(Please scan this QR code to view the DRHP)

DRAFT RED HERRING PROSPECTUS
Dated September 28, 2023
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
(Please read Section 32 of the Companies Act, 2013)
100% Book Built Offer

DEE DEVELOPMENT ENGINEERS LIMITED

Corporate Identity Number: **U74140HR1988PLC030225**

REGISTERED AND CORPORATE OFFICE	CONTACT PERSON	TELEPHONE AND EMAIL	WEBSITE
Unit 1, Prithla-Tatarpur Road, Village Tatarpur, Dist. Palwal, Faridabad, Haryana – 121102, India	Ranjan Kumar Sarangi, Company Secretary and Compliance Officer	**Tel:** +91 1275 248345 **Email:** secretarial@deepiping.com	www.deepiping.com

OUR PROMOTER: KRISHAN LALIT BANSAL

DETAILS OF THE OFFER TO THE PUBLIC

Type	Fresh Issue Size	Offer for Sale size	Total Offer size	Eligibility and Reservations
Fresh Issue and Offer for Sale	Up to [●] Equity Shares aggregating up to ₹ 3,250.00 million	Up to 7,900,000 Equity Shares aggregating up to ₹ [●] million	Up to [●] Equity Shares aggregating up to ₹ [●] million	The Offer is being made pursuant to Regulation 6(1) of the SEBI ICDR Regulations, as amended. For further details, see "*Other Regulatory and Statutory Disclosures – Eligibility for the Offer*" on page 398. For details in relation to share reservation among QIBs, NIIs and RIBs, see "*Offer Structure*" on page 415.

OFFER FOR SALE BY THE PROMOTER

Name of the Selling Shareholder	Type	Number of Equity Shares Offered	Weighted Average Cost of Acquisition per Equity Share (in ₹)*#
Krishan Lalit Bansal	Promoter	Up to 7,900,000 Equity Shares aggregating up to ₹ [●] million	0.83

**As certified by VSD & Associates, Chartered Accountant, by way of their certificate dated September 28, 2023.*
#12,330 Equity Shares were issued to the Promoter in lieu of the acquisition of the business of partnership firm of M/S Development Engineers. Value of given equity shares is not quantifiable. Accordingly, the consideration amount has not been included for the calculation of average cost of acquisition.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of our Equity Shares is ₹ 10 each. The Floor Price, Cap Price, and the Offer Price (as determined and justified by our Company and the Selling Shareholder, in consultation with the BRLMs by way of the Book Building Process, in accordance with SEBI ICDR Regulations, and as stated in "*Basis for Offer Price*" on page 118) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/ or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the 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 offered in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does the 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 27.

ISSUER'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Selling Shareholder, accepts responsibility for and confirms the statements made by him in this Draft Red Herring Prospectus to the extent of information specifically pertaining to him and of the Offered Shares and assume 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, [●] is the Designated Stock Exchange.

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DRAFT RED HERRING PROSPECTUS
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100% Book Built Offer

BOOK RUNNING LEAD MANAGERS			
Logo of Book Running Lead Manager	**Name of Book Running Lead Manager**	**Contact Person**	**Email and Telephone**
	SBI Capital Markets Limited	Janardhan Wagle/ Ayush Goyal	**Email:** dee.ipo@sbicaps.com **Tel:** +91 22 4006 9807
	Equirus Capital Private Limited	Ankesh Jain/Jenny Bagrecha	**Email:** dee.ipo@equirus.com **Tel:** +91 22 4332 0732
REGISTRAR TO THE OFFER			
Logo of the Registrar	**Name of Registrar**	**Contact Person**	**Email and Telephone**
	Link Intime India Private Limited	Shanti Gopalkrishnan	**Email:** dde.ipo@linkintime.co.in **Tel:** +91-8108114949

BID/ OFFER PROGRAMME					
ANCHOR INVESTOR BID/ OFFER PERIOD	**[●]***	**BID/OFFER OPENS ON**	**[●]**	**BID/OFFER CLOSES ON******	**[●]**^**

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

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

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

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(Please scan this QR code to view the DRHP)

DRAFT RED HERRING PROSPECTUS
Dated September 28, 2023
(*This Draft Red Herring Prospectus will be updated upon filing with the RoC)*
(Please read Section 32 of the Companies Act, 2013)
100% Book Built Offer

DEE DEVELOPMENT ENGINEERS LIMITED

Our Company was originally incorporated as "DE Development Engineers Private Limited" a private limited company under the Companies Act, 1956 through a certificate of incorporation dated March 21, 1988, issued by the RoC. Thereafter, the name of the Company was changed to "DEE Development Engineers Private Limited**"** pursuant to a Board resolution dated September 28, 1997 and a special resolution passed in the general meeting of the Shareholders held on October 22, 1997 and consequently a fresh certificate of incorporation dated January 8, 1998 was issued by the RoC to reflect the change in name. Pursuant to an amendment to the Companies Act, 1956, our Company was deemed public under Section 43A (1A) of the Companies Act, 1956 with effect from July 1, 1998. Consequently, the word 'Private' was deleted from the name of our Company and the name was changed to "DEE Development Engineers Limited" pursuant to a Board resolution dated June 1, 1998. Thereafter, our Company was converted into a private limited company pursuant to an amendment to Section 43A (1A) in Companies Act, 1956 by Section 43A (2A) of the Companies Amendment Act, 2000 with effect from July 16, 2004 and the name was changed to "DEE Development Engineers Private Limited" pursuant to a Board resolution dated July 16, 2004. The name of our Company was changed to 'DEE Development Engineers Limited' upon conversion to a public limited company pursuant to a Board resolution dated December 29, 2009 and a resolution passed in the extra-ordinary general meeting of the Shareholders held on January 18, 2010 and consequently a fresh certificate of incorporation dated March 11, 2010, was issued by the RoC. For further details, see "*History and Certain Corporate Matters – Brief History of our Company*" on page 226.

Registered and Corporate Office: Unit 1, Prithla-Tatarpur Road, Village Tatarpur, Dist. Palwal, Faridabad, Haryana – 121102, India
Contact Person: Ranjan Kumar Sarangi, Company Secretary and Compliance Officer; **Tel:** +91 1275 248345
E-mail: secretarial@deepiping.com; **Website**: www.deepiping.com; **Corporate Identity Number:** U74140HR1988PLC030225

OUR PROMOTER KRISHAN LALIT BANSAL

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF DEE DEVELOPMENT ENGINEERS LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE ("OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER"). THE OFFER COMPRISES OF A FRESH ISSUE OF UPTO [●] EQUITY SHARES BY OUR COMPANY AGGREGATING UPTO ₹3,250.00 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 7,900,000 EQUITY SHARES (THE "OFFERED SHARES") BY KRISHAN LALIT BANSAL ("SELLING SHAREHOLDER") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER FOR SALE"). THE OFFER SHALL CONSTITUTE [●] % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDER, IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN [●] EDITIONS OF THE [●], AN ENGLISH LANGUAGE NATIONAL DAILY NEWSPAPER WITH WIDE CIRCULATION, AND [●] EDITIONS OF [●], A HINDI LANGUAGE NATIONAL DAILY NEWSPAPER WITH WIDE CIRCULATION (HINDI ALSO BEING THE REGIONAL LANGUAGE OF HARYANA WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST 2 WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE STOCK EXCHANGES FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES, IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS".

OUR COMPANY, IN CONSULTATION WITH THE BRLMS, MAY CONSIDER A PRE-IPO PLACEMENT ("PRE-IPO PLACEMENT") OF UP TO [●] SPECIFIED SECURITIES AGGREGATING UP TO ₹ 650.00 MILLION, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC. THE PRE-IPO PLACEMENT SHALL BE UNDERTAKEN AT THE DISCRETION OF OUR COMPANY AND THE PRICE OF THE EQUITY SHARES ALLOTTED PURSUANT TO THE PRE-IPO PLACEMENT SHALL BE DETERMINED BY OUR COMPANY, IN CONSULTATION WITH THE BRLMS. IF THE PRE-IPO PLACEMENT IS COMPLETED, THE FRESH ISSUE SIZE WILL BE REDUCED TO THE EXTENT OF SUCH PRE-IPO PLACEMENT, SUBJECT TO THE OFFER COMPLYING WITH THE MINIMUM ISSUE SIZE REQUIREMENTS PRESCRIBED UNDER REGULATION 19(2)(B) OF THE SCRR. THE PRE-IPO PLACEMENT SHALL NOT EXCEED 20% OF THE SIZE OF THE FRESH ISSUE.

In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Offer Period not exceeding 10 Working Days. In cases of *force majeure*, banking strike or similar circumstances, our Company and the Selling Shareholder, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid / Offer Period for a minimum of three Working Days, 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 members of the Syndicate and by intimation to Designated Intermediaries and Sponsor Bank(s), as applicable.

