively. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. None of our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software or hardware system or blocking of application amount by SCSBs on receipt of instructions from the Sponsor Bank due to any errors, omissions, or otherwise non-

compliance by various parties involved in, or any other fault, malfunctioning or breakdown in the UPI Mechanism.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Our Company, in consultation with the BRLMs reserves the right to revise the Price Band during the Bid/Offer Period, in accordance with the SEBI ICDR Regulations. 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 but the Floor Price shall not be less than the Face Value of the Equity Shares. In all circumstances, the Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price.

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

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

The requirement of minimum subscription is not applicable to the Offer for Sale in accordance with the SEBI ICDR Regulations. In the event our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue, on the Bid/ Offer Closing Date; or (ii) minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, if any, in accordance with applicable law, or if the subscription level falls below the thresholds mentioned above after the Bid/Offer Closing Date, on account of withdrawal of applications or after technical rejections, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being issued or offered under the Red Herring Prospectus, the Selling Shareholders, to the extent applicable, and our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI master circular no. SEBI/HO/CFD/PoD- 2/P/CIR/2023/00094 dated June 21, 2023 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023. If there is a delay beyond two days after our Company becomes liable to pay the amount, our Company and our Directors, who are officers in default, shall pay interest at the rate of 15% per annum.

However, in case of under-subscription 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 towards subscription of 90% of the Fresh Issue ; thereafter, (ii) the Equity Shares held by the Selling Shareholders and offered for sale in the Offer for Sale will be Allotted; and thereafter (iii) once Equity Shares have been allotted as per (i) and (ii), then such number of Equity Shares will be Allotted by the Company towards the balance 10% of the Fresh Issue.

The Selling Shareholders shall reimburse any expenses and interest incurred by our Company on behalf of the Selling Shareholders for any delays in making refunds as required under the Companies Act and any other applicable law, provided that the Selling Shareholders shall not be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of the Selling Shareholders in relation to its portion of the Offered Shares.

The requirement for minimum subscription of 90% is not applicable to the Offer for Sale.

Undersubscription, if any, in any category except the QIB portion, would be met with spill-over from the other categories at the discretion of our Company, in consultation with the BRLMs, and the Designated Stock

Exchange.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

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.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

Withdrawal of the Offer

The Offer shall be withdrawn in the event the requirement of the minimum subscription as prescribed under Regulation 45 of the SEBI ICDR Regulations is not fulfilled. Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Fresh Issue and the Selling Shareholders, reserves the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks (in case of UPI Bidders), to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared, and the Stock Exchanges will also be informed promptly.

If our Company, in consultation with the BRLMs withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the filing of the Prospectus with the RoC.

Restrictions, if any on transfer and transmission of Equity Shares

Except for lock-in of the pre-Offer capital of our Company, lock-in of our Promoters' minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 102 and except as provided under the Articles of Association and under SEBI ICDR Regulations, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "*Main Provisions of Articles of Association*" on page 498.

New financial instruments

Our Company is not issuing any new financial instruments through this Offer.

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.

OFFER STRUCTURE

The Offer is of up to [●] Equity Shares of face value of ₹10 each for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share) aggregating up to ₹ [●] million comprising a Fresh Issue of up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹2,500.00 million and an Offer for Sale of up to 18,444,000 Equity Shares of face value of ₹10 each aggregating up to ₹[●] million by the Selling Shareholders.

The Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.

Our Company, in consultation with the BRLMs, may consider an issue of specified securities, as may be permitted under applicable law, to any person(s), aggregating up to ₹ 500.00 million at its discretion, prior to filing of the Red Herring Prospectus with the RoC (“**Pre-IPO Placement**”). The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20.00% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

In terms of Rule 19(2)(b) of the SCRR, the Offer is being made through the Book Building Process, in compliance with Regulation 31 of the SEBI ICDR Regulations.

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders ⁽³⁾	Retail Individual Bidders
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
Percentage of Offer Size available for Allotment/allocation	Not more than 50% of the 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 Offer. The allotment to each NIB shall not be less than the minimum application size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares if any, if any, shall be available for allocation out of which: (a) One third of the Non-Institutional Portion shall be reserved for applicants with an application size of more than ₹0.20 million and up to ₹1.00 million; and (b) two third of the Non-Institutional Portion shall be reserved for applicants with application size of more than ₹1.00 million, provided that the unsubscribed portion in either the sub-categories mentioned above	Not less than 35% of the Offer or the Offer less allocation to QIB Bidders and Non-Institutional Bidders

		may be allocated to applicants in the other sub-category of Non-Institutional Bidders.	
Basis of Allotment/allocation if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): a) up to [●] Equity Shares of face value of ₹10 each shall be available for allocation on a Proportionate basis to Mutual Funds only; and b) up to [●] Equity Shares of face value of ₹10 each 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 of face value of ₹10 each) 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 allotment of specified securities to each Non-Institutional Bidder shall not be less than the minimum application size, subject to availability in the Non-Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations. For details, see “Offer Procedure” on page 474.	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 474.
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
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, (excluding the Anchor portion) subject to applicable limits to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares 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
Mode of Bidding	Through ASBA process only (except Anchor Investors). In case of UPI Bidders, ASBA process will include the UPI Mechanism. In case of Non-Institutional Investors, ASBA process (including the UPI Mechanism), to the extent of Bids up to ₹ 0.50 million.		
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 ⁽³⁾⁽⁴⁾	Public financial institutions as specified in Section 2(72) of the Companies Act, scheduled commercial banks, Mutual Funds, FPIs (other than individuals, corporate bodies and family	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions, societies, trusts, family offices and FPIs who	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)

	offices), VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250.00 million, pension funds with minimum corpus of ₹250.00 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, 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.	are individuals, corporate bodies and family offices which are recategorized as Category II FPIs and registered with SEBI.	
Terms of Payment	<p>In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids⁽³⁾</p> <p>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</p>		
Mode of Bidding [^]	Through ASBA process only (excluding the UPI Mechanism) (except in case of Anchor Investors)	Through ASBA process only (including the UPI Mechanism for Bids up to ₹ 0.50 million)	Through ASBA process only (including the UPI Mechanism)

* Assuming full subscription in the Offer

[^] Anchor Investors are not permitted to use the ASBA process. Further, pursuant to circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, the SEBI has mandated that ASBA applications in the Offer will be processed only after the Bid Amounts are blocked in the bank accounts of the investors. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIBs, NIIs and RIBs and all modes through which the Applications are processed, accept ASBA Forms in their electronic book building platform only with a mandatory confirmation on the Bid Amounts blocked.

⁽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 ₹ 100.00 million, (ii) 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 under the Anchor Investor Portion, subject to a minimum Allotment of ₹ 50.00 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 ₹ 2,500.00 million or part thereof will be permitted, subject to minimum allotment of ₹ 50.00 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 ₹ 100.00 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 the Company, in consultation with the BRLMs.

(2) Subject to valid Bids being received at or above the Offer Price. This Offer is made in accordance with the Rule 19(2)(b) of the SCRR and is being made through the Book Building Process, in compliance with Regulation 6(1) of the SEBI ICDR Regulations.

(3) 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.

(4) Bids by FPIs with certain structures as described under "Offer Procedure - Bids by Foreign Portfolio Investors" on page 481 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

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.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion and 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, please refer to the section titled "*Terms of the Offer*" on page 463. The Bids by FPIs with certain structures as described under "*Offer Procedure - Bids by Foreign Portfolio Investors*" on page 481 and having same PAN will be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) will be proportionately distributed.

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 463.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

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, including in relation to the process for Bids by UPI Bidders. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) issuance of CAN and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) disposal of applications; and (xiii) interest in case of delay in Allotment or refund.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated March 16, 2021, SEBI circular (SEBI/HO/CFD/DIL2/P/CIR/2021/570) dated June 2, 2021, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2022/51) dated April 20, 2022, SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard from time to time (“UPI Circulars”) has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. For details on the phased implementation of UPI as a payment mechanism, see “– Book Building Procedure” below on page 475. 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 shall be processed only after application monies are blocked in the bank accounts of investors (all categories). The Registrar and SCSBs will comply with any additional circulars or other Applicable Law, and the instructions of the BRLMs, as may be issued in connection with this circular. Accordingly, Stock Exchanges shall, for all categories of investors and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. Pursuant to SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, the revised timeline of T+3 days had been made applicable in two phases i.e. (i) voluntary for all public issues opening on or after September 1, 2023; and (ii) mandatory on or after December 1, 2023 (“T+3 Notification”).

The Offer will be undertaken pursuant to the processes and procedures as notified in the T+3 Notification under Phase III on a mandatory basis, 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. 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, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances, including the reduction of time period for unblocking of application monies from 15 days to four days. This circular is effective for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Draft Red Herring Prospectus. 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 ₹ 0.5 million shall use the UPI Mechanism and

shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. 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 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, in accordance with the T+3 Notification, the Bidder shall be compensated at a uniform rate of ₹100 or 15% per annum of the Bid Amount, whichever is higher, per day for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, in accordance with the T+3 Notification, the reduced timelines for refund of Application money has been made two days.

The BRLMs shall be the nodal entity for any issues arising out of public issuance process.

Our Company, the Selling Shareholders and the BRLMs, members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the GID and 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, when filed.

Further, our Company, the Selling Shareholders and the Members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Offer.

Book Building Procedure

This Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process and is in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein in terms of Regulation 32(1) of the SEBI ICDR Regulations, not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price 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 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 Offer shall be available for allocation to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, under-subscription, 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 receipt of valid Bids received at or above the Offer Price. Under-subscription, 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 accordance with Rule 19(2)(b) of the SCRR, the Offer will constitute at least [●]% of the post-Offer paid-up Equity Share capital of our Company.

Bidders must ensure that their PAN is linked with Aadhar and are in compliance with CBDT notification dated

February 13, 2020 and press release dated June 25, 2021 and September 17, 2021, CBDT circular no.7 of 2022, dated March 30, 2022 and March 28, 2023, and any subsequent press releases in this regard.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges. Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID (for UPI Bidders), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, *inter alia*, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019. and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II until further notice. Under this phase, submission of the ASBA Form with details of bank account by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

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 is proposed to be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer. The Offer 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 SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Offer will be made under UPI Phase III of the UPI Circular (on mandatory basis). The Offer will be advertised in all editions of [●], a widely circulated English national daily newspaper and in all editions of [●], a widely circulated Hindi national daily newspaper, and Telugu editions of [●], a widely circulated Telugu daily newspaper (Telugu being the regional language of Hyderabad, where our Registered Office is located) each with wide circulation on or prior to the Bid/Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint SCSBs as the Sponsor Bank(s) to act as conduits between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders.

Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs

to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law.

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.

Pursuant to 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 (“**UPI Streamlining Circular**”), 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 Streamlining 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 relevant securities law. 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.

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 the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) at least one day prior to the Bid/ Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process, which shall include the UPI Mechanism in case of UPI Bidders. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

UPI Bidders must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain the UPI ID are liable to be rejected. Applications made using third party bank account or using third party linked bank account UPI ID are liable to be rejected.

ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in their respective ASBA Accounts, or (ii) the UPI ID, as applicable in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected.

Since the Offer is made under Phase III of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- (i) UPI Bidders using UPI Mechanism may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (ii) QIBs and Non-Institutional Bidders (other than Non-Institutional Bidders using UPI Mechanism) may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

For all IPOs opening on or after September 1, 2022, as specified in SEBI circular no.

SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The circular is applicable for all categories of investors viz. Retail, QIB and NIB and also for all modes through which the applications are processed.

The ASBA Bidders, including UPI Bidders, shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, which shall be effective from September 1, 2022.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs (except UPI Bidders). 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(s), as applicable at the time of submitting the Bid.

UPI Bidders bidding through UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form.

Anchor Investors are not permitted to participate in the Offer through the ASBA process. For Anchor Investors, the Anchor Investor Application Form will be available with the BRLMs.

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 ⁽¹⁾	[●]
Non-Residents including Eligible NRIs, FPIs or FVCIs registered multilateral and bilateral development financial institutions applying on a repatriation basis	[●]
Anchor Investors ⁽²⁾	[●]

*Excluding electronic Bid cum Application

⁽¹⁾Electronic Bid cum Application forms and the Abridged Prospectus will also be available for download on the websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com).

⁽²⁾Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs.

In case of ASBA forms, the relevant Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non- SCSB bank or any Escrow Bank. Further, SCSBs shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges and the Stock Exchanges 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. The Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on application monies blocked. For UPI Bidders, the 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 Banks on a continuous basis through API integration to enable the Sponsor Banks to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Banks shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI mandate request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. In accordance with BSE Circular No: 20220803-40 and NSE Circular No: 25/2022, each dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Banks shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI mandate requests for blocking of funds prior to the Cut-Off Time and all pending UPI mandate requests at the Cut-Off Time shall lapse. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no.

SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Banks, NPCI or the bankers to an issue) 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 an issue.

The Sponsor Banks and 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 SMS alerts as specified in circulars prescribed by SEBI, from time to time.

The processing fees for applications made by the UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such SCSBs provide a written confirmation in compliance with the SEBI RTA Master Circular, in a format prescribed by SEBI or applicable law.

Pursuant to NSE circular dated August 3, 2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

- (1) Cut-off time for acceptance of UPI Mandate shall be up to 5:00 pm on the initial public offer closure date and existing process of UPI bid entry by syndicate members, registrars to the offer and depository participants shall continue till further notice.
- (2) There shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued.
- (3) Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 5:00 pm on the initial public offer closure day.
- (4) Exchanges shall display bid details of only successful ASBA blocked applications i.e., Application with latest status as RC 100 – Block Request Accepted by Investor/ Client.

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, subject to applicable laws.
- b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids until such time as may be permitted by the Stock Exchanges and as 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 are given until 5:00 pm IST for Retail Individual Bidders and 4:00 pm for Non-Institutional Bidders and QIBs, on the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.
- d) QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.

Participation by our Promoters and members of our Promoter Group, the BRLMs, associates and affiliates of the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase/subscribe to Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members 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 or in any other manner as introduced under applicable laws and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation 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 associates of the BRLMs) or pension funds sponsored by entities which are associates of the BRLMs nor; (ii) any person related to the Promoters or members of our 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 Promoter or members of our Promoter Group”: (a) rights under a shareholders’ agreement or voting agreement entered into with the Promoter or members of our Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

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, persons related to our Promoters and members of our Promoter Group shall not apply in the Offer under the Anchor Investor Portion.

Except to the extent of participation in the Offer for Sale by our Promoters, members of our Promoter Group will not participate 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, subject to applicable law.

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 Non-resident Indians (“NRIs”)

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). Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment.

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorise their respective SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders) to block their Non- Resident External (“NRE”) accounts, or FCNR accounts, and eligible NRI Bidders Bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSBs (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders) to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Eligible NRIs applying on a non-repatriation basis in the Offer through the UPI Mechanism are advised to enquire with their relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Participation of Eligible NRIs in the Offer shall be subject to compliance with the FEMA NDI Rules. In accordance with the FEMA NDI Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up Equity Share capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and 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.

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, 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.

For further details of restrictions on investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 496. Participation of Eligible NRIs in the Offer shall be subject to the FEMA NDI Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

Bids by Hindu Undivided Families (“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 may be considered at par with Bids/Applications from individuals.

Bids by Foreign Portfolio Investors (“FPIs”)

An FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognised 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.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our total paid-up Equity Share capital on a fully diluted basis. Further, in terms of the FEMA NDI Rules, the total holding by each FPI (or a group) shall be less than 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be sectoral caps applicable to our Company, which is 100% of the total paid-up Equity Share capital of our Company on a fully diluted basis.

In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

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.

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).

As specified in the General Information Document, it is hereby clarified that bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (“**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 name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids are liable to 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 1 FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to *inter alia* the following conditions:

- (a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 21(1) of the 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.

Participation of FPIs in the Offer shall be subject to the FEMA NDI Rules.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, multiple Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in the Draft Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form “*exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus.*”

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the “**FPI Group**”) shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer Equity Share capital shall be liable to be rejected.

Bids 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, AIFs, Mutual Funds, NBFC-ND-SI, insurance companies, insurance funds set up by the

army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million and pension funds with a minimum corpus of ₹ 250 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013 (in each case, subject to applicable law and in accordance with their respective constitutional documents), 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, as applicable 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 reasons thereof.

Our Company, in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company, in consultation with the BRLMs, may deem fit.

Bids by Securities and Exchange Board of India (“SEBI”) registered Venture Capital Funds (“VCFs”), Alternate Investment Funds (“AIFs”) and Foreign Capital Investors (“FVCIs”)

The SEBI FVCI Regulations as amended, *inter alia*, prescribe the investment restrictions on VCFs, and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. 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, subject to FEMA NDI Rules, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in an investee company directly or through investment in the units of other AIF. A Category III AIFs cannot invest more than 10% of the investible funds in an investee company directly or through investment in the units of other AIF. 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. Pursuant to the repeal of the SEBI

VCF Regulations, 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 fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. Our Company, the Selling Shareholders, severally and not jointly, and the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of VCFs, AIFs or FVCIs in the Offer shall be subject to the FEMA NDI Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by Limited Liability Partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee are required to be attached to the Bid cum Application Form, failing which our Company, in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (“**Banking Regulation Act**”). and the Master Direction - 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 banking company’s own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services, including

overseas investments company cannot exceed 20% of the bank's paid-up share capital and reserves.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company, subject to prior approval of the RBI, if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company; (iii) hold along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services; or (iv) make any investment in a Category III AIFs and any investment by a bank's subsidiary in a Category III AIF shall be restricted to the regulatory minima prescribed by SEBI. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above.

The banking company is required to submit a time-bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make investment in a (i) subsidiary or a financial services company that is not a subsidiary (with certain exceptions prescribed); and (ii) non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in para 5(a)(v)(c)(i) of the Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended; and (iii) investment of more than 10% of the paid-up capital / unit capital in a Category I AIF or Category II AIF.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, read with the Investments – Master Circular dated October 27, 2022, each amended (“**IRDAI Investment Regulations**”) are broadly set forth below:

1. 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;
2. 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
3. the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

Insurance companies participating in the Offer 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.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds 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, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserve the right to reject any Bid, without assigning any reason thereof.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditor, and (iv) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. 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:

1. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.
2. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.
3. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
4. Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date, and will be completed on the same day.
5. Our Company, in consultation with the BRLMs will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than: (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million; (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and (c) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor.
6. Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.
7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
8. 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 and the difference amount shall not be refunded to the Anchor Investors.

9. Equity Shares Allotted in the Anchor Investor Portion will be locked in, in accordance with the SEBI ICDR Regulations. 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.
10. Neither the (a) BRLMs (s) or any associate of the BRLMs (other than mutual funds sponsored by entities which are associate of the BRLMs or insurance companies promoted by entities which are associate of the BRLMs or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the BRLMs or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the BRLMs) or pension fund sponsored by entities which are associate of the BRLMs nor (b) our Promoters, members of our Promoter Group or any person related to our Promoters or members of our Promoter Group shall apply under the Anchor Investors category.
11. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

For more information, please read the General Information Document.

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, the Selling Shareholders 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

QIB Bidders and Non-Institutional Bidders are not allowed 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. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. RIBs can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date.

Do's:

1. Ensure that your PAN is linked with Aadhar and you are in compliance with the notification of the Central Board of Direct Taxes dated February 13, 2020 and press release dated June 25, 2021, read with press release dated September 17, 2021 and CBDT circular no. 7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023;
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 in the prescribed form;
5. Ensure that you (other than in the case of Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number) in the Bid cum Application Form if you are not an UPI Bidder in the Bid cum Application Form and if you are an UPI Bidder ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
6. UPI Bidders through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;
7. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the GID;
8. Ensure that you mandatorily have funds equal to or higher than the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;
9. If the First Bidder is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have an account with an SCSB and have mentioned the correct bank account number in the Bid cum Application Form (for all ASBA Bidders other than UPI Bidders);
10. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
11. 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;
12. The ASBA bidders shall ensure that bids above ₹ 500,000, are uploaded only by the SCSBs;
13. 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;
14. 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) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
15. Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs or the relevant Designated Intermediary, as applicable;
16. UPI Bidders 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 to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
17. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

18. 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 Banks, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, 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, ensure that you authorise the UPI Mandate Request, including in case of any revision of Bids, raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
19. 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 no. MRD/DoP/SE/Cir- 8 /2006 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 beneficial owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
20. Ensure that the Demographic Details are updated, true and correct in all respects;
21. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
22. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
23. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents including a copy of the power of attorney, if applicable, are submitted;
24. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
25. UPI Bidders who wish to Bid should submit Bid with the Designated Intermediaries, pursuant to which the UPI Bidder should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in the UPI Bidder’s ASBA Account;
26. 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;
27. RIBs 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 Banks to authorise blocking of funds equivalent to the revised Bid Amount in the RIB’s ASBA Account;
28. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 12:00 p.m. IST of the Working Day immediately after the Bid/ Offer Closing Date;
29. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;
30. 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;

31. Bids by Eligible NRIs for a Bid Amount of less than ₹200,000 would be considered under the retail category for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the non-institutional category for allocation in the Offer;
32. UPI Bidders shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN.
Upon the authorisation of the mandate using his/her UPI PIN, an UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Banks to block the Bid Amount mentioned in the Bid Cum Application Form; and
33. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).
34. Bidders (except UPI Bidders) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of RIBs, once the Sponsor Bank(s) issues the Mandate Request, the RIBs would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner.
35. UPI Bidders who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Bank(s) to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
3. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
4. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
5. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
6. Do not submit the Bid for an amount more than funds available in your ASBA account;
7. 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;
8. In case of ASBA Bidders, do not submit more than one ASBA Form ASBA Account;
9. If you are an UPI Bidder, do not submit more than one Bid cum Application Form for each UPI ID;

10. Anchor Investors should not Bid through the ASBA process;
11. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
12. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
13. Do not submit the General Index Register (GIR) number instead of the PAN;
14. 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;
15. 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;
16. 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);
17. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
18. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
19. Do not Bid on another Bid cum Application Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
20. Do not Bid for Equity Shares more than what is specified for each category;
21. If you are a QIB, do not submit your Bid after 3 p.m. IST on the QIB Bid/Offer Closing Date (for online applications) and after 12:00 p.m. on the Bid/ Offer Closing Date (for physical applications);
22. Do not fill up the Bid cum Application Form such that the number of 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;
23. 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. RIBs can revise or withdraw their Bids on or before the Bid/ Offer Closing Date;
24. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres. If you are UPI Bidder, do not submit the ASBA Form directly with SCSBs;
25. If you are an UPI Bidder 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;
26. Do not Bid if you are an OCB;
27. UPI Bidders using the incorrect UPI handle or using a bank account of an SCSB and/ or mobile applications which is not mentioned in the list provided on the SEBI website is liable to be rejected;
28. Do not submit the Bid cum Application Forms to any non-SCSB bank;
29. Do not submit a Bid cum Application Form with third party ASBA Bank Account or UPI ID (in case of Bids submitted by UPI Bidder);
30. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);

31. 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; and
32. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹500,000.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in list 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 is liable to be rejected.

Grounds for technical rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

- (a) Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
- (b) Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
- (c) Bids submitted on a plain paper;
- (d) ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
- (e) Bids submitted without the signature of the First Bidder or Sole Bidder;
- (f) The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
- (g) 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;
- (h) GIR number furnished instead of PAN;
- (i) Bids by RIBs with Bid Amount of a value of more than ₹200,000;
- (j) Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
- (k) Bids accompanied by stock invest, money order, postal order, or cash; and
- (l) 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. On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received from RIBs, after taking into account the total number of Bids received and as reported by the BRLMs to 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 can reach out the Company Secretary and Compliance Officer. For further details of the Company Secretary and Compliance Officer, see “*General Information*” and “*Our Management*” on pages 92 and 293, respectively.

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 ₹100.00 per day or 15.00% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid/ Offer Closing Date by the intermediary 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. Further, Bidders shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular

SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, the SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2022/51 dated April 20, 2022 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

The BRLMs shall be the nodal entity for any issues arising out of public issuance process. In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and the BRLMs shall continue to coordinate with intermediaries involved in the said process.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchanges, 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 offered through the Offer 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 1.00% 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 RIBs, Non-Institutional Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed. The Allotment of Equity Shares to Anchor Investors shall be on a discretionary basis.

The allotment of Equity Shares to each RIBs shall not be less than the minimum bid lot, subject to the availability of shares in RIB category, and the remaining available shares, if any, shall be allotted on a proportionate basis. Not less than 15.00% of the Offer shall be available for allocation to NIBs. The Equity Shares available for allocation to NIBs under the Non -Institutional Portion, shall be subject to the following: (i) one-third of the portion available to NIBs 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 NIBs 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 allocate to applicants in the other sub-category of NIBs. The allotment to each NIB shall not be less than ₹200,000, subject to the availability of Equity Shares in the Non -Institutional Portion, and the remaining Equity Shares if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.