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "**SCRR"**), read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made in accordance with Regulation 6(1) of the SEBI ICDR Regulations, through the Book Building Process wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs"**) (such portion referred to as "**QIB Portion**"), provided that our Company and the Selling Shareholder, in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (the "**Anchor Investor Portion**"), out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("**Anchor Investor Allocation Price**"), in accordance with the SEBI ICDR Regulations. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (excluding the Anchor Investor Portion) (the "**Net QIB Portion")**. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors 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 Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors 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 required to mandatorily use the Application Supported by Blocked Amount ("**ASBA")** process providing details of their respective ASBA accounts, and UPI ID in case of UPI Bidders, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank(s) under the UPI Mechanism, as applicable, to the extent of the respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For further details, see '*Offer Procedure'* on page 418.

RISKS IN RELATION TO FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10. The Offer Price/Floor Price/Cap Price, as determined and justified by our Company and the Selling Shareholder, in consultation with the BRLMs, by way of the Book Building Process, in accordance with the SEBI ICDR Regulations and as stated in '*Basis for Offer Price*' on page 118 should not be taken to be indicative of the market price of the Equity Shares after such 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 RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares have not been recommended or approved by the 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 27.

ISSUER'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Selling Shareholder, accepts responsibility for and confirms the statements made by him in this Draft Red Herring Prospectus to the extent of information specifically pertaining to him and the Offered Shares and assume 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 listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of the Offer, [●] shall be the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Section 26(4) and 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, see "*Material Contracts and Documents for Inspection*" on page 454.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
SBI Capital Markets Limited 1501, 15th Floor, A & B Wing, Parinee Crescenzo, G Block,Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra, India **Tel**.: +91 22 4006 9807 **E-mail** : dee.ipo@sbicaps.com **Website**: www.sbicaps.com **Investor grievance e-mail**: investor.relations@sbicaps.com **Contact Person**: Janardhan Wagle/ Ayush Goyal **SEBI Registration Number**: INM000003531	**Equirus Capital Private Limited** 12th Floor, C Wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel, Mumbai – 400013 Maharashtra, India **Tel.:** +91 22 4332 0732 **E-mail**: dee.ipo@equirus.com **Website**: www.equirus.com **Investor grievance e-mail:** investorsgrievance@equirus.com **Contact person:** Ankesh Jain/Jenny Bagrecha **SEBI Registration Number:** INM000011286	**Link Intime India Private Limited** C 101, 1st Floor, 247 Park Lal Bahadur Shastri Marg, Vikhroli (West) Maharashtra, India 400083 **Tel:** +91-8108114949 **E-mail:** dde.ipo@linkintime.co.in **Website:** www.linkintime.co.in **Investor grievance e-mail:** dde.ipo@linkintime.co.in **Contact person:** Shanti Gopalkrishnan **SEBI Registration No.**: INR000004058

BID/OFFER PROGRAMME

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

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

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

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

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

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

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

Notwithstanding the foregoing, the terms used in "Objects of the Offer", "Basis for Offer Price", "Statement of Special Tax Benefits", "Industry Overview", "Key Regulations and Policies", "History and Certain Corporate Matters", "Financial Information", "Financial Indebtedness", "Outstanding Litigation and Material Developments", "Other Regulatory and Statutory Disclosures", and "Description of Equity Shares and Terms of Articles of Association" on pages 106, 118, 126, 136, 219, 226, 268, 342, 385, 398 and 437 respectively, shall have the respective meanings ascribed to them in the relevant sections.

General Terms

Term(s)	Description
"Our Company" or "the Company" or "the Issuer"	DEE Development Engineers Limited, a public limited company incorporated under the Companies Act, 1956, whose registered office is situated at Unit 1, Prithla-Tatarpur Road, Village Tatarpur, Palwal, Faridabad, Haryana-121 102, India
"We" or "us" or "our"	Unless the context otherwise indicates, requires or implies, refers to our Company, together with our Subsidiaries, on a consolidated basis

Company related terms

Term(s)	Description
"Articles of Association" or "Articles" or "AoA"	The articles of association of our Company, as amended
Audit Committee	The audit committee of our Board constituted in accordance with the Companies Act, 2013 and the SEBI Listing Regulations and as described in "*Our Management – Committees of our Board – Audit Committee*" on page 252
"Auditors" or "Statutory Auditors"	The statutory auditors of our Company, namely, S. R. Batliboi & Co. LLP, Chartered Accountants
"Board" or "Board of Directors"	The board of directors of our Company, as described in "*Our Management – Board of Directors*" on page 245
CCPS	The compulsorily convertible preference shares of face value ₹10 each
Chairman and Managing Director	The chairman and managing director of our Company, being Krishan Lalit Bansal. For further details, see *"Our Management – Board of Directors"* on page 245
"Chief Financial Officer" or "CFO"	The chief financial officer of our Company, being Sameer Agarwal. For further details, see *"Our Management – Key Managerial Personnel and Senior Management Personnel"* on page 260
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, being Ranjan Kumar Sarangi. For further details, see *"Our Management – Key Managerial Personnel and Senior Management Personnel"* on page 260
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board constituted in accordance with the Companies Act, 2013 as described in "*Our Management – Committees of our Board of Directors – Corporate Social Responsibility Committee*" on page 257
DEE ESOP Scheme 2023	Our Company's employees stock option plan, namely, DEE ESOP Scheme 2023. For further details, see "*Capital Structure – Employee Stock Option Plan*" on page 103
Director(s)	The director(s) on the Board of Directors
D&B	Dun & Bradstreet Information Services India Private Limited
Equity Shares	The equity shares of our Company of face value of ₹10 each
"Executive Director(s)" or "Whole-time Director(s)"	The executive or whole-time director(s) on the Board of Directors. For further details of the Executive Directors, see "*Our Management – Board of Directors*" on page 245
D&B Report	Industry report titled "*Industry Report on Pipe Fabrication & Process Piping Solutions*" dated September 2023 prepared by D&B, which is exclusively prepared for the purpose of the Offer and is commissioned and paid for by our Company. D&B was appointed on May 26, 2023 pursuant to an engagement letter entered into with our Company. The D&B Report will be

Term(s)	Description
	available on the website of our Company from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date.
Independent Director(s)	An independent Director appointed as per the Companies Act, 2013 and the Listing Regulations. For further details of our Independent Directors, see "*Our Management – Board of Directors*" on page 245
Jointly controlled entity	The erstwhile jointly controlled entity of our Company, i.e. Dee Fabricom LLC., which ceased to be jointly controlled entity with effect from January 13, 2022. As on the date of this Draft Red Herring Prospectus, our Company does not have any jointly controlled entity.
"Key Managerial Personnel" or "KMP"	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013, as disclosed in "*Our Management – Key Managerial Personnel and Senior Management Personnel*" on page 260
Materiality Policy	The policy adopted by our Board of Directors pursuant to its resolution dated September 25, 2023 for identification of group companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations
Material Subsidiary	The material subsidiary of our Company, being DEE Piping Systems (Thailand) Co. Limited
"Memorandum of Association" or "Memorandum" or "MoA"	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations, and as described in "*Our Management – Committees of our Board of Directors – Nomination and Remuneration Committee*" on page 255
Non-Executive Director(s)	A non-executive Director appointed as per the Companies Act, 2013 and the Listing Regulations. For further details of our Non-Executive Directors, see "*Our Management – Board of Directors*" on page 245
Preference Shares	The preference shares of our Company of face value of ₹10 each
Promoter	The Promoter of our Company, being Krishan Lalit Bansal
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed in "*Our Promoter and Promoter Group*" on page 263
"Registered and Corporate Office" or "Registered Office"	The registered and corporate office of our Company, situated at Unit 1, Prithla-Tatarpur Road, Village Tatarpur, Palwal, Faridabad, Haryana-121 102, India
"Registrar of Companies" or "RoC"	Registrar of Companies, N.C.T of Delhi and Haryana at New Delhi
Restated Consolidated Summary Statements	The Restated Consolidated Summary Statements of DEE Development Engineers Limited, together with its subsidiaries, Jointly controlled entity ("Group") comprising the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash Flows for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 and the Restated Consolidated Summary Statement of Significant Accounting Policies and other explanatory notes of our Company, derived from audited consolidated financial statements as at and for each of the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021, each prepared in accordance with Ind AS and restated by our Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI
Selling Shareholder	Krishan Lalit Bansal
"Shareholder(s)"	The holders of the Equity Shares from time to time.
"Senior Management Personnel" or "SMP"	Senior management personnel of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations as described in "*Our Management – Key Managerial Personnel and Senior Management Personnel*" on page 260
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations, as described in "*Our Management – Committees of our Board of Directors – Stakeholders' Relationship Committee*" on page 256
Subsidiaries	The subsidiaries of our Company, being DEE Piping Systems (Thailand) Co. Limited, Malwa Power Private Limited, DEE Fabricom India Private Limited and Atul Krishan Bansal Foundation, the details of which are set out in "*Our Subsidiaries*" on page 241