The allotment of Equity Shares to each RIB shall not be less than the minimum bid lot, subject to the availability of shares in RIB category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Anchor Investor Escrow Accounts

Our Company, in consultation with the BRLMs will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: “[●]”
- (b) In case of Non-Resident Anchor Investors: “[●]”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Banks 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, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of [●], a widely circulated English national daily newspaper, all editions of [●], a widely circulated Hindi national daily newspaper, and Telugu editions of [●], a Telugu daily newspaper (Telugu being the regional language of Hyderabad, where our Registered Office is located) each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/ Offer Opening Date and the Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment advertisement

The Allotment advertisement shall be uploaded on the websites of our Company, BRLMs and Registrar to the Offer, before 9 p.m. IST, on the date of receipt of the final listing and trading approval from the Stock Exchanges, provided such final listing and trading approval from all the Stock Exchanges is received prior to 9:00 p.m. IST on that day. In an event, if final listing and trading approval from the Stock Exchanges is received post 9:00 p.m. IST on that date, then the Allotment Advertisement shall be uploaded on the websites of our Company, BRLMs and Registrar to the Offer, following the receipt of final listing and trading approval from all the Stock Exchanges.

Our Company, the BRLMs and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of [●], a widely circulated English national daily newspaper, all editions of [●], a widely circulated Hindi national daily newspaper, and Telugu editions of [●], a Telugu daily newspaper (Telugu being the regional language of Hyderabad, where our Registered Office is located) each with wide circulation.

The information set out above is given for the benefit of the Bidders/Applicants. Our Company, the Selling Shareholders, severally and not jointly 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/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, or as will be specified in the Red Herring Prospectus and the Prospectus.

Signing of the Underwriting Agreement and Filing with the RoC

- (a) Our Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement after the finalisation of the Offer Price, but prior to filing of the Prospectus.
- (b) After signing the Underwriting Agreement, a Prospectus will be filed with the RoC in accordance with applicable law. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and will be complete in all material respects.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). For more information, see “*Terms of the Offer*” on page 463.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders.
- 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 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;

- 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, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) 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 unsuccessful Bidder within three Working Days from the Bid/ Offer Closing Date or such other 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;
- Promoters' 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 Working 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 shall be informed promptly;
- that if the Offer is withdrawn after the Bid/ Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event a decision is taken to proceed with the Offer subsequently;
- that our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received; and
- except for the Pre-IPO Placement, any allotment of Equity Shares upon any exercise of options vested pursuant to the ESOP Scheme, no further issue of Equity Shares shall be made till the Equity Shares offered 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.

Undertakings by the Selling Shareholders

The Selling Shareholders, in respect of themselves as a selling shareholder and the Offered Shares, undertakes the following in respect of itself and the Offered Shares:

- their Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;
- they shall deposit their portion of Offered Shares in an escrow demat account in accordance with the Share Escrow Agreement;
- 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;
- they are the legal and beneficial owner of the Offered Shares and the Offered Shares shall be transferred in the Offer, free from liens, charges and encumbrances;
- they shall not have recourse to the proceeds of the Offer, which shall be held in escrow in their favour, until the final approval for listing and trading of the Equity Shares from the Stock Exchanges where listing is sought has been received; and
- they shall provide assistance to our Company and the BRLMs in redressal of such investor grievances that pertain to the Offered Shares.

Utilisation of Offer Proceeds

The Company declares that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act;
- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Net Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and
- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1.00 million or 1.00% 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 ₹1.0 million or 1.00% 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 ₹5.0 million or with both.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment under the FDI Policy and FEMA.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT (*earlier known as Department of Industrial Policy and Promotion*), issued the Consolidated FDI Policy, which is effective from October 15, 2020, which subsumes and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The Consolidated FDI Policy will be valid until the DPIIT issues an updated circular. As on date, under the Consolidated FDI Policy, up to 100% foreign investment under the automatic route is currently permitted for our Company. As per the Consolidated FDI Policy, our business is currently categorized under the manufacturing sector.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Offer shall be on the basis of the FEMA Rules. Further, 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 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, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future FDI 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. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Bid/Offer Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For details, please refer to the section titled “*Offer Procedure*” on page 474.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, please refer to the sections titled “*Offer Procedure - Bids by Eligible Non-resident Indians*” and “*Offer Procedure - Bids by Foreign Portfolio Investors*” on pages 480 and 481 respectively.

The Equity Shares 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 applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in “offshore transactions” as defined in and in reliance on Regulation S and applicable laws of the jurisdictions where such offers and sales are made.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION X: DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

No material clause of Articles of Association set out below has been left out from disclosure which may have a bearing on the Offer with respect to any investment decision or otherwise.

*The following regulations in these Articles of Association were adopted pursuant to the resolution of the board of directors of the Standard Glass Lining Technology Limited (the “**Company**”) on July 22, 2024 and the special resolution passed by the shareholders at the Extra-Ordinary General Meeting of the Company held on July 22, 2024 in substitution of and to the complete exclusion of the earlier regulations contained in its Articles of Association.*

PART A

PRELIMINARY

1. Subject as hereinafter provided the Regulations contained in Table “F” in the Schedule I to the Companies Act, 2013 shall apply to the Company.
2. (I) In these Regulations: -
 - (a) “Act” means the Companies Act, 2013 (to the extent notified and in force) as amended or substituted from time to time and includes all rules, regulations, notifications, circulars, instruments or orders made under the Act;
 - (b) “Alter” or “Alteration” shall include the making of additions and omissions;
 - (c) “Articles” means the Articles of Association of the Company as originally or as altered from time to time;
 - (d) “Memorandum” means the Memorandum of Association of the Company as originally framed and/or altered from time to time;
 - (e) “Auditors” means and includes those persons appointed as such for the time being by the company;
 - (f) “Affiliate” when used with respect to a specified Person, means a Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the specified Person;
 - (g) “Beneficial Owner” shall mean beneficial owner as defined in clause (a) of Sub-Section (1) of Section 2 of the Depositories Act, 1996;
 - (h) “Board” or “Board of Directors”, in relation to a company, means the collective body of the Directors of the Company;
 - (i) “Business” means the business carried on by the Company from time to time;
 - (j) “Chairperson” means the chairperson of the Board from time to time;
 - (k) “Company” means ‘STANDARD GLASS LINING TECHNOLOGY LIMITED’;
 - (l) “Capital” means the share capital for the time being or authorized capital for the time being of the Company;

- (m) “Debentures” includes debenture stock, bonds and other securities of the Company whether constituting a charge on the asset of the Company or not;
- (n) “Debenture Holder” means a person who holds such debentures;
- (o) “Director” means a director appointed to the Board of a company;
- (p) “Dividend” includes any interim dividend;
- (q) “Depository” shall mean a depository as defined in clause (e) of Sub-Section (1) of Section 2 of the Depositories Act, 1996;
- (r) “Encumbrance” means any claim, charge, mortgage, lien, option, equitable right, power of sale, pledge, hypothecation, retention of title, right of pre-emption, right of first offer, right of first refusal or other third party right(s) or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing;
- (s) “Financial Year”, in relation to any Company or body corporate, means the period ending on the 31st day of March every year, and where it has been incorporated on or after the 1st day of January of a year, the period ending on the 31st day of March of the following year, in respect whereof financial statement of the Company or body corporate is made up;
- (t) “Interest” includes an interest of any kind in or in relation to any share or any right to control the voting or other rights attributable to any share, disregarding any conditions or restrictions to which the exercise of any right attributed to such interest may be subject;
- (u) “Investor” means any person who invests in the Company from time to time;
- (v) "Law/Laws" means the laws and regulations of India and any other laws and regulations for the time being in force applicable to the Company and as amended from time to time;
- (w) “Managing Director” means a director who, by virtue of the articles of a Company or an agreement with the Company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the Company and includes a director occupying the position of managing director, by whatever name called;
- (x) “Member”, in relation to the Company, means –
 - (i) the subscriber to the Memorandum of the Company who shall be deemed to have agreed to become member of the Company, and on its registration, shall be entered as member in its register of members;
 - (ii) every other person holding Shares of the Company and who agrees in writing to become a member of the Company and whose name is entered in the register of members of the Company or as a beneficial owner in the records of a depository;
- (y) “Annual General Meeting” means a general meeting of the Members held in accordance with the provisions of Section 96 of the Act and any adjournment thereof;

- (z) “Extra Ordinary General Meeting” means an extraordinary general meeting of the Members other than Annual General Meeting, duly called and constituted and any adjournment thereof;
- (aa) “Month” means a calendar month;
- (bb) “Office” means the Registered office of the Company;
- (cc) “Officer” includes any Director, manager or key managerial personnel or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the Directors is or are accustomed to act;
- (dd) “Ordinary Resolution” means a resolution passed by the Shareholders ““Shareholders’ means the holders of the Shares of the Company from time to time;” if the notice required under the Act has been duly given and it is required to be passed by the votes cast, whether on a show of hands, or electronically or on a poll, as the case may be, in favour of the resolution, including the casting vote, if any, of the Chairman, by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy or by postal ballot, exceed the votes, if any, cast against the resolution by members, so entitled and voting;
- (ee) “Paid-up Share Capital” or “Share Capital Paid-up” means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid-up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the Company, but does not include any other amount received in respect of such shares, by whatever name called;
- (ff) “Proxy” means an instrument in writing signed by a Member, authorising another person to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney;
- (gg) “Promoters” shall mean Nageswara Rao Kandula, Kandula Krishna Veni, Kandula Ramakrishna, Kudaravalli Punna Rao, Venkata Mohana Rao Kataragadda and M/s S2 Engineering Services;
- (hh) “Relevant Time” means the date when a Promoter sends the Acceptance Notice to the Investor;
- (ii) “Register of Members” means the Register of Members to be kept pursuant to the Act;
- (jj) “Registrar” means a registrar, an additional registrar, a joint registrar, a deputy registrar or an assistant registrar, having the duty of registering companies and discharging various functions under this Act;
- (kk) “Section” or “Sections” means a section of the Acts, for the time being in force;
- (ll) “Seal” means the common seal of the Company;
- (mm) “Securities” has the meaning set out in the Securities Contracts (Regulation) Act, 1956;
- (nn) “Special Resolution” means a resolution passed by the Shareholders where—

- (i) the intention to propose the resolution as a special resolution has been duly specified in the notice calling the general meeting or other intimation given to the members of the resolution;
 - (ii) the notice required under this Act has been duly given; and
 - (iii) the votes cast in favour of the resolution, whether on a show of hands, or electronically or on a poll, as the case may be, by members who, being entitled so to do, vote in person or by proxy or by postal ballot, are required to be not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting;
- (oo) “Share” means a share in the share capital of the Company and includes stock;
- (pp) “Transfer”, in the context of Shares or any Interest in Shares, means any of the following: (a) sell, assign, transfer or otherwise dispose of, or grant any option over, any Shares or any Interest in Shares; (b) create or permit to subsist any Encumbrance over Shares or any Interest in Shares; (c) enter into any agreement in respect of the votes or any other right attached to any Shares or any Interest in Shares; or (d) renounce or assign any right to receive any Shares or any Interest in Shares;
- (qq) “Tribunal” means the National Company Law Tribunal constituted under Section 408 of the Act;
- (rr) “Voting Right” means the right of a Member of a Company to vote in any meeting of the Company;
- (ss) “Written” or “in writing” means and includes the word printed, lithographed, represented in or reproduced in any mode in a visible form; and
- (tt) “Year” means the Financial Year of the Company".
- (II) Unless the context otherwise requires, words or expressions contained in these Articles shall be the same meaning as in Act, or any statutory modification thereof in force at the date at which these Articles become binding on the Company.

SHARE CAPITAL AND VARIATION OF RIGHTS

3. 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 Directors 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 and at such time as they may from time to time think fit.
4. The Authorized Share Capital of the Company shall be such amount, divided into such class(es), denomination(s) and number of Shares in the Company as stated in Clause V of the Memorandum. The Company may issue the following kinds of Shares in accordance with these Articles, the Act 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 Act; and

- b) Preference share capital;
5. Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
- (i) Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules notified under the Act or rules notified under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.
- (ii) The provisions of this Article shall mutatis mutandis apply to debentures of the Company.
6. Except as required by law, no person shall be recognised 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 recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
7. The Company may exercise the powers of paying commissions conferred by sub-Section (6) of Section 40 of the Act, 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 that Section and rules made thereunder.

The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-Section (6) of Section 40 of the Act.

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.

8. 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 Section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

To every such separate meeting, the provisions of these regulations relating to General Meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one third of the issued shares of the class in question.