Offer related terms

Term	Description
Abridged Prospectus	The memorandum containing such salient features of a prospectus as may be specified by the SEBI in this regard
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
"Allot" or "Allotment" or Allotted"	Allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Offered Shares pursuant to the Offer for Sale, in each case to the successful Bidders
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, who applies under the Anchor Investor Portion in accordance with the SEBI ICDR Regulations and the Red Herring Prospectus who has Bid for an amount of at least ₹100 million
Anchor Investor Allocation Price	The price at which allocation will be done to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus. The Anchor Investor Allocation Price shall be determined by our Company and the Selling Shareholder, in consultation with the BRLMs
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion in accordance with the requirements specified under the SEBI ICDR Regulations and the Red Herring Prospectus
Anchor Investor Bid/ Offer Period	One Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which 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 and the Selling Shareholder, in consultation with the BRLMs
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), the Anchor Investor Bid/ Offer Period, and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Offer Price, not later than two Working Days after the Bid/Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and the Selling Shareholder, in consultation with the BRLMs, to Anchor Investors, on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
"Application Supported by Blocked Amount" or "ASBA"	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and to authorise an SCSB to block the Bid Amount in the relevant ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of the UPI Mandate Request 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 and includes the account of a UPI Bidder, which is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidder using the UPI Mechanism
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	Bidder(s), except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bankers to the Offer	The Escrow Collection Bank(s), the Refund Bank(s), the Public Offer Account Bank(s) and the Sponsor Bank(s), as the case may be
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, described in "*Offer Procedure*" on page 418
Bid	An indication to make an offer during the Bid/Offer Period by ASBA Bidders pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Offer Period by the Anchor Investors pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto, in accordance with the SEBI ICDR Regulations and the Red Herring

Term	Description
	Prospectus and the relevant Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	In relation to each Bid, the highest value of the Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders, Bidding at the Cut- off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder, and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of such Bid
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the case may be
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper (Hindi also being the regional language of Haryana, where our Registered Office is located), each with wide circulation. Our Company and the Selling Shareholder, 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. In case of any revision, the extended Bid/Offer Closing Date shall be widely disseminated by notification to the Stock Exchanges and shall also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank(s), which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations
Bid/Offer Opening Date	Except in relation to any Bids received from Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper (Hindi also being the regional language of Haryana, where our Registered Office is located), each with wide circulation
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof. Provided that the Bid/Offer Period shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., the Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	The book building process as described in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
"Book Running Lead Managers" or "BRLMs"	The book running lead managers to the Offer, being SBI Capital Markets Limited and Equirus Capital Private Limited
Broker Centres	The broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker (in case of UPI Bidders, using the UPI Mechanism). The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), updated from time to time
"CAN" or "Confirmation of Allocation Note"	Notice or intimation of allocation of the Equity Shares to be sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/ Offer Period
Cap Price	The higher end of the Price Band, subject to any revision thereto, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. The Cap Price shall be at least 105% of the Floor Price and shall not exceed 120% of the Floor Price
Cash Escrow and Sponsor Bank(s) Agreement	The agreement to be entered into among our Company, the Selling Shareholder, the Registrar to the Offer, the BRLMs, and the Bankers to the Offer for collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account(s) and where applicable, remitting refunds of the amounts collected from Bidders, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to a dematerialised account

Term	Description
"Collecting Depository Participant" or "CDPs"	A depository participant, as defined under the Depositories Act and registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the UPI Circulars, issued by SEBI as per the list available on the websites of the Stock Exchanges, as updated from time to time
Cut-off Price	The Offer Price, finalised by our Company and the Selling Shareholder, in consultation with the BRLMs, which shall be any price within the Price Band. Only Retail Individual Investors Bidding in the Retail Portion are entitled to Bid at the Cut- off Price. No other category of Bidders is entitled to Bid at the Cut-off Price
Demographic Details	The demographic details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation, bank account details and UPI ID, as applicable
Designated Branches	Such branches of the SCSBs which will collect the ASBA Forms used by the ASBA Bidders and a list of which is available on the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time, or any such other website as may be prescribed by the SEBI
Designated CDP Locations	Such centres of the CDPs where ASBA Bidders can submit the ASBA Forms The details of such Designated CDP Locations, along with the names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account(s) to the Public Offer Account(s) or the Refund Account(s), as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders using the UPI Mechanism, instructions issued through the Sponsor Bank(s)) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account(s), in terms of the Red Herring Prospectus and the Prospectus, following which Equity Shares will be Allotted in the Offer
Designated Intermediaries	Collectively, the Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the Bidders in the Offer 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 using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate, Registered Brokers, CDPs and RTAs In relation to ASBA Forms submitted by QIBs and NIIs (not using the UPI Mechanism), Designated Intermediaries shall mean SCSBs, Syndicate, sub- syndicate, Registered Brokers, CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to the RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time
Designated Stock Exchange	[●]
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated September 28, 2023 filed with SEBI and issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda hereto
Eligible FPIs	FPIs that are eligible to participate in the Offer 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 Red Herring Prospectus and the Bid cum Application Form will constitute an invitation to subscribe to or purchase the Equity Shares
Escrow Account(s)	Account(s) to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit or NACH or NEFT or RTGS in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	The bank(s), which are clearing member(s) and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) will be opened, in this case, being [●]

Term	Description
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name appears as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revisions thereof, at or above which the Offer Price and Anchor Investor Offer Price will be finalised and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares
Fresh Issue	The issue of up to [●] Equity Shares aggregating up to ₹ 3,250.00 million by our Company Our Company, in consultation with the Book Running Lead Managers, may consider a Pre-IPO Placement of up to [●] specified securities aggregating up to ₹650.00 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the Book Running Lead Managers and the Pre-IPO Placement, if any, will be undertaken prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the size of the Fresh Issue will be reduced by the number of specified securities issued and allotted in the Pre-IPO Placement, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement shall not exceed 20% of the size of the Fresh Issue
"General Information Document" or "GID"	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI / HO / CFD / DIL1 / CIR / P / 2020 / 37 dated March 17, 2020 and the UPI Circulars, as amended from time to time The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
Gross Proceeds	The gross proceeds of the Fresh Issue that will be available to our Company.
Monitoring Agency	[●]
Monitoring Agency Agreement	The agreement to be entered into between our Company and the Monitoring Agency.
Mutual Fund(s)	Mutual fund(s) registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the QIB Portion or [●] Equity Shares which shall be available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net Proceeds	Gross Proceeds of the Fresh Issue less our Company's share of the Offer-related expenses. For further details regarding the use of the Net Proceeds and the Offer-related expenses, see "*Objects of the Offer*" on page 106
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer consisting of [●] Equity Shares, which shall be available for allocation to Non-Institutional Bidders in accordance with the SEBI ICDR Regulations, out of which (a) one-third of such portion shall be reserved for Bidders with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two-thirds of such portion shall be reserved for Bidders 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, subject to valid Bids being received at or above the Offer Price
"Non-Institutional Bidders" or "NIBs" or "Non-Institutional Investors"	All Bidders, including FPIs other than individuals, corporate bodies and family offices, registered with SEBI that are not QIBs (including Anchor Investors) or Retail Individual Bidders who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Offer	The initial public offering of up to [●] Equity Shares of face value of ₹10 each for cash at a price of ₹[●] each, aggregating up to ₹[●] million, comprising of the Fresh Issue and the Offer for Sale Our Company, in consultation with the Book Running Lead Managers, may consider a Pre-IPO Placement of up to [●] specified securities aggregating up to ₹650.00 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the Book Running Lead Managers and the Pre-IPO Placement, if any, will be undertaken prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the size of the Fresh Issue will be reduced by the number of specified securities issued and allotted in the Pre-IPO Placement, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement shall not exceed 20% of the size of the Fresh Issue

Term	Description
Offer Agreement	The agreement dated September 28, 2023 entered into among our Company, the Selling Shareholder and the BRLMs, pursuant to which certain arrangements have been agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to 7,900,000 Equity Shares aggregating up to ₹[●] million by the Selling Shareholder
Offer Price	The final price (within the Price Band) at which Equity Shares will be Allotted to the successful Bidders (except for the Anchor Investors), in terms of the Red Herring Prospectus and the Prospectus, which shall not be lower than the face value of the Equity Shares. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price which will be decided by our Company and the Selling Shareholder, in consultation with the BRLMs in terms of the Red Herring Prospectus. The Offer Price will be determined by our Company and the Selling Shareholder, in consultation with the BRLMs, on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Selling Shareholder. For further information about use of the Offer Proceeds, see "*Objects of the Offer*" on page 106.
Offered Shares	Up to 7,900,000 Equity Shares aggregating up to ₹ [●] million, being offered in the Offer for Sale by the Selling Shareholder
Pre-IPO Placement	Our Company, in consultation with the Book Running Lead Managers, may consider a Pre-IPO Placement of up to [●] specified securities aggregating up to ₹650.00 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the Book Running Lead Managers and the Pre-IPO Placement, if any, will be undertaken prior to filing of this Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the size of the Fresh Issue will be reduced by the number of specified securities issued and allotted in the Pre-IPO Placement, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement shall not exceed 20% of the size of the Fresh Issue
Price Band	Price band of a minimum price of ₹[●] per Equity Share (*i.e.*, the Floor Price) and the maximum price of ₹[●] per Equity Share (*i.e.*, the Cap Price), including any revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company and the Selling Shareholder, in consultation with the BRLMs, and shall be notified in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper (Hindi also being the regional language of Haryana, 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 on their respective websites
Pricing Date	The date on which our Company and the Selling Shareholder, in consultation with the BRLMs, shall finalise the Offer Price
Promoter's 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 promoter's contribution, as required under the provisions of the SEBI ICDR Regulations, held by our Promoter, which shall be locked-in for a period of 18 months from the date of Allotment
Prospectus	The prospectus for the Offer to be filed with the RoC on or after the Pricing Date in accordance with the provisions of Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations, and containing, *inter alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account(s)	'No-lien' and 'non-interest-bearing' bank account(s) opened in accordance with Section 40(3) of the Companies Act, 2013, with the Public Offer Account Bank(s) to receive money from the Escrow Account(s) and the ASBA Accounts maintained with the SCSBs on the Designated Date
Public Offer Account Bank(s)	The bank(s) which are clearing members and registered with the SEBI as a banker to an issue under the SEBI BTI Regulations, with which the Public Offer Account(s) shall be opened, being [●]
QIB Portion	The portion of the Offer (including Anchor Investor Potion) being not more than 50% of the Offer comprising [●] Equity Shares, which shall be available for allocation on a proportionate basis to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Offer Price or the Anchor Investor Offer Price, as applicable
"Qualified Institutional Buyer(s)" or "QIB Bidders" or "QIBs"	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
"Red Herring Prospectus" or "RHP"	The red herring prospectus for the Offer to be issued by our Company in accordance with the Companies Act and the SEBI ICDR Regulations which will not have complete particulars of the Offer Price and size of the Offer, including any addenda or corrigenda thereto. The Red Herring