9. 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.
10. Subject to the provisions of Section 55 of the Act, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.
11. Subject to the provisions of Section 62 of the Act and these presents, the shares in the Capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons in such proportions and on such terms and conditions and either at a premium or at par or (subject to compliance with the provision of Section 53 of the Act) at a discount and at such times as they may from time to time think fit and proper. Provided that option or right to call shares shall not be given to any person except with the sanction of the Company in General Meeting, to give to any person or persons the option or right to call for any Shares, either at par or premium during such time and for such consideration as the Board deems fit, and may issue and allot Shares on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business. Any Shares so allotted may be issued as fully paid-up Shares and if so issued, shall be deemed to be fully paid-up Shares. Provided that 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. As regards all allotments, from time to time made, the Board shall duly comply with Sections 23, 39 and/or 42 of the Act, as the case may be.

LIEN

12. The Company shall have a first and paramount lien –
- (a) on every share (not being a fully paid share), 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 (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:

Provided that the Board may at any time declare and share to be wholly or in part exempt from the provisions of this clause.

The Company's lien, if any, on a share shall extend to all monies called or payable and bonuses declared from time to time in respect of such shares.

13. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's 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 the person entitled thereto by reason of his death or insolvency.
14. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof;
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer;
- (i) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale;
- (ii) 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 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.
15. Fully paid shares shall be free from all lien.
- (i) 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.
 - (ii) 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.
 - (iii) The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities issued by the Company, including debentures of the Company.

CALLS ON SHARES

16. (i) 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 the Board shall not give right or option to call of shares to any other person except with the sanction of the Company in the General Meeting of the Company.

Further provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) 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

(iii) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.

(iv) A call may be revoked or postponed at the discretion of the Board.

17. 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.

18. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

19. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment (the "Due Date") thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

The Board shall be at liberty to waive payment of any such interest wholly or in part.

20. (i) 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 regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations 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.

21. The Board —

(a) may, if it thinks fit, 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 not exceeding, unless the Company in General Meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance. The Board may at any time repay the amount so advanced. The Member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. Any amount paid up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits. The provisions of these Articles shall mutatis mutandis apply to any calls on debentures of the Company.

(c) 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.

TRANSFER OF SHARES

22. The securities or other interest of any Member shall be freely transferable, provided any contract or arrangement between two or more persons in respect of transfer of securities shall be enforceable as a contract. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee and shall be enforceable as a contract. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof; A common form of transfer shall be used in case of transfer of Shares. The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of Shares and the registration thereof.
23. Subject to the provisions of the Act, Section 22A of the Securities Contracts (Regulation) Act, 1956, these Articles and any other applicable Law for the time being in force, the Directors may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in the Company. The Company shall within 30 (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 the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal, provided that registration or 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. Further, in case of transfer of Shares, where the Company has not issued any certificates and where the Shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.
24. The Board may, subject to the right of appeal conferred by Section 58 decline to register—
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
 - (b) any transfer of shares on which the Company has a lien.
25. The Board may decline to recognise any instrument of transfer unless —
- (a) the instrument of transfer is in the form as prescribed in rules made under sub-Section (1) of Section 56;
 - (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
 - (c) the instrument of transfer is in respect of only one class of shares.
26. If the Company without sufficient cause refuses to register the transfer of securities within a period of thirty days from the date on which the instrument of transfer or the intimation of transmission, as the case may be, is delivered to the Company, the transferee may, within a period of sixty days of such refusal or where no intimation has been received from the Company, within ninety days of the delivery of the instrument of transfer or intimation of transmission, appeal to the Tribunal.
27. On giving not less than seven days' previous notice by advertisement in accordance with Section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine.
- Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
28. No fee shall be charged for registration of transfer registration of transfer, transmission of any shares in the Company, or for registration of probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

TRANSMISSION OF SHARES

29. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.
- (ii) Nothing in clause (i) 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.
30. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either
- to be registered himself as holder of the share; or
 - to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
31. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
32. 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.

FORFEITURE OF SHARES

33. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
34. 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.
35. 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.

36. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
37. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
- (ii) 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.
38. (i) 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;
- (ii) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- (iii) The transferee shall thereupon be registered as the holder of the share; and
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
39. The provisions of these Articles as to forfeiture shall apply in the case of nonpayment 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.

ALTERATION OF CAPITAL

40. The Company may, from time to time, by ordinary resolution increase the authorized share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
41. Subject to the provisions of Section 61 of the Act, the Company may, by ordinary resolution,
- (a) increase its authorised share capital by 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;
 - (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 shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.
42. 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 regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

- (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 the regulations of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stockholder” respectively.
43. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law—
- (a) Its share capital;
 - (b) Any capital redemption reserve account;
 - (c) Any share premium account; or
 - (d) any other reserve in the nature of share capital.
44. The Board or the Company, as the case may be, may, in accordance with the Act, propose to increase the subscribed capital by the issue of further Shares, then such Shares shall be offered subject to the provisions of section 62 of the Act and rules and regulations notified thereunder and as below:
- (a) Such further Shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those Shares at that date;
 - (b) Such offer shall be made by a notice specifying the number of Shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.
 - (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) hereof shall contain a statement of this right. Provided that the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him;
 - (d) After the expiry of the time specified in the aforesaid notice, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner and to such person(s) as they may think, in their sole discretion, fit.
 - (1) Notwithstanding anything contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (i) of sub-clause (1) hereof) in any manner whatsoever.
 - (i) If a special resolution to that effect is passed by the Company in General Meeting, or
 - (ii) Where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if

any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

- (2) Nothing in clause (iii) or sub-article (1) shall be deemed:-
- (i) to extend the time within which the offer should be accepted; or
 - (ii) to authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- (3) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued by the Company:
- (i) To convert such debentures or loans into shares in the Company; or
 - (ii) To subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise)
- Provided that, the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:
- (iii) Either has been approved by the central Government before the issue of debentures or the raising of the loans or is in conformity with Rules, if any, notified by that Government in this behalf; and
 - (iv) In the case of debentures or loans or other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by the special resolution passed by the Company in General Meeting before the issue of the loans.

CAPITALISATION OF PROFITS

45. The Company in General Meeting may, upon the recommendation of the Board, resolve—

- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the, profit and loss account, or otherwise available for distribution; and
- (b) that such sum be accordingly set free for distribution in the manner specified below amongst the members who would have that such sum be accordingly set free for distribution in the manner specified herein amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained herein either in or towards –

- (A) Paying up any amounts for the time being unpaid on any shares held by such members respectively;
- (B) Paying up in full, unissued Shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions afore said;
- (C) Partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

- (D) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of unissued Shares to be issued to members of the Company as fully paid bonus Shares; the securities premium account may be applied by the company in accordance with Section 52 of the Act—
 - (a) towards the issue of unissued shares of the company to the members of the company as fully paid bonus shares;
 - (b) in writing off the preliminary expenses of the company;
 - (c) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company;
 - (d) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the company; or
 - (e) for the purchase of its own shares or other securities under Section 68.
- (E) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

46. Whenever such a resolution as aforesaid shall have been passed, the Board shall—

- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
- (b) generally, do all acts and things required to give effect thereto.

The Board shall have power—

- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
- (b) to authorise any person to enter, on behalf of all the members entitled there to, into an agreement with the Company providing for the allotment to them respectively credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

Any agreement made under such authority shall be effective and binding on such members.

BUY-BACK OF SHARES

47. Notwithstanding anything contained in these articles but subject to the provisions of Sections 68 to 70 of the Act and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

GENERAL MEETINGS

48. An Annual General Meeting shall be held each calendar year within the timeline prescribed under Applicable Law. Not more than 15 (fifteen) months shall elapse between the date of one Annual General Meeting of the Company and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the registrar under the provisions of Section 96 of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called during business hours on a day that is not a national holiday, and shall be held either at the registered office or at some other place within the city in which the registered office of the Company is situated, as the Board may determine

49. All General Meetings other than Annual General Meeting shall be called Extraordinary General Meeting.
50. The Board may, whenever it thinks fit, call an Extraordinary General Meeting. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an Extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board. The Board shall on the requisition of such number of member or members of the Company as is specified in Section 100 of the Act, forthwith proceed to call an extra-ordinary General Meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all other provisions of Section 100 of the Act shall for the time being apply.

A General Meeting of the Company may be convened by giving not less than clear 21 (twenty-one) days' notice either in writing or through electronic mode in such manner as prescribed under the Act, provided that a General Meeting may be called after giving a shorter notice if consent, in writing or by electronic mode, is accorded thereto—

- (a) in the case of an Annual General Meeting, by not less than ninety-five per cent. of the Members entitled to vote thereat; and
- (b) in the case of any other General Meeting, by Members of the Company holding, majority in number of Members entitled to vote and who represent not less than ninety-five per cent. of such part of the paid-up share capital of the Company as gives a right to vote at the meeting;

Provided further that where any Member of the Company is entitled to vote only on some resolution or resolutions to be moved at a General Meeting and not on the others, those Members shall be taken into account for the abovementioned purposes, in respect of the former resolution or resolutions and not in respect of the latter.

Notice of every General Meeting shall be given to the Members and to such other Person or Persons as required by and in accordance with Section 101 and 102 of the Act and it shall be served in the manner authorized by Section 20 of the Act

PROCEEDINGS AT GENERAL MEETINGS

51. No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act.
52. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act.
53. The chairperson, if any, of the Board shall preside as Chairperson at every General Meeting of the Company.
54. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the Directors present shall elect one of their members to be Chairperson of the meeting.
55. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
56. In the event a quorum as required herein is not present within 30 (thirty) minutes of the appointed time, then subject to the provisions of Section 103 of the Act, the General Meeting shall stand adjourned to the same place and time 7 (seven) days later, provided that the agenda for such adjourned General Meeting shall remain the same. The said General Meeting if called by requisitionists under Article 50 herein read with Section 100 of the Act shall stand cancelled.
57. In case of an adjourned meeting or of a change of day, time or place of meeting, the Company shall give

not less than 3 (three) days' notice to the Members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the Company is situated.

58. 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 Act 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.
59. 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.
60. The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
61. 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: Provided that a member who has made a request for provision of a soft copy of the minutes of any previous General Meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.
62. The Board, and also any person(s) authorised by it, may take any action before the commencement of any General Meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meetings, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.

ADJOURNMENT OF MEETING

63. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

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. Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING RIGHTS

64. 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.
65. 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
66. At any General Meeting, a resolution put to vote of the meeting shall be decided on a show of hands,

unless a poll is (before or on the declaration of the result of the voting on any resolution on show of hands) demanded by any Member or Members present in person or by proxy, and having not less than one-tenth of the total voting power or holding Shares on which an aggregate sum of not less than ₹ 500,000 (Rupees five lakh) or such higher amount as may be prescribed under applicable Law has been paid up.

67. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.
68. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
69. 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.
70. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.
71. 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
72. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

PROXY

73. Subject to the provisions of the Act and these Articles, any Member of the Company entitled to attend and vote at a General Meeting of the Company shall be entitled to appoint a proxy to attend and vote instead of himself and the Proxy so appointed shall have no right to speak at the meeting

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. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

74. An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105 of the Act.
75. 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

76. Subject to the provisions of the Act, the number of Directors shall not be less than 3 (three) and more than 15 (fifteen), provided that the Company may appoint more than 15 (fifteen) directors after passing a special resolution. The Company shall have such minimum number of independent Directors on the Board of the Company, as may be required in terms of the provisions of applicable Laws and regulations.

Further, the appointment of such independent Directors shall be in terms of, and subject to, the aforesaid provisions of applicable Law.

75A. Composition of the Board

The Board shall consist of such number of Directors as may be required or permitted under applicable Laws and the composition of the Board of the Company shall, subject to compliance with the applicable Laws.

77. Subject to the provisions of the Act, 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.

- (a) At every Annual General Meeting of the Company, one-third of such of the Directors (that does not include independent Directors, whether appointed under the Act or any other Law for the time being in force, on the Board of the Company) for the time being as are liable to retire by rotation pursuant to applicable Law or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.
- (b) Subject to Section 152(6)(d) of the Act, the Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between Persons who become Directors on the same day, those who are to retire, shall, in default of and subject to any agreement amount themselves, be determined by lot.
- (c) A retiring Director shall be eligible for re-election.
- (d) Subject to Sections 152(6)(e) and 152(7)(a) of the Act and these Articles, the Company at the General Meeting at which a Director retires in a manner aforesaid may fill up the vacated office by electing a Person thereto.
- (e) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.
- (f) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, then the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:-
 - (i) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
 - (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so re-appointed;
 - (iii) he is not qualified or is disqualified for appointment; or
 - (iv) a resolution whether special or ordinary is required for the appointment or reappointment by virtue of any applicable provisions of the Act

Subject to Section 197 and other applicable provisions of the Act, the remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

Subject to the provisions of the Act, every Director shall be paid out of the funds of the Company such sum as the Board may from time to time determine for attending every meeting of the Board or any committee of the Board, subject to the ceiling prescribed under the Act.

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.

78. In the event that a Director is absent for a continuous period of not less than 3 (three) months from India (an "Original Director"), subject to these Articles and the provisions of the Act, the Board may appoint another person (an "Alternate Director") for and in place of the Original Director. The Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director and generally to perform all functions of the Original Director in the Original Director's absence. No Person shall be appointed as an Alternate Director to an independent Director unless such Person is qualified to be appointed as an independent Director of the Company. Any person so appointed as Alternate Director shall not hold office for a period longer than that permissible to the Original Director and shall vacate the office if and when the Original Director returns to India.

79. The office of a Director shall automatically become vacant, if he is disqualified under any of the provisions of the Act or the rules framed thereunder. Further, subject to the provisions of the Act, a Director may resign from his office at any time by giving a notice in writing addressed to the Board and the Company shall intimate the registrar and also place the fact of such resignation in the report of Directors laid in the immediately following General Meeting. Subject to the Act, such Director may also forward a copy of his resignation along with detailed reasons for the resignation to the registrar within 30 (thirty) days of resignation. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later. The Company may, subject to the provisions of Section 169 and other applicable provisions of the Act and these Articles remove any Director before the expiry of his period of office.

The Board may pay all expenses incurred in getting up and registering the Company.

The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that Section) make and vary such regulations as it may think fit respecting the keeping of any such register.

80. 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.

81. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

82. A Director shall not be required to hold any qualification shares in the Company. Subject to the provisions of Section 149 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. 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.

83. At any Annual General Meeting at which a Director retires, the Company may fill up the vacancy by appointing the retiring Director who is eligible for re-election or some other person if a notice for the said purpose has been left at the office of the Company in accordance with the provisions of the Act. No Person shall be appointed as a Director unless he furnishes to the Company his Director Identification Number under Section 154 of the Act or any other number as may be prescribed under Section 153 of the Act and a declaration that he is not disqualified to become a Director under the Act. No Person appointed as a Director shall act as a Director unless he gives his consent to hold the office as a Director and such consent has been filed with the Registrar within 30 (thirty) days of his appointment in the manner prescribed in the Act.

84. 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 which shall be subsequently approved by Members in the immediate next General Meeting. Provided any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated.

In the event of the Company borrowing any money from any financial corporation or institution or government or any government body or a collaborator, bank, Person or Persons or from any other source, while any money remains due to them or any of them, the lender concerned may have and may exercise the right and power to appoint, from time to time, any Person or Persons to be a Director or Directors of the Company and the Directors so appointed, shall not be liable to retire by rotation, subject however, to the limits prescribed by the Act. Any Person so appointed may at any time be removed from the office by the appointing authority who may from the time of such removal or in case of death or resignation of such Person, appoint any other or others in his place. Any such appointment or removal shall be in writing, signed by the appointee and served on the Company. Such Director need not hold any qualification shares

PROCEEDINGS OF THE BOARD

85. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
86. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
87. 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.
88. Subject to the provisions of the Act, no Director shall be disqualified by his office from contracting with the Company nor shall any such contract entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor shall any Director contracting or being so interested be liable to account to the Company for any profit realized by any such contract by reason only of such Director holding that office or of the fiduciary relations thereby established provided that every Director who is in any way whether directly or indirectly concerned or interested in a contract or arrangement, entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board and shall not participate in such meeting as required under Section 184 and other applicable provisions of the Act, and his presence shall not count for the purposes of forming a quorum at the time of such discussion or vote.
89. The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their members to be Chairperson of the meeting.
90. 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. 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.
91. A committee may elect a Chairperson of its meetings. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting. Subject to these Articles and Sections 175, 179 and other applicable provisions of the Act, a circular resolution in writing, executed by or on behalf of a majority of the Directors or members of a committee, shall constitute a valid decision of the Board or committee thereof, as the case may be, as if it had been passed at a meeting of the Board or committee, duly convened and held, provided that a draft of such resolution together with the information required to make a fully-informed good faith decision with respect to such resolution and appropriate documents required to evidence passage of such resolution, if any, was sent to all of the Directors or members of the committee (as the case may be) at their addresses

registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed under the Act, and has been approved by a majority of the Directors or members who are entitled to vote on the resolution.

92. A committee may meet and adjourn as it thinks fit. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote. Every Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then the first meeting held after such change, disclose his concern or interest in any Company, companies or bodies corporate, firms or other associations of individuals which shall include the shareholding in such manner as may be prescribed under the Act and the rules framed thereunder.
93. Subject to the provisions of the Act, no Director shall be disqualified by his office from contracting with the Company nor shall any such contract entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor shall any Director contracting or being so interested be liable to account to the Company for any profit realized by any such contract by reason only of such Director holding that office or of the fiduciary relations thereby established provided that every Director who is in any way whether directly or indirectly concerned or interested in a contract or arrangement, entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board and shall not participate in such meeting as required under Section 184 and other applicable provisions of the Act, and his presence shall not count for the purposes of forming a quorum at the time of such discussion or vote.

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, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

94. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all 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 OR CHIEF FINANCIAL OFFICER

95. Subject to the provisions of the Act, —
- (i) A chief executive officer, manager, Company secretary or 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 or chief financial officer so appointed may be removed by means of a resolution of the Board; Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in Section 179 thereof, the Board may, from time to time, entrust to and confer upon the managing Director / whole-time Director, for the time being, such of the powers exercisable hereunder by the Board, as it may think fit, and may confer such powers, for such time and be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as it thinks fit, and the Board may confer such power, either collaterally with or to the exclusion of, and in substitution for any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.
 - (ii) Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in Section 179 thereof, the Board may, from time to time, entrust to and confer upon the managing Director / whole-time Director, for the time being, such of the powers exercisable hereunder by the Board, as it may think fit, and may confer such powers, for such time and be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as it thinks fit, and the Board may confer such power, either collaterally with or to the exclusion of, and in substitution for any of the powers of the Board in that behalf and may,

from time to time, revoke, withdraw, alter or vary all or any of such powers.

(iii) A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.

96. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, Company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, Company secretary or chief financial officer.

COMMON SEAL

97. The Board shall provide for the safe custody of the Company's Common Seal. The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorized by it in that behalf and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence

DIVIDENDS AND RESERVE

98. The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

The Company may pay dividends in proportion to the amount paid up or credited as paid up on each share.

99. Subject to the provisions of Section 123 of the Act, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

100. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

101. 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. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

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.

102. 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.

103. Any dividend, interest or other monies payable in cash in respect of shares maybe paid 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. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

104. 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.

105. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
106. No dividend shall bear interest against the company.
107. The Company shall comply with the provisions of the Act in respect of any dividend remaining unpaid or unclaimed with the Company. Where the Company has declared a dividend but which has not been paid or claimed within 30 (thirty) days from the date of declaration, the Company shall, within 7 (seven) days from the date of expiry of the 30 (thirty) day period, transfer the total amount of dividend which remains so unpaid or unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called “Unpaid Dividend Account of Standard Glass Lining Technology Limited”. The Company shall, within a period of 90 (ninety) days of making any transfer of an amount to the Unpaid Dividend Account of Standard Glass Lining Technology Limited, 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 above or any part thereof to the Unpaid Dividend Account of Standard Glass Lining Technology Limited, 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 12 (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 7 (seven) 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 and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said fund and that authority shall issue a receipt to the company as evidence of such transfer. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

ACCOUNTS

108. Subject to the provisions of the Act, the Company shall keep at its registered office, proper books of accounts and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the Company, including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting, provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board may decide and when the Board so decides the Company shall, within 7 (seven) days of the decision file with the registrar a notice in writing giving the full address of that other place, provided further that the Company may keep such books of accounts or other relevant papers in electronic mode in such manner as provided in Section 128 of the Act and the rules framed thereunder.

The Board shall, from time to time, determine whether and to what extent and at what, times and places and under what conditions or regulation the accounts and books of the Company or any of them shall be open to the inspection of members (not being directors). No members (not being a director) shall have any right of inspecting any accounts or books of account of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting.

WINDING UP

109. Subject to the provisions of Chapter XX of the Act and rules made thereunder—
- (i) If the company shall be wound up, the liquidator may, with the sanction of 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.
 - (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between

the members or different classes of members.

- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

BORROWING POWERS

110. Subject to the provisions of the Act and these Articles, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, debentures, perpetual or otherwise, including debentures convertible into shares of this Company or any other company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities; provided however, that the moneys to be borrowed, together with the money already borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company by a Special Resolution at a General Meeting, exceed the aggregate of the paid up capital of the Company and its free reserves. Provided that every Special Resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow shall specify the total amount up to which moneys may be borrowed by the Board of Directors.

The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or managing Director or to any other person permitted by applicable law, if any, within the limits prescribed. To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interests of the Company. Any bonds, Debentures or other securities may if permissible in applicable law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into equity shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that debentures with rights to allotment of or conversion into equity shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

INDEMNITY

111. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

PART B

Notwithstanding anything to the contrary contained in Table F of the Companies Act, 2013 and / or Part A of these Articles, the provisions of Part B of these Articles shall also apply to the Company, its Shareholders and its Directors. Part A of these Articles and Table F of the Companies Act, 2013 shall apply in so far as and to the extent that they are not, either expressly or by necessary implication, contrary to or inconsistent with the provisions of Part B of these Articles. In the event of any inconsistency, conflict or contradiction between the provisions of Part B of these Articles and Part A of these Articles and / or between Part B of these Articles and Table F of the Companies Act, 2013, the provisions of Part B of these Articles shall override and prevail over the provisions of Part A of these Articles and Table F of the Companies Act, 2013. All articles of Part B shall, from the date of listing of Equity Shares of the Company on the stock exchanges or in accordance with Applicable Law, automatically terminate and cease to have any force and effect, and the provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action, by the Company or by its shareholders.

The plain meaning of Part B of these Articles shall always be given effect to, and no rules of harmonious construction shall be applied to resolve conflicts between Part A and Part B of these Articles.

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions:

In these Articles, unless the context clearly indicates a contrary intention, the following words or expressions shall have the meanings assigned as under:

“**Act**” means the Companies Act 2013 and Companies Act 1956, as may be applicable and as amended from time to time and any rules and regulations issued thereunder and shall include any statutory replacement or re-enactment thereof.

“**Adjourned Meeting**” shall have the meaning ascribed to it under Article 2.1.10 of Part B of these Articles.

“**AGI Investors**” shall collectively refer to Asahi Glassplant Inc, GL HAKKO Co. Ltd, and Monoform Management Support Co. Ltd and “**AGI Investors**” shall individually refer to each of them thereto.

“**Applicable Law**” means all applicable statute, law, acts of legislature or parliament, regulation, ordinance, rule, enactments, bye-laws, notifications, guidelines, policies, directions, directives and orders, judgment, decree, requirement, or other governmental restriction, or any similar form of decision of, or determination by, or any interpretation, policy or administration, having the force of law of any of the foregoing, of any government, statutory authority, tribunal, board, court having jurisdiction over the matter in question, as may be applicable to the relevant Party, as of the Execution Date or thereafter, and in each case, as amended from time to time.

“**Articles**” means articles of association of the Company, as amended from time to time.

“**Board**” shall mean the board of directors of the Company, as constituted from time to time.

“**Business Day**” means a day except Saturdays and Sundays, on which banks are generally open for business in city of Hyderabad, India and Japan.

“**Charter Documents**” means these Articles and memorandum of association of the Company.

“**D&O Policy**” shall have the meaning ascribed to it under Article 2.1.14.1.

“**Deed of Adherence**” means a deed to be executed by the transferee of the Equity Shares from the Shareholders, substantially in the form set out in schedule 3 of Shareholders’ Agreement.

“**Director**” means any director on the Board of the Company for the time being.

“**Effective Date**” shall have the meaning as ascribed to it under the Shareholders’ Agreement.

“Equity Shares” or “Shares” means the issued, subscribed and paid-up equity shares of the Company of face value of Rs. 10/- (Rupees Ten Only) each in the capital of the Company.

“Execution Date” means the date of execution of the Shareholders’ Agreement.

“Existing Shareholders” shall collectively refer to Shareholder Group A, Shareholder Group B and Shareholder Group C and **“Existing Shareholder”** shall individually refer to each of them.

“Financial Year / FY” means the year commencing on the first day of April and ending on the last day of March of the subsequent calendar year.