Term	Description
	Prospectus will be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus after filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto
Refund Account(s)	The account opened with the Refund Bank from which refunds, if any, of the whole or part of the Bid Amount shall be made to Anchor Investors
Refund Bank(s)	The bank which are a clearing member registered with SEBI under the SEBI BTI Regulations, with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate, and eligible to procure Bids in terms of circular number no. CIR/CFD/14/2012 dated October 4, 2012 and the UPI Circulars, issued by SEBI
Registrar Agreement	The agreement dated September 27, 2023 entered into among our Company, the Selling Shareholder and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids from relevant Bidders at the Designated RTA Locations as per the list available on the websites of BSE and NSE, and the UPI Circulars
"Registrar to the Offer" or "Registrar"	Link Intime India Private Limited
"Retail Individual Bidders" or "RIBs" or "RII" or "Retail Individual Investors"	Individual Bidders who have Bid for Equity Shares for an amount of not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through the *karta* and Eligible NRIs)
Retail Portion	Portion of the Offer being at least 35% of the Offer, consisting of [●] Equity Shares, which shall be available for allocation to Retail Individual Bidders 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	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in their Bid cum Application Forms or any previous Revision Forms. QIBs and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of the quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders Bidding in the Retail Portion (subject to the Bid Amount being up to ₹200,000) can revise their Bids during the Bid/Offer Period and can withdraw their Bids until the Bid/Offer Closing Date
SCORES	Securities and Exchange Board of India Complaints Redress System
"Self-Certified Syndicate Banks" or "SCSBs"	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 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
Share Escrow Agent	[●]
Share Escrow Agreement	The agreement to be entered into among the Selling Shareholder, our Company and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from the Bidders, a list of which is which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time
Sponsor Bank(s)	Bank(s) registered with SEBI which will be appointed by our Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the mandate collect requests and/or payment instructions of the UPI Bidders into the UPI, in this case being [●]
"Syndicate" or "members of the Syndicate"	Collectively, the BRLMs and the Syndicate Members

Term	Description
Syndicate Agreement	The agreement to be entered into among the members of the Syndicate, our Company, the Selling Shareholder and the Registrar to the Offer in relation to the collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Syndicate members as defined under Regulation 2(1)(hhh) of the SEBI ICDR Regulations, namely, [●]
Underwriters	[●]
Underwriting Agreement	The agreement to be entered into among our Company, the Selling Shareholder and the Underwriters, on or after the Pricing Date but before filing of the Prospectus with the RoC
UPI	Unified Payments Interface, which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual investors applying as Retail Individual Bidders in the Retail Portion and individuals applying as Non-Institutional Bidders with a Bid Amount of up to ₹500,000 in the Non-Institutional Portion. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹500,000 shall use the UPI Mechanism 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 recognised 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	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022, and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022, and any subsequent circulars or notifications issued by SEBI or the Stock Exchanges in this regard
UPI ID	An ID created on UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI linked mobile application and by way of an SMS on directing the UPI Bidder to such UPI linked mobile application) to the UPI Bidder initiated by the Sponsor Bank(s) to authorise blocking of funds in the relevant ASBA Account through the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that may be used by a UPI Bidder in accordance with the UPI Circulars to make an ASBA Bid in the Offer
UPI PIN	Password to authenticate UPI transaction
Working Day(s)	All days on which commercial banks in Mumbai, India are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI, including the UPI Circulars

Technical/ Industry and business-related terms

Term(s)	Description
Abohar Biomass Power Plant	Our biomass power plant with a capacity of 8 MW, located in Punjab which caters to our power division.

Term(s)	Description
American Welding Society	The American Welding Society was founded in 1919, as a nonprofit organization with a global mission for advancing the science, technology, and application of welding and allied joining and cutting processes worldwide, including brazing, soldering and thermal spraying
Anjar Facility I	Our manufacturing facility located in Gujarat which caters to our piping division and is dedicated to the manufacture of piping spools
Anjar Heavy Fabrication Facility	Our fabrication facility located in Gujarat, operated by our wholly owned subsidiary DFIPL, which caters to our piping division and is dedicated to heavy piping and fabrication solutions for requirements of the renewable power sector
ASNT/ SNT-TC-1A	Guidelines to create in-house non-destructive training certification programs, outlining educational, experience, and training requirements for various methods
AutoCAD (2D & 3D)	AutoCAD is a computer-aided design (CAD) software from Autodesk that provides architects, engineers, and construction professionals the ability to create precise 2D and 3D drawings
AutoCAD Mechanical 2022	AutoCAD Mechanical 2022 provides a comprehensive library included with elements, models and components to offers users a head start in their design and make an efficient design
Aveva Everything 3D	AVEVA Everything 3D is the world's most technologically advanced 3D design solution for the process plant, marine and power industries
Aveva PDMS	Aveva Plant Design Management System is a design software tool which is being replaced by Aveva Everything 3D
AWS-CWI	The American Welding Society – Certified Welding Inspector certification is widely recognized, and successful companies have come to rely on this certification when ensuring the highest level of quality workmanship
Bangkok Facility	Our manufacturing facility located in Thailand which caters to our piping division and is dedicated to the manufacture of specialised pipe supports, piping systems and fabricated products.
Barmer Facility	Our manufacturing facility located in Rajasthan which caters to our piping division and is dedicated to the manufacture of piping spools and pipe support.
Barmer Satellite Facility	A facility set up by our Company in Rajasthan which is dedicated to catering to the piping and erection requirements of the HPCL Rajasthan Refinery Limited.
BS EN ISO 9712	BS EN ISO 9712 specifies requirements for the qualification and certification of personnel who perform industrial non-destructive testing
BU	Billing Unit
CAD with Pro Engineers	Pro Engineer was the industry's first parametric, feature-based solid modelling CAD software
Canadian Registration Number	Canadian Registration Number is a number issued by each province or territory in Canada by an authorized safety authority for any boiler, pressure vessel or fitting that operates at a pressure greater than 15 psig (1 barg)
Canadian Standards Association W47.1	The Canadian Standards Association sets the criteria for Standard W47.1 based on the type of work to be undertaken, a company may be certified for Fusion Welding of Steel
Canadian Welding Bureau	The Canadian Welding Bureau is an industry supported private sector not for profit organization providing welding certification, management systems registration and training services
Chartered Engineer	V.K. Wadhawan
Chennai Engineering Facility	Our engineering facility located in Tamil Nadu, which is dedicated to designing of products and development of engineering processes.
CNC	Compressed Natural Gas
CO2	Carbon dioxide
Collaboration Agreement	Collaboration Agreement dated February 7, 2023 entered into by and amongst our Company and a confidential party
CSR	Corporate Social Responsibility
CSWIP	Certification Scheme for Weldment Inspection Personnel
CWV	Certified welding visual
Deendayal Port Trust	Kandla, also known as the Deendayal Port Trust is a seaport in Kutch District of Gujarat state in western India, near the city of Gandhidham
DFIPL	DEE Fabricom India Private Limited
DIN EN ISO 3834	The international series of standards DIN EN ISO 3834 specifies welding quality requirements for manufacturers and regulates the principles for quality assurance of fusion-welded components and constructions
Drafting Sofcon Training	A course which teaches the basics of electrical design and drafting
EOT Crane 5T	Electric overhead travelling crane – 5 Ton
ERP	Enterprise resource planning
Fortune 500	Fortune 500 refers to a list of 500 of the largest companies in the United States compiled by Fortune magazine every year
GMAW	Gas Metal Arc Welding