“Fully Diluted Basis” shall mean the total of all classes and series of Securities assuming the conversion of all convertible Securities and other instruments including all stock options (whether exercised or not) and warrants (whether converted or not) into Equity Shares in accordance with the provisions of Applicable Law and the terms of issue of such convertible Securities, whether such Securities or instruments are convertible at such time or not.

“Parties” shall collectively refer to the Company, the Existing Shareholders, the Group 3 Shareholders and AGI Investors; and a **“Party”** shall individually refer to each one of them.

“Person” shall include an individual, an association, a corporation, a partnership, a joint venture, a trust, an unincorporated organisation, a joint stock company or other entity or organisation, including a government or political subdivision, or an agency or instrumentality thereof and/or any other legal entity.

“Group 1 Shareholders” shall collectively refer to the following Shareholders - Kandula Krishna Veni, Kandula Nageswara Rao, Kandula Ramakrishna, M/s. S2 Engineering Services, and M/s. Standard Holdings.

“Group 2 Shareholders” shall collectively refer to the following Shareholders - Katragadda Venkata Ramani, Kudaravalli Punna Rao, Harini Katragadda, Venkata Siva Prasad Katragadda, Bala Bhavani K, Likitha Katragadda, Mahitha Katragadda, Venkata Mohana Rao Katragadda, Krishna Kanth Kudaravalli, Poojitha Katragadda, and Srikanth Kudaravalli.

“Group 3 Shareholders” shall collectively refer to Group 1 Shareholders and Group 2 Shareholders and **“Group 3 Shareholder”** shall individually refer to each of them.

“Rs.” or “INR” or “Rupees” means the lawful currency of India.

“Securities” means: (i) Equity Shares; (ii) other Shares, debentures, bonds, loans, warrants, rights, options or other similar instruments or securities issued by the Company and which are convertible into or exercisable or exchangeable for, or which carry a right to subscribe for or purchase any of the foregoing; or (iii) any instrument or certificate representing a beneficial ownership interest in any of the foregoing.

“SEBI” Securities and Exchange Board of India.

“Share Capital” means the share capital of the Company determined on a Fully Diluted Basis.

“Shareholder” means AGI Investors, Group 3 Shareholders, the Existing Shareholders and any Person who acquires Equity Shares of the Company.

“Shareholders’ Agreement” shall mean the shareholders agreement dated November 11, 2023 entered between the Parties read with the Waiver cum Amendment Agreement;

“Shareholder Group A” shall mean and refer to Venkata Sandeep Gopineedi.

“Shareholder Group B” shall mean and refer to Srinivasa Ventures.

“Shareholder Group C” shall collectively mean and refer to the following Shareholders - Pallerla Srinivasa Reddy, Suryadevara Venkateswara Rao, Suryadevara Lakhsmi Devi, Suryadevara Neeraja, Suryadevara Sreenath, Potukanuma Reddi Pallavi, Kancharla Pranav, Kancharla Pragnan, Addala Surya Kumari, Bhimireddy Satyanarayana Reddy, Bellam Sriharsha, Kaliki Surekha, Cherukumalli Tirupathi Rao, Cherukumalli Vinutna,

Geeta Arvind Sheth, Arvindkumar B Sheth, Rammohan Rao Lagadapati Madhusudhan Reddy Golamari, Venkat reddy Kotamreddy, Asha Rani Mandada, Venkata Chaitanya Gopineedi, Sudeepthi Gopineedi, Rajeswara Rao Gopineedi, Shirish Nilakantharao Damnekhar, Swarali Dhamnekhar, Sunidhi Dhamnekar, Venkateswara Rao Mandava, Duthala Sahithi, Girish Jain, Bhaskar Rao Eloori, V B P Sindhura Dosapati, Varun Yalamanchi, Vandana Yalamanchi, Sudhakara Reddy Siddareddy, Harish Reddy Siddareddy, Haritha Venkata Cheemala, Sangeetha Suresh, Anuradha Chitturi, Pentyala Lakshmitayaru, Malempati Suneetha, Hina Yaqoob Ali, M/s. Optima Holdings, M/s. Horizon Securites and Holdings, M/s. Quantum Holdings, M/s. Nextgen Unity, M/s. Synergen Solutions, Chanchal Jain, Asokdas M Damodaran, Bharanwala Shailesh S, Loya Manisha, Chandra Mouliswar Reddy Gangavaram, Boyapati Sivaram, Smita Girish Sawarkar, Nannapaneni Radhika, Polina Yashoda, Madanagopalaswamy Gopineedi, Lakshmi Bharathi Gopineedi, Sowjanya Manne, M/s. Futuretech Solutions, M/s. Catalyst Advisors, M/s. Nexus Consulting, M/s. Vibrant Solutions, M/s. Alliance Holding, M/s. Visionary Consulting, M/s. Stellar Ventures, M/S Innovate Holdings, M/s. Blue Ribbon Management, M/s. Apex Consulting and M/s. Autonomy Solutions.

“**Subsidiary 1**” shall mean S2 Engineering Industry Private Limited, a company incorporated under the Companies Act, 2013 and having its registered office at Plot No 189A, HMT Society, Shapur Nagar Ground Floor, Medchal, Malkajgiri Hyderabad 500055, India.

“**Subsidiary 2**” shall mean Standard Flora Private Limited, a company incorporated under the Companies Act, 2013 and having its registered office at D-12, Phase 1, IDA Jeedimetla, Hyderabad 500055, India.

“**Subsidiary 3**” shall mean Standard Engineering Solutions Private Limited, a company incorporated under the Companies Act, 2013 and having its registered office at D-12, Phase 1, IDA Jeedimetla, Hyderabad 500055, India.

“**Subsidiaries**” shall collectively mean Subsidiary 1, Subsidiary 2 and Subsidiary 3.

“**Tax**” means all present and future income and other taxes whether direct or indirect, levies, rates, imposts, duties, deductions, cesses, dues, charges and withholdings whatsoever imposed by any Governmental Authority having power to tax including any tax collected at source, minimum alternate tax, equalisation levy, input tax credit, taxes payable as a successor or representative assessee, and all penalties, fines, cess, surcharges, interest or other payments on or in respect thereof and “**Tax**” and “**Taxation**” shall be construed accordingly.

“**Third Party**” means any Person other than the Parties and the term “**Third Parties**” shall be construed accordingly.

“**Waiver cum Amendment Agreement**” means the agreement dated July 22, 2024 signed among parties to the Shareholders’ Agreement and the parties who have signed a Deed of Adherence to the Shareholders’ Agreement.

1.2. Interpretation

Unless the context of these Articles otherwise requires:

- the index hereto and headings and titles herein are used for convenience of reference only and shall not affect the meaning of the content or construction of these Articles;
- words of any gender are deemed to include those of the other gender;
- words using the singular or plural number also include the plural or singular number, respectively;
- reference to any statute or legislation or Applicable Law or to any statutory or legislative provision thereof shall include references to any such statute or Applicable Law or to statutory or legislative provisions as it may, after the date hereof, from time to time, whether before or after the Execution Date; be amended, supplemented or re-enacted, and any reference to statutory provision shall include any subordinate legislation made from time to time whether before or after the Execution Date under that provision;
- Any reference to “Group” shall mean reference to the respective groups of Shareholders as contemplated in these Articles;

- the word “includes” wherever used in these Articles shall always unconditionally be deemed to have been qualified with the word “but not limited to;”
- the words “directly or indirectly” shall mean directly or indirectly through one or more intermediary persons or through contractual or other legal arrangements, and the words “direct or indirect” shall have correlative meanings;
- any reference to “writing” shall include printing, typing, lithography, facsimile or in electronic form (including e-mail) and other means of reproducing words in visible form but shall exclude text or messages via mobile phones or similar devices;
- The terms “hereby,” “herein,” “hereinafter,” “hereof”, “hereto” and “hereunder” and derivative or similar words refer to these Articles as a whole or specified Article of these Articles, as the context may require;
- If any word or phrase is defined, its other grammatical forms or conjugations shall have a corresponding meaning;
- Reference to a “month” or a “year” shall be to a calendar month or calendar year, respectively;
- Any capitalised term used by not defined under these Articles shall have the meaning as ascribed to it under the Shareholders’ Agreement.
- Any reference to any agreement or document shall include references to any such agreement or document as it may, after the Execution Date, from time to time, be amended, varied, supplemented or novated in writing in accordance with the requirements of such agreement or document;
- In determination of any period of days for the occurrence of an event or the performance of any act or thing shall be deemed to be exclusive of the day on which the event happens or the act or thing is done and if the last day of the period is not a Business Day, then the period shall include the next following Business Day;
- Save as expressly provided for in these Articles, the rights and obligations of each Party are several (and not joint and several) and may be exercised independently of the other Parties and no Party shall be responsible or liable for any obligation or liability of any other Party;
- Notwithstanding anything to the contrary in these Articles or the Charter Documents, for the purpose of these Articles and the Charter Documents, AGI Investors shall exercise all their rights as Shareholders in the Company and the corresponding provisions of the Charter Documents or for grant of any waiver/ approval/ consents pertaining to any matter under these Articles, as a single block. For the avoidance of doubt, it is clarified that if any AGI Investor entity (through its authorised representative) waives or votes in favour of or approves a matter or consents to any document under the aforementioned provisions of these Articles, or the corresponding provisions of the Charter Documents, it shall be assumed that other entities (forming part of the group of AGI Investors) have also waived or voted in favour of or approved or consented to such matter, and neither one shall be entitled to cast a contrary vote on such matter.
- Unless otherwise notified by each of the AGI Investors in writing, for the purposes of these Articles and the transaction contemplated under these Articles, AGI Investors hereby nominate AGI Director to represent them, and to give and receive instructions and approvals and consents, as required under these Articles and under any other document entered into in connection herewith and the transactions contemplated under these Articles, on behalf of the AGI Investors to the other Parties. The other Parties shall be entitled to rely exclusively, without independent verification or investigation, on any decision, act, consent or instruction communicated by the AGI Director in connection with these Articles, any other document entered into in connection herewith and the transactions contemplated under these Articles (each, an “**Authorized Action**”), and each Authorized Action shall be binding on each of the AGI Investor as if such Person had taken such Authorized Action. Any action taken, or written communications made by the AGI Director, for or on behalf of any AGI Investor, shall be deemed an action taken or not taken or communication made by such member of the AGI Investor group. Except

for any notice of meeting of Shareholders of the Company, any notice or communication delivered by the Company to the AGI Director shall be deemed to have been delivered to each of the member of the AGI Investors.

- Unless otherwise notified by each of the Group 3 Shareholders in writing, for the purposes of this Articles and the transaction contemplated under these Articles, Group 3 Shareholders hereby nominate Mr. Kandula Nageswara Rao to represent them, and to give and receive instructions or notices, and approvals and consents, as required under these Articles and under any other document entered into in connection herewith and the transactions contemplated under these Articles, on behalf of the Group 3 Shareholders to the other Parties. The other Parties shall be entitled to rely exclusively, without independent verification or investigation, on any decision, act, consent or instruction communicated by Mr. Kandula Nageswara Rao in connection with these Articles, any other document entered into in connection herewith and the transactions contemplated under these Articles (each, an “**Authorized Action**”), and each Authorized Action shall be binding on each of the Promoter Shareholder as if such Person had taken such Authorized Action. Any action taken, or written communications made by Mr. Kandula Nageswara Rao, for or on behalf of any Promoter Shareholder, shall be deemed an action taken or not taken or communication made by such member of the Promoter Shareholder group.
- Notwithstanding anything to the contrary in these Articles or the Charter Documents, for the purpose of this Articles and the Charter Documents, Group 1 Shareholders shall exercise all their rights as Shareholders in the Company and the corresponding provisions of the Charter Documents or for grant of any waiver/ approval/ consents pertaining to any matter under these Articles, as a single block. For the avoidance of doubt, it is clarified that if Mr Kandula Nageswara Rao waives or votes in favour of or approves a matter or consents to any document under the aforementioned provisions of these Articles, or the corresponding provisions of the Charter Documents, it shall be assumed that other entities (forming part of the group of Group 1 Shareholders) have also waived or voted in favour of or approved or consented to such matter, and neither one shall be entitled to cast a contrary vote on such matter
- Notwithstanding anything to the contrary in these Articles or the Charter Documents, for the purpose of these Articles and the Charter Documents, Group 2 Shareholders shall exercise all their rights as Shareholders in the Company and the corresponding provisions of the Charter Documents or for grant of any waiver/ approval/ consents pertaining to any matter under these Articles, as a single block. For the avoidance of doubt, it is clarified that if Mr. Venkata Siva Prasad Katragadda waives or votes in favour of or approves a matter or consents to any document under the aforementioned provisions of these Articles, or the corresponding provisions of the Charter Documents, it shall be assumed that other entities (forming part of the group of Group 2 Shareholders) have also waived or voted in favour of or approved or consented to such matter, and neither one shall be entitled to cast a contrary vote on such matter.
- In the event of any conflict in these Part B of these Articles and the Shareholders’ Agreement, the provisions in the Shareholders’ Agreement shall be given precedence.