Term(s)	Description
GW	Gigawatt
IGC test	Intergranular Corrosion test
India's National Green Hydrogen Mission	On 4th January 2023, the Union Cabinet approved the National Green Hydrogen Mission with an objective to make India a global hub for production, usage and export of Green Hydrogen and its derivatives
Indian Boiler Regulations	Indian Boiler Regulations, 1950
ISO	International Organization for Standardization
ISO 14001	ISO 14001 specifies the requirements for an environmental management system that an organization can use to enhance its environmental performance
ISO 45001	ISO 45001 specifies requirements for an occupational health and safety management system, and gives guidance for its use, to enable organizations to provide safe and healthy workplaces
ISO 9001	ISO 9001 sets out the criteria for a quality management system
ISO/IEC 17025	ISO/IEC 17025 is useful for any organization that performs testing, sampling or calibration and wants reliable results
ISPM-15	International Standards for Phytosanitary Measures No. 15 – Regulation of wood packaging material in international trade
IT	Information technology
LSAW	Longitudinally Submerged Arc Welding
Manufacturing Facilities	Our Company's manufacturing facilities located at Palwal in Haryana, Anjar in Gujarat, Barmer in Rajasthan and Bangkok in Thailand; namely, Palwal Facility I, Palwal Facility II, Palwal Facility III, Anjar Facility I, Barmer Facility and Bangkok Facility.
Microsoft Dynamics 365 Business Central	Microsoft Dynamics 365 Business Central is a business management solution for small and mid-sized organizations
MMT	Million metric tons
MPPL	Malwa Power Private Limited
MT	Metric ton
Muktsar Biomass Power Plant	Our biomass power plant with a capacity of 6 MW located in Punjab, operated by our wholly owned subsidiary, MPPL, which caters to our power division. **]**
MW	Megawatt
NDE	Non-destructive examination
New Anjar Facility	A new manufacturing facility being set up by our Company in Anjar, Gujarat, which will cater to our piping division.
Non-GAAP	Non-Generally Accepted Accounting Principles
Numaligarh Facility	A new manufacturing facility being set up by our Company in Numaligarh, Assam, which will cater to our piping division.
OEM	Original Equipment Manufacturers
P91 and P92	Pipe of grade P91 and Pipe of grade P92 as American standards
Palwal Facility I	Our manufacturing facility located in Haryana which caters to our piping division and is dedicated to the manufacturing of pipe fittings, modular skids and other spools.
Palwal Facility II	Our manufacturing facility located in Haryana which caters to our piping division and is dedicated to the manufacturing of industrial pipe fittings.
Palwal Facility III	Our manufacturing facility located in Haryana which caters to our piping division and is dedicated to the manufacturing of piping spools and piping systems.
Piping Design	Designing of piping systems as per the designed pressure and designed temperature
Power Purchase Agreements or PPA	Power Purchase Agreements entered into by the following parties: (i) Our Company and Punjab State Power Corporation Limited; (ii) Malwa Power Private Limited and the Punjab State Electricity Board
Pressure Equipment Directive	Pressure Equipment Directive (PED) applies to the design, manufacture and conformity assessment of pressure equipment and assemblies with a maximum allowable pressure greater than 0.5 bar gauge including vessels, piping, safety accessories and pressure accessories
PSPCL	Punjab State Power Corporation Limited
PSTCL	Punjab State Transmission Corporation Limited
RFQ	Request for quote
Smart Plant 3D	Smart Plant 3D is a 3D design solution specifically tailored for plant, offshore, shipbuilding and the metals and mining industries

Conventional Terms/Abbreviations

Term	Description
AGM	Annual General Meeting

Term	Description
"Alternative Investment Funds" or "AIFs"	Alternative investment funds as defined in, and registered under the SEBI AIF Regulations
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF
Category I FPIs	FPIs registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF
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
CDSL	Central Depository Services (India) Limited
CIN	Corporate identity number
Companies Act, 1956	The Companies Act, 1956, read with the rules, regulations, clarifications and modifications notified thereunder
"Companies Act" or "Companies Act, 2013"	The Companies Act, 2013, read with the rules, regulations, clarifications and amendments notified thereunder
CSR	Corporate social responsibility
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
"DP" or "Depository Participant"	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DP ID	Depository Participant's identity number
DPIIT	Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
EBIT	EBITDA as adjusted for depreciation and amortization expenses
EBITDA	EBITDA refers to restated profit for the year, as adjusted to exclude (i) other income, (ii) depreciation and amoritzation expenses,(iii) finance costs, (iv) total tax expense and (v) share of profit of a Jointly controlled entity
EBITDA Margin	EBITDA as a percentage margin derived by dividing EBITDA by Revenue from contracts with customers
EGM	Extraordinary General Meeting
EPS	Earnings per share
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, read with rules and regulations notified thereunder
"FEMA Non-debt Instruments Rules" or the "NDI Rules"	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
"Financial Year" or "Fiscal(s)" or "Fiscal Year" or "FY"	The period of 12 months ending March 31 of that particular calendar year
FPIs	Foreign portfolio investors as defined in, and registered with SEBI under the SEBI FPI Regulations
Fraudulent Borrower	Fraudulent Borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Fugitive Economic Offender	Fugitive Economic Offender as defined under Regulation 2(1)(p) of the SEBI ICDR Regulations
FVCI	Foreign Venture Capital Investors (as defined under the SEBI FVCI Regulations) registered with SEBI
GAAR	General anti-avoidance rules
GDP	Gross Domestic Product
"Government of India" or "Central Government" or "GoI"	The Government of India
GST	Goods and Services Tax
HUF(s)	Hindu undivided family(ies)
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	Income-tax Act, 1961

Term	Description
Ind AS	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013, as amended
Ind AS 24	Indian Accounting Standard 24, "Related Party Disclosures", notified under Section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended
Ind AS 37	Indian Accounting Standard 37, "Provisions, Contingent Liabilities and Contingent Assets", notified under Section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended
Ind AS 108	Indian Accounting Standard 108, "Operating Segments", notified under Section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act 2013 and read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016, as amended
"INR" or "Rupee" or "₹" or "Rs."	Indian Rupee, the official currency of the Republic of India
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IRDAI Investment Regulations	Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016
IST	Indian Standard Time
IT	Information technology
MCA	Ministry of Corporate Affairs, Government of India
MSME	Micro, small and medium enterprises
N.A.	Not applicable
NACH	National Automated Clearing House
NAV	Total equity divided by weighted average numbers of Equity Shares outstanding during the year (as adjusted for effect of bonus shares issued subsequent to year end and used in calculating basis earning per share).
NBFC	Non-Banking Financial Companies
NCLT	National Company Law Tribunal
Net Debt to Total Equity	Net debt divided by total equity. Net debt is calculated as total of non-current borrowings and current borrowings minus total of cash and cash equivalents and bank balances
NEFT	National electronic fund transfer
Net worth	The aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
NPCI	National Payments Corporation of India
"NR" or "Non-resident"	A person resident outside India, as defined under the FEMA, including Eligible NRIs, FPIs and FVCIs registered with the SEBI
NRI	A person resident outside India, as defined under FEMA
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
"OCB" or "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/E Ratio	Price/earnings ratio
PAN	Permanent Account Number allotted under the Income Tax Act
PAT	Profit after tax
PBT Margin	Restated profit before tax as a percentage of revenue from contracts with customers
PAT Margin	Restated profit for the year as a percentage of revenue from contracts with customers
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act

Term	Description
"ROCE" or "Return on Capital Employed"	RoCE means return on capital employed, which represents EBIT (Earnings before Interest and Tax) during the relevant year as a percentage of capital employed. Capital employed is the total of all types of capital, other equity, total borrowings, total lease liabilities and deferred tax liabilities (net) less deferred tax assets (net) as of the end of the relevant year.
RoNW	Return on net worth which is the restated profit for the year divided by the net worth
RTGS	Real time gross settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SMS	Short message service
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
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 Mutual Fund Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employees Benefits and Sweat Equity) Regulations, 2021
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed pursuant to the SEBI AIF Regulations
Systemically Important NBFCs	Systemically important non-banking financial company registered with the RBI and as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Stock Exchanges	The BSE and the NSE
TAN	Tax deduction and collection account number
"THB" or "Thai Baht" or "฿"	Thai Baht, the official currency of Thailand
U.S. GAAP	Generally accepted accounting principles in the United State of America
U.S. Securities Act	The United States Securities Act of 1933, as amended
"US$" or "USD" or "US Dollar"	United States Dollar, the official currency of the United States of America
"USA" or "U.S." or "US"	United States of America
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
Wilful Defaulter	Wilful Defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
"Year" or "calendar year"	Unless the context otherwise requires, shall mean the twelve-month period ending December 31

OFFER DOCUMENT SUMMARY

The following is a general summary of certain disclosures and terms of the Offer included in this Draft Red Herring Prospectus and is neither exhaustive, nor purports to contain a summary of all the disclosures in this Draft Red Herring Prospectus or the Red Herring Prospectus or the Prospectus when filed, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the 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 Promoter and Promoter Group", "Financial Information", "Outstanding Litigation and Material Developments", "Offer Procedure" and "Description of Equity Shares and Terms of the Articles of Association" on pages 27, 75, 90, 106, 136, 186, 263, 268, 385, 418 and 437, respectively.

Summary of the primary business of our Company

We are an engineering company providing specialized process piping solutions for industries such as oil and gas, power, chemicals and other process industries through engineering, procurement and manufacturing. We have manufacturing experience of over three and a half decades and have been able to leverage our brand, strategically located manufacturing facilities and engineering capabilities to successfully expand our business. We also manufacture and supply piping products such as high-pressure piping systems, piping spools, high frequency induction pipe bends, LSAW pipes, industrial pipe fittings, pressure vessels, industrial stacks, modular skids and accessories including, boiler superheater coils, de-super heaters and other customized manufactured components.

Summary of the industry in which our Company operates

The global market for process piping solutions is expected to reach USD 54.5 billion by the end of this decade, growing by a CAGR of 4.6% during 2022-30 period. The process piping solutions market in India managed to generate an annual turnover of approximately INR 25.8 thousand crores in FY 2022. By FY 2030, the annual turnover in Indian process piping solution market is expected to reach INR 38.4 thousand crores, increasing by a CAGR of nearly 6% between FY 2022 and FY 2030. The demand for process piping solution is directly tied to the capital expenditure pattern in industrial segment (*Source: D&B Report*).

Name of our Promoter

Our Promoter is Krishan Lalit Bansal. For details, see "*Our Promoter and Promoter Group*" on page 263.

Offer size

The details of the Offer are summarised below:

Offer of Equity Shares(1)(3)	Up to [●] Equity Shares for cash at price of ₹ [●] per Equity Share (including a share premium of [●] per Equity Share) aggregating up to ₹ [●] million
of which:	
(i) Fresh Issue(1)(3)	Up to [●] Equity Shares aggregating up to ₹ 3,250.00 million
(ii) Offer for Sale(2)	Up to 7,900,000 Equity Shares aggregating up to ₹ [●] million

(1) *The Offer has been authorised by a resolution of our Board of Directors at their meeting held on September 7, 2023 and the Fresh Issue has been authorised by our Shareholders pursuant to a special resolution passed on September 7, 2023.*

(2) *The Selling Shareholder confirms that the Offered Shares have been held by him for a period of at least one year prior to filing of this Draft Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations and accordingly, are eligible for the Offer in accordance with the provisions of the SEBI ICDR Regulations. The Board of Directors have taken on record the offer of the Offered Shares in the Offer by way of a resolution dated September 25, 2023. For details on the authorization of the Selling Shareholder in relation to the Offered Shares, see "The Offer" and "Other Regulatory and Statutory Disclosures" on pages 75 and 398.*

(3) *Our Company, in consultation with the Book Running Lead Managers, may consider a Pre-IPO Placement of up to [●] specified securities aggregating up to ₹650.00 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the Book Running Lead Managers and the Pre-IPO Placement, if any, will be undertaken prior to filing of this Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the size of the Fresh Issue will be reduced by the number of specified securities issued and allotted in the Pre-IPO Placement, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement shall not exceed 20% of the size of the Fresh Issue.*

Objects of the Offer

The objects for which the Net Proceeds from the Fresh Issue shall be utilised are as follows:

Particulars	Amount (in ₹ million)(2)
Funding the working capital requirements of our Company	750.00
Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company and our Subsidiaries, DEE Piping Systems (Thailand) Co. Limited and DEE Fabricom India Private Limited	1,750.00

Particulars	Amount (in ₹ million)[(2)]
General corporate purposes[(1)]	[●]
Net Proceeds[(1)]	**[●]**

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

(2) *Our Company, in consultation with the Book Running Lead Managers, may consider a Pre-IPO Placement of up to [●] specified securities aggregating up to ₹650.00 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the Book Running Lead Managers and the Pre-IPO Placement, if any, will be undertaken prior to filing of this Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the size of the Fresh Issue will be reduced by the number of specified securities issued and allotted in the Pre-IPO Placement, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement shall not exceed 20% of the size of the Fresh Issue.*

For further details, see "*Objects of the Offer*" on page 106.

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

The aggregate pre-Offer shareholding of our Promoter, members of our Promoter Group and Selling Shareholder as a percentage of the pre-Offer paid-up Equity Share capital of our Company is set out below:

Name of the Shareholder	Number of Equity Shares held	Percentage of the pre-Offer paid-up Equity Share capital (%)
Promoter (also the Selling Shareholder)		
Krishan Lalit Bansal	39,639,185	74.74
Total (A)	**39,639,185**	**74.74**
Promoter Group		
DDE Piping Components Private Limited	7,532,275	14.20
Ashima Bansal	4,399,900	8.30
Shruti Aggarwal	50	Negligible
Shikha Bansal	1,467,130	2.76
DEE Group Trust	500	Negligible
Total (B)	**13,399,855**	**25.26**
Total (A + B = C)	**53,039,040**	**100.00**

Summary of Financial Information

Summary of selected financial information derived from our Restated Consolidated Summary Statements is as follows:

(in ₹ million, except per share data)

Particulars	As at and for the Fiscal		
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
(A) Equity Share capital	106.08	106.08	156.93
(B) Net worth[(1)]	4,136.95	4,013.68	4,484.98
(C) Revenue from contracts with customers	5,954.95	4,609.16	4,952.17
(D) Restated profit for the year	129.72	81.97	142.05
(E) Restated basic earnings per equity share (in ₹/share)[(2)]	2.45	1.53	2.44
(F) Restated diluted earnings per equity share (in ₹/share)[(2)]	2.45	1.53	2.44
(G) Net Asset Value per share (in ₹/share)[(3)]	79.87	76.75	78.16
(H) Total borrowings[(4)]	3,526.22	2,853.58	2,571.65

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, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*

(2) *Basic EPS (₹) = Restated profit for the year attributable to the equity shareholders of our Company/weighted average number of equity shares outstanding during the year after considering bonus shares which has been issued subsequent to March 31, 2023 for all periods presented in accordance with Ind AS 33. Diluted EPS (₹) = Restated profit for the year attributable to equity shareholders of our Company/weighted average number of equity shares outstanding during the year considered for deriving basic earnings per share and the weighted average number of Equity Shares which could have been issued on the conversion of all dilutive potential Equity Shares*

after considering bonus shares which has been issued subsequent to March 31, 2023 for all periods presented in accordance with Ind AS 33.

(3) *Net asset value per Equity Share is the total equity divided by weighted average numbers of Equity Shares outstanding during the year (as adjusted for effect of bonus shares issued subsequent to year end and used in calculating basis earning per share in accordance with principles of Ind AS 33).*

(4) *Total borrowings consists of current and non-current borrowings.*

For further details, see "*Restated Consolidated Summary Statements*" and "*Other Financial Information*" on pages 268 and 337, respectively.

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

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

Summary of outstanding litigation

A summary of outstanding litigation proceedings involving our Company, Subsidiaries, Directors and Promoter, in accordance with the SEBI ICDR Regulations and the Materiality Policy, as of the date of this Draft Red Herring Prospectus is disclosed below:

Name of the Individual/ Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoter	Material Civil Litigations	Aggregate amount involved (in ₹ million)*
Company						
By the Company	2	Not applicable	Not applicable	Not applicable	4	174.93
Against the Company	NIL	7	2	Not applicable	1	125.32
Directors						
By the Directors	Nil	Not applicable	Not applicable	Not applicable	Nil	Nil
Against the Directors	Nil	3	Nil	Not applicable	Nil	1.00
Promoter						
By the Promoter	Nil	Not applicable	Not applicable	Not applicable	Nil	Nil
Against the Promoter	Nil	2	Nil	Nil	Nil	1.00
Subsidiaries						
By the Subsidiaries	Nil	Not applicable	Not applicable	Not applicable	Nil	Nil
Against the Subsidiaries	Nil	1	Nil	Not applicable	Nil	1.07

* *To the extent quantifiable*

Our Company does not have any group company as on the date of this Draft Red Herring Prospectus. For further details, see "*Outstanding Litigation and Material Developments*" on page 385.

Risk Factors

Investors should please see the section entitled "*Risk Factors"* beginning on page 27 to have an informed view before making an investment decision.

Summary of contingent liabilities

The details of our contingent liabilities (as per Ind AS 37) derived from the Restated Consolidated Summary Statements are set forth below:

(in ₹ million)

Particulars	As of March 31, 2023
a) Claims against the company not acknowledged as debt	
(i) Demand by Income Tax Department	19.99
(ii) Demand by Excise Authorities	3.94
(iii) Claim filed by a supplier	-
b) Custom duty liability which may arise if obligations for exports are not fulfilled	1.80
c) Export obligation on account of duty free import	20.64

Note 1 *The Income Tax Authorities have raised demands on account of disallowances of certain expenditures pertaining to different assessment years. The group is contesting these demands, which are pending at various appellate levels. Based on the advice from independent tax specialist and the development on the appeals, the management is confident that additional tax so demanded with reference to these cases will not be sustained on completion of the appellate proceedings and accordingly, pending the decision by the appellate authorities, no provision has been made in these restated consolidated summary statements.*

Note 2 *The Excise Authorities have raised demands on account of non payment of excise duty on certain goods. The Group is contesting these demands, which are pending at various appellate levels. Based on the advice from independent specialists and the development on the appeals, the management is confident that the demands raised by Excise Authorities is not tenable and accordingly no provision is required in respect of these cases.*

For further details of our contingent liabilities (as per Ind AS 37) as at March 31, 2023, see "*Restated Consolidated Summary Statements– Note 32 – Commitments and Contingencies*" on page 322.