2. **BOARD OF DIRECTORS**

2.1. **Composition of the Board**

- 2.1.1. The Board of the Company shall comprise such number of Directors in the proportion of executive and non-executive directors as may be prescribed under Applicable Law. Further, the following parties shall have the following nomination rights to the extent the sanctity of constitution of the Board under Applicable Laws in maintained:

the shareholders in Group 1 Shareholders shall collectively have the right to appoint 6 (six) Directors on the Board of the Company;

the shareholders in Group 2 Shareholders shall collectively have the right to appoint 2 (two) Directors on the Board of the Company;

the shareholders of Group 1 Shareholders and Group 2 Shareholders shall have the right to jointly appoint

2 (two) independent Directors on the Board of the Company; and

the AGI Investors shall, till such time they collectively hold at least 4% (four percent) of the Share Capital, have the right to appoint 1 (one) Director on the Board of the Company (“**AGI Director**”).

- 2.1.2. **Removal:** Group 1 Shareholders and/or Group 2 Shareholders and/or the AGI Investor may remove any of the Directors nominated by them respectively, subject to the provisions of Applicable Law, without assigning any reason and nominate another Person as their Director, in its place with prior notice to Parties. The Parties shall, in accordance with Applicable Law, take or cause to be taken, all necessary actions including causing the necessary resolutions to be passed, as promptly as possible but within 7 (seven) Business Days of such notice, to give effect to such nomination or removal, as the case may be. It is agreed that AGI Director shall not be subject to retire by rotation provided however, if the AGI Director is required to retire by rotation at any time, for any reason whatsoever, the Shareholders shall ensure that such AGI Director is re-appointed at the same Shareholders’ meeting in which the AGI Director is required to retire, unless the AGI Investors decide to the contrary.
- 2.1.3. **No Qualification Shares:** A Director need not hold any qualification Securities in order to serve as a Director on the Board.
- 2.1.4. **Casual Vacancies:** If any Director dies, resigns, vacates or is removed from office or disqualified under the Act to be a Director, the resulting casual vacancy may be filled by respective group of shareholders, which had nominated the said Director by issuing a written notice to such effect to the Company.
- 2.1.5. **Alternate Director:** Subject to Applicable Law, the Directors shall be entitled to nominate (a “**Nominating Director**”) an alternate to act instead of such Nominating Director (an “**Alternate Director**”) for all purposes at any Board meeting, in terms of the Act. The appointment of such Alternate Director shall take place as the first item of business at the first Board Meeting to be held subsequent to receipt by the Company of such nomination by the Nominating Director. The Alternate Director shall be entitled to: (a) perform all functions and powers of the Nominating Director in his/her absence; and (b) the rights and benefits of such Nominating Director (whether under these Articles, Applicable Law or otherwise), including being entitled to receive notice of all Board meetings and to attend (including being considered for determining the quorum, if applicable), participate in, and vote at, Board meetings in place of the Nominating Director, in each case, until such Nominating Director notifies the Board that such nomination of the Alternate Director is cancelled and terminated, in which case, the Nominating Director shall immediately replace the Alternate Director.
- 2.1.6. **Number of Board Meetings:** The Board shall meet at least 4 (four) times in every year; provided however that not more than 120 (one hundred and twenty) days shall pass between the date of one Board meeting and the next. The non-independent Directors shall not receive any sitting fees for attending Board meetings. A Board meeting may also be held by teleconference or video conferencing subject to Applicable Law. All Board meetings shall be held in India or such other place as may be mutually agreed between the Parties.
- 2.1.7. **Circular Resolution:** In addition to physical meetings, the Board may act by circular resolution on any matter except for those matters which by Applicable Law may only be acted upon at a meeting. Any such circular resolution shall have to be approved by simple majority of Directors.
- 2.1.8. **Notice:** A written notice of at least 7 (seven) days shall be given to each Director in respect of each Board meeting, along with an agenda specifying the matters which needs to be considered at each such Board meeting and all documents relating thereto, provided that any such Board meeting may be called at a shorter notice, as may be required, in accordance with the provisions of the Act.
- 2.1.9. **Quorum:** The quorum at the time of commencement of the meeting and passing of any resolution at a meeting of the Board, shall require the presence of such number Directors as may be required under the Act.
- 2.1.10. **Adjournment of Board Meetings:** Subject to notice of every Board meeting being served on every Director, if a quorum is not present within half an hour of the time appointed for the meeting or ceases to be present (“**Non-quorate Board Meeting**”), the meeting shall stand automatically adjourned by a week at the same time and the same location, and have the same agenda as the Non-quorate Board

Meeting (“**Adjourned Meeting**”). If a valid quorum in accordance with Part B of these Articles fails to be present at the commencement and throughout the duration of the Adjourned Meeting as well, then, subject to the provisions of the Act, the Directors present at such Adjourned Meeting shall be deemed to constitute a valid quorum and the Board shall proceed to discuss the matters on the same agenda at the Adjourned Meeting, and any decisions so taken shall be binding. Provided no items save and except those what was specified in agenda at the Non-quorate Board Meeting shall be discussed at such Adjourned Meeting.

2.1.11. **Decision of the Board:** Subject to Applicable Law, the questions arising at any meeting of the Board or decision by circular resolution, shall be decided by a simple majority of votes.

2.1.12. **Chairman:** The chairman of the Board shall be appointed in accordance with applicable law (“**Chairman**”). Each Board meeting shall be chaired by the Chairman and the Chairman of the Board Meeting shall not have a casting vote.

2.1.13. **Reimbursement of Costs and Expenses:** The Company shall, subject to the Articles and prevailing policies of the Company, reimburse the reasonable costs and expenses incurred by the Directors in relation to attending meetings of the Board or any meeting of a committee of the Board in accordance with the prevailing policies of the Company and Applicable Law.

2.1.14. **Indemnity to Director**

2.1.14.1. The Company shall defend, indemnify, and hold harmless to the maximum extent permitted under Applicable Law the Directors from and against any and all liabilities that may be incurred or suffered by the Directors in the course of, or related to his or her activities or position as a Director or in connection with the Company, unless such liability arises as a result of fraud, wilful omission, and/ or wilful/intentional misconduct of such Director. The Company shall obtain at its cost, and maintain, a directors’ and officers’ liability insurance policy from a reputed insurer of such customary amount as may be approved by the Board in respect of all the Directors on the Board, which shall be renewed to ensure its validity (“**D&O Policy**”) within 30 (thirty) days from the Effective Date. In the event the Company has an existing D&O Policy at the time of Effective Date, then Company shall ensure that the AGI Director is included within the ambit and coverage of the D&O Policy of the Company, at the earliest and not later than the Effective Date, if not already included.

2.1.14.2. AGI Director shall be a non-executive Director and the Company shall not treat or identify the AGI Director or its Alternate Director or permit them to be treated or identified as ‘officers in default’ of the Company, or ‘occupier’ of any premises used by the Company, or as ‘employers’ with respect to the employees of the Company, or ‘compliance officers’ or ‘person-in-charge’ or other such equivalent position of responsibility under Applicable Law.

2.1.15. **Committees of the Board.** The constitution of committees of the Board shall be in compliance with Applicable Laws.

2.1.16. **Rights in Subsidiaries**

2.1.16.1. Unless agreed in writing by the Parties or otherwise permitted under these Articles, all provisions of this Article (*Board of Directors*) relating to the Board and its meetings, shall apply to the Subsidiary 1 and Material Subsidiaries of the Company as well. Material Subsidiaries for the purpose of this Article shall mean any subsidiary of the Company which contributes more than INR 125,00,00,000 (Rupees One Hundred Twenty Five Crore only) in revenue on a standalone basis OR 20% (twenty percent) of total consolidated revenue of the Company, whichever is higher.

2.1.16.2. The Company shall exercise all its rights in Subsidiary 1 and Material Subsidiaries (whether present or future) to give effect to the rights of AGI Investors under these Articles and in a manner that ensures that the rights of AGI Investors under these Articles are not prejudiced.

3. **SHAREHOLDERS’ MEETING**

3.1. **General Meeting:** All general meetings other than the annual general meeting shall be called

extraordinary general meeting. An annual general meeting of the Shareholders of the Company shall be held within 6 (six) months of the end of the Financial Year as provided under the Act. Subject to the foregoing, the Board, on its own or at the request of any of the Shareholders, may convene an extraordinary general meeting whenever they deem appropriate, in accordance with the Applicable Law and the Charter Documents.

- 3.2. **Notice:** At least 21 (twenty-one) days prior written notice of every annual general meeting and extraordinary general meeting of shareholders shall be given to all shareholders whose name appear on the register of members of the Company. A meeting of the shareholders may be called by giving shorter notice with the written consent of such number of Shareholders as provided by the Act.
- 3.3. **Contents of notice:** The notice to Shareholders shall specify the place, day, date and time of the meeting. Every notice convening a meeting of the shareholders shall set forth in full and sufficient detail the business to be transacted thereat, and no business shall be transacted at such meeting unless the same has been stated in the notice convening the meeting. The notice shall also provide for detailed steps to be followed for attending the meeting through audio -video conference in accordance with the provisions of the Act. In the event AGI Investors request for availability of e-voting facility, then the Company agrees to provide for availability of e-voting facility along with detailed steps to be followed for AGI Investors to cast its vote through e-voting facility in accordance with Applicable Law.
- 3.4. **Quorum of Shareholders' Meeting:** The quorum for a general meeting of the Shareholders shall be in accordance with the provisions of the Act. No business shall be transacted unless there is a valid quorum, both at the time the meeting is called to order and throughout the meeting. If quorum is not present within 30 (thirty) minutes from the time when the meeting should have begun or if during the meeting there is no longer a quorum, the meeting shall be adjourned and reconvened at the same place and time 7 (seven) days thereafter. At the reconvened meeting, if the quorum is not present within 30 (thirty) minutes from the time when the meeting should have begun, then, subject to the provisions of the Act, the Shareholders present shall constitute the quorum. Provided no items save and except those what was specified in agenda at the adjourned meeting shall be discussed.
- 3.5. **Decision Making at General Meeting:** Except as otherwise required by the relevant Applicable Law, all decisions of the shareholders of the Company shall be made by simple majority.
- 3.6. The Chairman of the Board shall be the chairman of each general meeting of the Company.

No material clause of Articles of Association set out below has been left out from disclosure which may have a bearing on the Offer with respect to any investment decision or otherwise.

SECTION XI: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for filing. Copies of the abovementioned contracts and also the documents and contracts for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10:00 a.m. and 5:00 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). Copies of the documents for inspection referred to hereunder, will also be available on the website of our Company at <https://www.standardglr.com/investors#material-contracts> 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). 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 of the Companies Act and other applicable law.

A. Material contracts for the Offer

1. Offer agreement dated July 24, 2024, amongst our Company, the Selling Shareholders and the BRLMs;
2. Registrar agreement dated July 24, 2024, amongst our Company, the Selling Shareholders and the Registrar to the Offer;
3. Cash escrow and sponsor bank agreement dated [●] amongst our Company, the Registrar to the Offer, the BRLMs, Selling Shareholders, the Escrow Collection Bank(s), Public Offer Account Bank(s), Sponsor Banks and the Refund Bank(s);
4. Share escrow agreement dated [●] entered into amongst the Selling Shareholders, our Company and the share escrow agent;
5. Syndicate agreement dated [●] amongst our Company, Selling Shareholders, the BRLMs, the Syndicate Members and the Registrar to the Offer;
6. Underwriting agreement dated [●] amongst our Company, Selling Shareholders and the Underwriters.
7. Monitoring agency agreement dated [●] between our Company and the Monitoring Agency.