Summary of related party transactions

A summary of the related party transactions for the Fiscals ended March 31, 2023, 2022 and 2021 as per Ind AS 24 – Related Party Disclosures read with the SEBI ICDR Regulations and derived from our Restated Consolidated Summary Statements is set out below:

A) With Key Managerial Personnel and their relatives:

(in ₹ million)

Name	Nature of transaction	For the year ended		
		March 31, 2023	March 31, 2022	March 31, 2021
Short-term employee benefits				
Krishan Lalit Bansal	Remuneration	27.06	34.02	31.69
Atul Krishan Bansal	Remuneration	-	-	6.98
Ashima Bansal	Remuneration	8.21	8.10	8.10
Shikha Bansal	Remuneration	15.43	14.07	10.05
Shruti Aggarwal	Remuneration	6.65	4.20	1.86
Teerayut Golaka	Remuneration	-	8.52	2.23
Krisanakorn Triwattanathongchai	Remuneration	9.25	7.51	1.85
Gaurav Narang	Remuneration	6.41	6.40	5.06
Ranjan Sarangi	Remuneration	1.62	1.40	1.34
Sameer Agarwal	Remuneration	0.32	-	-
Charu Agarwal	Remuneration	0.22	-	-
Loans				
Krishan Lalit Bansal	Loan received	183.96	36.00	25.00
Krishan Lalit Bansal	Repayment of Loan	(151.46)	(36.00)	(26.00)
Sunita Aggarwal	Loan received	16.44	-	-
Ravinder Aggarwal	Loan received	16.44	-	-
Shikha Bansal	Loan received	30.54	-	-
Ashima Bansal	Loan received	3.00	-	1.00
Ashima Bansal	Repayment of Loan	(3.00)	-	(4.50)
Others				
Krishan Lalit Bansal	Rent Payment	0.14	0.14	0.14
Ajay Kumar Marchanda	Sitting fees	0.25	0.33	0.33
Satish Kumar	Sitting fees	0.25	0.38	0.28

B) With Subsidiary Companies:

(in ₹ million)

Name of Related party	Nature of relationship	Nature of transaction	For the year ended		
			March 31, 2023	March 31, 2022	March 31, 2021
Malwa Power Private Limited*	Subsidiary company	Sales of products	0.25	0.33	4.19
		Sales of property, plant & equipment	-	0.17	-
		Interest Income	0.56	1.41	4.96
		Interest expenses	1.25	-	-
		Loan Given	32.10	7.90	84.71

Name of Related party	Nature of relationship	Nature of transaction	For the year ended		
			March 31, 2023	March 31, 2022	March 31, 2021
		Repayment of Loan given	36.93	20.00	130.19
		Loan taken	115.00	-	-
		Loan refunded back	115.00	-	-
		Corporate Guarantee given to Banker for loan availed by the Company	125.30	85.00	90.00
DEE Piping Systems (Thailand) Co. Limited*	Subsidiary company	Investment in equity shares	-	110.81	-
		Sales of products	133.93	0.21	1.25
		Sales of property, plant & equipment	0.02	0.59	-
		Interest Income	50.02	31.38	33.90
		Purchase of goods	101.94	79.72	19.59
		Job charges	-	-	4.62
		Loan Given	61.91	-	98.24
		Corporate Guarantee	822.17	-	-
DEE Fabricom India Pvt. Ltd.*	Subsidiary company	Sale of product	0.22	3.69	-
		Sale of property, plant & equipment	-	0.08	-
		Purchase of property, plant & equipment	-	21.66	-
		Purchase of products	2.26	0.98	2.28
		Job charges	19.84	22.50	22.50
		Interest income	11.63	11.63	10.20
		Loan given	9.70	-	84.15
		Repayment of loan	-	-	37.50
		Rent paid	1.20	0.45	-
		Corporate guarantee given	244.28	270.41	-
Atul Krishan Bansal Foundation	Subsidiary company	Investment in equity shares	-	-	0.10
		Contribution towards CSR Expenditure	4.22	10.65	0.55

* *Eliminated in consolidation and included as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018*

For further details of the related party transactions, see "*Other Financial Information – Related Party Transactions*" on page 340.

Details of all financing arrangements

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

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

The weighted average price at which the Equity Shares were acquired by our Promoter and Selling Shareholder in the last one year preceding the date of this Draft Red Herring Prospectus are:

Name	Number of Equity Shares acquired in the one year preceding the date of the DRHP	Weighted average price of acquisition per Equity Share (in ₹)*
Promoter (also the Selling Shareholder)		
Krishan Lalit Bansal	NIL(1)	NIL

* *As certified by VSD & Associates, Chartered Accountants, by way of their certificate dated September 28, 2023.*
(1) *The number of equity shares acquired does not include the equity shares issued pursuant to a bonus issue.*

Average cost of acquisition of shares for our Promoter and the Selling Shareholder

The average cost of acquisition of Equity Shares for our Promoter and Selling Shareholder is as set out below:

Name of acquirer	Number of Equity Shares	Acquisition price per Equity Share (in ₹)*#
Promoter (also the Selling Shareholder)		
Krishan Lalit Bansal	39,639,185	0.83

* *As certified by VSD & Associates, Chartered Accountants, by way of their certificate dated September 28, 2023.*

\# *12,330 Equity Shares were issued to the Promoter in lieu of the acquisition of the business of partnership firm of M/S Development Engineers. Value of given equity shares is not quantifiable. Accordingly, the consideration amount has not been included for the calculation of average cost of acquisition.*

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

The weighted average cost of acquisition of all shares transacted in the last eighteen months, one year and three years preceding the date of this Draft Red Herring Prospectus is as follows:

Period	Weighted average cost of acquisition (in ₹)*#	Upper end of the price band (₹[●]) is 'X' times the weighted average cost of acquisition**	Range of acquisition price: Lowest price – Highest price (in ₹)**
Last eighteen months	493.64	[●]	430.00 - 500.00
Last one year	500.00	[●]	500.00 - 500.00
Last three years	102.65	[●]	99.00 - 500.00

* *As certified by VSD & Associates, Chartered Accountants, by way of their certificate dated September 28, 2023.*

** *Information to be included in the Prospectus.*

\# *The weighted average cost of acquisition has been calculated excluding bonus issues and transmission of shares.*

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 Promoter, the Promoter Group, the Selling Shareholder or Shareholder(s) with rights to nominate Director(s) or other special rights

Except as stated below, there have been no specified securities that were acquired in the last three years preceding the date of this Draft Red Herring Prospectus, by our Promoter, members of our Promoter Group and Selling Shareholder. There are no Shareholders with nominee director or other special rights. The details of the price at which these acquisitions were undertaken are stated below:

Name of the acquirer	Date of acquisition of Equity Shares	Number of Equity Shares acquired	Acquisition price per Equity Share (in ₹)**
Promoter (also the Selling Shareholder)			
Krishan Lalit Bansal	September 7, 2023*	31,711,348	-
Promoter Group			
DDE Piping Components Private Limited	May 17, 2021	12,744	99.00
	September 7, 2023*	6,025,820	-
Shruti Aggarwal	July 30, 2021	10	450.00
	September 7, 2023*	40	-
Shikha Bansal	June 30, 2021	293,326	-
	September 7, 2023*	1,173,704	-
DEE Group Trust	August 16, 2023	100	500.00
	September 7, 2023*	400	-
Ashima Bansal	September 7, 2023*	3,519,920	-

* *The equity shares were acquired pursuant to the bonus issue.*

** *As certified by VSD & Associates, Chartered Accountants, by way of their certificate dated September 28, 2023.*

Pre-IPO Placement

Our Company, in consultation with the Book Running Lead Managers, may consider a Pre-IPO Placement of up to [●] specified securities aggregating up to ₹650.00 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the Book Running Lead Managers and the Pre-IPO Placement, if any, will be undertaken prior to filing of this Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the size of the Fresh Issue will be reduced by the number of specified securities issued and allotted in the Pre-IPO Placement, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement shall not exceed 20% of the size of the Fresh Issue.

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

Except for the bonus allotment made on September 7, 2023, our Company has not issued any Equity Shares in the last one year from the date of this Draft Red Herring Prospectus, for consideration other than cash or bonus issue. For further details, see "*Capital Structure – Issue of shares issued for consideration other than cash or by way of bonus issue*" on page 94.

Split/consolidation of Equity Shares in the last one year

Our Company has not undertaken split or consolidation of its Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.

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

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

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain conventions

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

All references to the "U.S.", "U.S.A." or the "United States" are to the United States of America and its territories and possessions.

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

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

Financial data

Our Company's and each of our Subsidiaries' Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular Financial Year, Fiscal or Fiscal Year, unless stated otherwise, are to the 12 months period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

Unless stated otherwise or the context otherwise requires, the financial data and financial ratios in this Draft Red Herring Prospectus are derived from the Restated Consolidated Summary Statements. The Restated Consolidated Summary Statements of our Company, together with its subsidiaries and Jointly controlled entity, comprising the restated consolidated summary statement of assets and liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021 and restated consolidated summary statement of profit and loss (including other comprehensive income), and restated consolidated summary statement of cash flows and restated consolidated summary statement of changes in equity for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, the consolidated summary statement of significant accounting policies, and other explanatory information of our Company, derived from audited financial statements as at and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, prepared in accordance with Ind AS and restated by our Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI.