B. Material documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company, each as amended from time to time;
2. Certificate of incorporation dated September 6, 2012, issued by the Registrar of Companies, Andhra Pradesh at Hyderabad to our Company;
3. Fresh certificate of incorporation dated June 17, 2022, pursuant to conversion from private limited company into public limited company issued by the RoC to our Company;
4. Resolution of the Board of Directors dated July 19, 2024, approving the Offer and other related matters;
5. Resolution of the Board of Directors dated July 24, 2024, taking on record the approval for the Offer for Sale by the Selling Shareholders;
6. Resolution of the Board of Directors dated July 24, 2024, approving this Draft Red Herring Prospectus;
7. Employment agreement dated June 8, 2023, between our Company and Krishna Kanth Kudaravalli;
8. Employment agreement dated June 16, 2023, between our Company and Nageswara Rao Kandula;
9. Employment agreement dated May 26, 2023, between our Company and Kudaravalli Punna Rao;
10. Employment agreement dated May 26, 2023, between our Company and Venkata Mohan Rao Katragadda;
11. Business transfer agreement dated May 24, 2023, entered by our Subsidiary, Standard Flora Private Limited with M/s Higenic Flora Polymers;
12. Business transfer agreement dated May 24, 2023, entered by our Subsidiary, Standard Flora Private Limited with M/s Yashasve Glass Lining Industries;

13. Business transfer agreement dated May 8, 2024, entered by our Subsidiary, CPK Engineers Equipment Private Limited with C.P.K. Engineers Private Limited;
14. Business transfer agreement dated October 25, 2021, entered by our Material Subsidiary with M/s Stanpumps Engineering Industries;
15. Business transfer agreement dated October 25, 2021, entered by our Material Subsidiary with M/s S2 Engineering Services.
16. Valuation report pursuant to business transfer agreement dated May 24, 2023, entered by our Subsidiary, Standard Flora Private Limited with M/s Higenic Flora Polymers;
17. Valuation report pursuant to business transfer agreement dated May 24, 2023, entered by our Subsidiary, Standard Flora Private Limited with M/s Yashasve Glass Lining Industries;
18. Valuation report pursuant to business transfer agreement dated May 8, 2024, entered by our Subsidiary, CPK Engineers Equipment Private Limited with C.P.K. Engineers Private Limited;
19. Valuation report pursuant to business transfer agreement dated October 25, 2021, entered by our Material Subsidiary with M/s Stanpumps Engineering Industries;
20. Valuation report pursuant to business transfer agreement dated October 25, 2021, entered by our Material Subsidiary with M/s S2 Engineering Services.
21. Consents of the Selling Shareholders, each dated July 22, 2024, in relation to the Offer;
22. Shareholders' agreement dated November 11, 2023, and the Waiver cum Amendment Agreement dated July 22, 2024;
23. Share subscription agreement dated November 11, 2023;
24. Examination report dated July 19, 2024, issued by our Statutory Auditors on the Restated Consolidated Financial Information, included in this Draft Red Herring Prospectus;
25. Copies of the annual reports of our Company for the Fiscal Years 2024, 2023 and 2022;
26. Industry report titled "*Assessing the Opportunity of Specialized Industrial Process Equipment in the Pharma, Chemicals and Food Processing Sector*" dated July 22, 2024, prepared and issued by F&S, commissioned, and paid for by our Company for an agreed fee, exclusively for the purpose of this Offer;
27. Consent letter dated July 22, 2024, issued by F&S with respect to the report titled "*Assessing the Opportunity of Specialized Industrial Process Equipment in the Pharma, Chemicals and Food Processing Sector*" dated July 22, 2024;
28. The statement of possible special tax benefits available to our Company, its Material Subsidiary and our Shareholders dated July 24, 2024, from the Statutory Auditors;
29. Consents of the Directors, the BRLMs, the Syndicate Members, the Legal Counsel to our Company, the Registrar to the Offer, the Escrow Collection Bank(s), Refund Banks(s), Sponsor Banks, Public Offer Account Bank(s), the Bankers to our Company, the Company Secretary and Compliance Officer and the Chief Financial Officer, to act in their respective capacities;
30. Consent dated July 24, 2024 from M/s M S K A & Associates, Chartered Accountants, to include their name as 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 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) the examination report dated July 19, 2024 relating to the Restated Consolidated Financial Information as at and for the years ended March 31, 2024, 2023 and 2022; and (ii) statement of special tax benefits available to our Company, its Material Subsidiary and its Shareholders under the direct and indirect tax laws dated July 24, 2024;
31. Consent dated July 24, 2024, from M/s Niranjana & Narayan, Chartered Accountants, to include their name in this Draft Red Herring Prospectus, as an "expert" as defined under section 2(38) of the Companies Act to the extent and in their capacity as an independent chartered accountant to our Company, and in respect of the certificates and the details derived therefrom to be included in this Draft Red Herring Prospectus;
32. Certificates obtained from M/s Niranjana & Narayan, Chartered Accountants, each dated July 24, 2024, as disclosed in this DRHP;

33. Consent dated July 24, 2024 from Global Engineers & Industrial Consultants, the Chartered Engineer, 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 an independent chartered engineer, in relation to the certificate dated July 24, 2024, certifying, inter alia, the details of the installed and production capacity of our manufacturing facilities;
34. Resolution dated July 24, 2024, passed by the Audit Committee approving the KPIs for disclosure;
35. Resolution dated July 24, 2024, passed by the Board of Directors of our Company approving the Objects of the Offer;
36. Undertaking dated [●] submitted by the BRLMs to SEBI in relation to disclosure of the Pre-IPO Placement by way of public advertisement and the Price Band advertisement.
37. Undertaking dated [●] submitted by the BRLMs to SEBI in relation to the utilization of the proceeds from the Pre-IPO Placement.
38. The employee stock option scheme of our Company titled, ‘*Employee Stock Option Scheme 2024*’ approved by our Shareholders on July 22, 2024.
39. Tripartite agreement dated January 5, 2023, between our Company, NSDL and the Registrar to the Offer;
40. Tripartite agreement dated June 6, 2022, between our Company, CDSL and the Registrar to the Offer;
41. Due diligence certificate dated July 24, 2024, addressed to the SEBI from the BRLMs;
42. In principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively; and
43. Final observation letter bearing number [●] dated [●] issued by SEBI.

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as amended, 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 SCRA, the SCRR and the SEBI Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sambasiva Rao Gollapudi
Non-Executive Chairman and Independent Director

Place: Hyderabad
Date: July 24, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as amended, 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 SCRA, the SCRR and the SEBI Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Nageswara Rao Kandula
Managing Director

Place: Hyderabad
Date: July 24, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as amended, 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 SCRA, the SCRR and SEBI Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Kandula Krishna Veni
Executive Director

Place: Hyderabad
Date: July 24, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as amended, 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 SCRA, the SCRR and the SEBI Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Venkata Mohana Rao Katragadda
Executive Director

Place: Hyderabad
Date: July 24, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as amended, 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 SCRA, the SCRR and SEBI Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Kandula Ramakrishna
Executive Director

Place: Hyderabad
Date: July 24, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as amended, 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 SCRA, the SCRR and the SEBI Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sudhakara Reddy Siddareddy
Independent Director

Place: Hyderabad
Date: July 24, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as amended, 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 SCRA, the SCRR and the SEBI Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Yasuyuki Ikeda
Non-Executive Director (*Nominee of AGI Investors*)

Place: Fukuoka
Date: July 24, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as amended, 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 SCRA, the SCRR and the SEBI Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Radhika Nannapaneni
Independent Director

Place: Hyderabad
Date: July 24, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as amended, 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 SCRA, the SCRR and the SEBI Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Anjaneyulu Pathuri
Chief Financial Officer

Place: Hyderabad
Date: July 24, 2024

DECLARATION

We, M/s S2 Engineering Services, a Selling Shareholder, hereby certify that all statements and undertakings made or confirmed by us in this Draft Red Herring Prospectus in relation to ourself as a Selling Shareholder and our portion of the Offered Shares, are true and correct. We 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.

SIGNED FOR AND ON BEHALF OF THE SELLING SHAREHOLDER

Kandula Ramakrishna

For and on behalf of M/s S2 Engineering Services

Place: Hyderabad

Date: July 24, 2024

DECLARATION

I, Kandula Ramakrishna, a Selling Shareholder, hereby certify that all statements and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself as a Selling Shareholder and my 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.

SIGNED BY THE SELLING SHAREHOLDER

Kandula Ramakrishna

Place: Hyderabad

Date: July 24, 2024

DECLARATION

I, Kandula Krishna Veni, a Selling Shareholder, hereby certify that all statements and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself as a Selling Shareholder and my 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.

SIGNED BY THE SELLING SHAREHOLDER

Kandula Krishna Veni

Place: Hyderabad

Date: July 24, 2024

DECLARATION

I, Nageswara Rao Kandula, a Selling Shareholder, hereby certify that all statements and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself as a Selling Shareholder and my 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.

SIGNED BY THE SELLING SHAREHOLDER

Nageswara Rao Kandula

Place: Hyderabad

Date: July 24, 2024

DECLARATION

I, Kudaravalli Punna Rao, a Selling Shareholder, hereby certify that all statements and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself as a Selling Shareholder and my 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.

SIGNED BY THE SELLING SHAREHOLDER

Kudaravalli Punna Rao

Place: Hyderabad

Date: July 24, 2024

DECLARATION

I, Venkata Mohana Rao Katragadda, a Selling Shareholder, hereby certify that all statements and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself as a Selling Shareholder and my 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.

SIGNED BY THE SELLING SHAREHOLDER

Venkata Mohana Rao Katragadda

Place: Hyderabad

Date: July 24, 2024

DECLARATION

We, M/s Standard Holdings, a Selling Shareholder, hereby certify that all statements and undertakings made or confirmed by us in this Draft Red Herring Prospectus in relation to ourself as a Selling Shareholder and our portion of the Offered Shares, are true and correct. We 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.

SIGNED FOR AND ON BEHALF OF THE SELLING SHAREHOLDER

Kandula Krishna Veni

For and on behalf of M/s Standard Holdings

Place: Hyderabad

Date: July 24, 2024

DECLARATION

I, Katragadda Venkata Ramani, a Selling Shareholder, hereby certify that all statements and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself as a Selling Shareholder and my 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.

SIGNED BY THE SELLING SHAREHOLDER

Katragadda Venkata Ramani

Place: Hyderabad

Date: July 24, 2024

DECLARATION

I, Venkata Siva Prasad Katragadda, a Selling Shareholder, hereby certify that all statements and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself as a Selling Shareholder and my 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.

SIGNED BY THE SELLING SHAREHOLDER

Venkata Siva Prasad Katragadda

Place: Hyderabad

Date: July 24, 2024

DECLARATION

I, Katragadda Harini, a Selling Shareholder, hereby certify that all statements and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself as a Selling Shareholder and my 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.

SIGNED BY THE SELLING SHAREHOLDER

Katragadda Harini

Place: Hyderabad

Date: July 24, 2024

DECLARATION

I, Krishna Kanth Kudaravalli, a Selling Shareholder, hereby certify that all statements and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself as a Selling Shareholder and my 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.

SIGNED BY THE SELLING SHAREHOLDER

Krishna Kanth Kudaravalli

Place: Hyderabad

Date: July 24, 2024

DECLARATION

I, Kudaravalli Srikanth, a Selling Shareholder, hereby certify that all statements and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself as a Selling Shareholder and my 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.

SIGNED BY THE SELLING SHAREHOLDER

Kudaravalli Srikanth

Place: Hyderabad

Date: July 24, 2024

DECLARATION

I, Balabhavani K, a Selling Shareholder, hereby certify that all statements and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself as a Selling Shareholder and my 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.

SIGNED BY THE SELLING SHAREHOLDER

Balabhavani K

Place: Hyderabad

Date: July 24, 2024

DECLARATION

I, Poojitha Katragadda, a Selling Shareholder, hereby certify that all statements and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself as a Selling Shareholder and my 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.

SIGNED BY THE SELLING SHAREHOLDER

Poojitha Katragadda

Place: Hyderabad

Date: July 24, 2024

DECLARATION

I, Venkata Sandeep Gopineedi, a Selling Shareholder, hereby certify that all statements and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself as a Selling Shareholder and my 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.

SIGNED BY THE SELLING SHAREHOLDER

Venkata Sandeep Gopineedi

Place: Hyderabad

Date: July 24, 2024

DECLARATION

I, Likitha Katragadda, a Selling Shareholder, hereby certify that all statements and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself as a Selling Shareholder and my 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.

SIGNED BY THE SELLING SHAREHOLDER

Likitha Katragadda

Place: Hyderabad

Date: July 24, 2024

DECLARATION

I, Mahitha Katragadda, a Selling Shareholder, hereby certify that all statements and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself as a Selling Shareholder and my 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.

SIGNED BY THE SELLING SHAREHOLDER

Mahitha Katragadda

Place: Hyderabad

Date: July 24, 2024

DECLARATION

I, Shirish Nilkantharao Dhamnekar, a Selling Shareholder, hereby certify that all statements and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself as a Selling Shareholder and my 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.

SIGNED BY THE SELLING SHAREHOLDER

Shirish Nilkantharao Dhamnekar

Place: Hyderabad

Date: July 24, 2024