Unless otherwise stated or the context otherwise indicates, any percentage amounts, (excluding certain operational metrics), as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 27, 186 and 344. Restated Consolidated Summary Statements for the Financial Years ended March 31, 2021, March 31, 2022 and March 31, 2023 included in this Draft Red Herring Prospectus are derived from audited consolidated financial statements as of and for the Financial Years ended March 31, 2021, March 31, 2022 and March 31, 2023 prepared in accordance with Ind AS, the provisions of the Companies Act and other accounting principles generally accepted in India and restated by our Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI. Ind AS differs from accounting principles with which you may be familiar, such as Indian GAAP, IFRS and US GAAP.

Our Company has not attempted to explain in a qualitative manner the impact of the IFRS or US GAAP on the financial information included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial information to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP, which may differ from accounting principles with which the prospective investors may be familiar in other countries. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus, which is restated as per the SEBI ICDR Regulations, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices, Ind AS, the Companies Act and the SEBI ICDR Regulations, on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Prospective investors should review the accounting policies applied in the preparation of the Restated Consolidated Summary Statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar]

All figures, including financial information, in decimals (including percentages) have been rounded off to two decimals. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded-off to such number of decimal points as provided in such respective sources. In this 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.

All figures in diagrams and charts, including those relating to financial information, operational metrics and key performance indicators, have been rounded to the nearest decimal place, whole number, thousand or million, as applicable.

Non-Generally Accepted Accounting Principles Financial Measures

Certain Non-Generally Accepted Accounting Principles ("**Non-GAAP**") measures presented in this Draft Red Herring Prospectus such as Net worth, NAV, EBIT, EBITDA, EBITDA Margin, PBT Margin, PAT Margin, ROCE, RoNW and Net Debt to Total Equity are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the year / period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP measures, and other statistical and other information relating to our operations and financial performance, may not be computed on the basis of any standard methodology that is applicable across the industry and, therefore, a comparison of similarly titled Non-GAAP measures or statistical or other information relating to operations and financial performance between companies may not be possible. Other companies may calculate the Non-GAAP measures differently from us, limiting their usefulness as a comparative measure. Although the Non-GAAP measures are not a measure of performance calculated in accordance with applicable accounting standards, we compute and disclose them as our Company's management believes that they are useful information in relation to our business and financial performance.

Currency and units of presentation

All references to:

"₹" or "Rupees" or "Rs." or "INR" are to Indian Rupees, the official currency of the Republic of India;

- "US$" or "USD" are to United States Dollars, the official currency of the United States of America; and
- "Thai Baht" or "THB" or "฿" are to the official currency of Thailand.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in millions, except where specifically indicated. One million represents 10 lakh or 1,000,000 and ten million represents 1 crore or 10,000,000. However, where any figures that may have been sourced from third party industry sources are expressed in denominations other than millions in their respective sources, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in such respective sources.

Exchange rates

This Draft Red Herring Prospectus contains conversions 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 information with respect to the exchange rate between the Indian Rupee and the U.S. Dollar, and the Thai Baht, as on the dates indicated, is set forth below:

(in ₹)

Currency	Exchange Rate as on		
	March 31, 2023	March 31, 2022	March 31, 2021
1 US$	82.22	75.80	73.50
1 Thai Baht	2.41	2.28	2.34

Source: www.rbi.org.in, www.fbil.org.in and www.xe.com
Note: Exchange rate is rounded off to two decimal places

Industry and market data

Unless stated otherwise, industry related information and market data contained in this Draft Red Herring Prospectus, including in "*Risk Factors*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 27, 136, 186 and 344, respectively, have been obtained or derived from the report titled "*Industry Report on Pipe Fabrication & Process Piping Solutions*" dated September 2023 that has been prepared by Dun & Bradstreet Information Services India Private Limited ("**D&B**") which has been prepared exclusively for the purpose of understanding the industry in connection with the Offer and commissioned and paid for by our Company. D&B was appointed by our Company and does not have direct/ indirect interest or relationship with our Company, Promoter, Directors or KMPs of our Company except to the extent of issuing the D&B Report. For risks in relation to the D&B Report, see "*Risk Factors – Certain sections of this Draft Red Herring Prospectus contain information from the D&B Report which we commissioned and* *purchased and any reliance on such information for making an investment decision in the Offer is subject to inherent risks*." on page 60. The D&B Report will be available on the website of our Company from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date.

The D&B Report is subject to the following disclaimer:

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

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

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

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

Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but the accuracy, completeness and relevance of such information shall be subject to the disclaimers, context and underlying assumptions of such sources. The data used in these sources may have been reclassified or re-ordered by us for the purposes of presentation. Data from these sources may also not be comparable. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends upon the reader's familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which our Company conducts business and methodologies and assumptions may vary widely among different market and industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors – Certain sections of this Draft Red Herring Prospectus contain information from the D&B Report which we commissioned and purchased and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.*" on page 60.

In accordance with the SEBI ICDR Regulations, "*Basis for Offer Price*" on page 118 includes information relating to our peer group companies. Such information relating to our peer group has been derived from publicly available sources or the D&B Report, and neither we, nor the BRLMs or any of their affiliates have independently verified such information. Accordingly, no investment decision should be made solely on the basis of such information.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "goal", "expect", "estimate", "intend", "objective", "plan", "project", "should" "will", "will continue", "seek to", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. For the reasons described below, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Therefore, 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. .

These forward-looking statements are based on our present plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. For the reasons described below, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Therefore, 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.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, volatility 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 laws, regulations and taxes, changes in competition in our industry, incidence of natural calamities and/or acts of violence.

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

1. Failure to comply with high quality standards and stringent performance requirements by customers.

2. Dependence on manufacturing facilities and being subject to certain risks in manufacturing process due to the usage of heavy machinery in the manufacturing operations.

3. Downturn in the oil and gas, power (including nuclear), process industries, chemical sectors.

4. Significant part of our revenue being derived from some customers and not having long term contracts with most of these customers.

5. Inability to introduce new products or engineering processes and respond to changing customer preferences in a timely and effective manner or our product becoming obsolete due to a breakthrough in the development of technology or alternate products.

Certain information in "*Risk Factors*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 27, 136, 186 and 344, respectively, of this Draft Red Herring Prospectus have been obtained from the D&B Report prepared by D&B.

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 27, 186 and 344, 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 gains or losses in the future could materially differ from those that have been estimated and are not a guarantee of future performance.

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

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. None of our Company, our Directors, our KMPs, Senior Management Personnel, the Selling Shareholder, the Syndicate or any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company will ensure that investors are informed of material developments from the date of the Red Herring Prospectus until the date of Allotment pursuant to the Offer.

In accordance with regulatory requirements including requirements of SEBI and as prescribed under applicable law, the Selling Shareholder will, ensure that investors in India are informed of material developments in relation to the statements and undertakings specifically made or confirmed by him in relation to himself as a Selling Shareholder and the Offered Shares from the date of the Red Herring Prospectus until the date of Allotment pursuant to the Offer. Only statements and undertakings which are specifically confirmed or undertaken by the Selling Shareholder about or in relation to himself as a Selling Shareholder and his Offered Shares, in this Draft Red Herring Prospectus shall be deemed to be statements and undertakings made by the Selling Shareholder.

SECTION II: RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry and segments in which we operate or to India. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial, may also impair our business, results of operations, financial condition and cash flows. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of our Company and our business, you should read this section in conjunction with "Our Business", "Industry Overview", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 186, 136, 268 and 344, respectively, as well as the other financial, statistical and other information contained in this Draft Red Herring Prospectus. In making an investment decision, you must rely on your own examination of the terms of the Offer, the Company and its business including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Our financial year ends on March 31 of each year, so all references to a particular financial year are to the twelve month period ended March 31 of that year. Unless otherwise indicated or the context otherwise requires, the financial information for the financial years 2023, 2022 and 2021 included herein are derived from the Restated Consolidated Summary Statements, included in this Draft Red Herring Prospectus, which differ in certain material respects from IFRS, U.S. GAAP and the generally accepted accounting principles in other countries. For further information, see "Restated Consolidated Summary Statements" beginning on page 268.

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. See "Forward-Looking Statements" on page 25.

Our Company has a Subsidiary in Thailand, and such Subsidiary is subject to the legal and regulatory environment prevalent in Thailand, which will be different from the legal and regulatory framework governing our Company. Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company", "we", "us", "our" are to DEE Development Engineers Limited and our Subsidiaries on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Industry Report on Pipe Fabrication & Process Piping Solutions" dated September 2023 (the "**D&B Report**") which is exclusively prepared for the purpose of the Offer and issued by Dun & Bradstreet ("**D&B**") and is exclusively commissioned for an agreed fee and paid for by the Company. D&B was appointed on May 26, 2023, pursuant to an engagement letter entered into with our Company. D&B is not related in any manner to our Company. The data included herein includes excerpts from the D&B Report and may have been reordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Offer), that has been omitted or changed in any manner. The D&B Report was prepared on the basis of information as of specific dates and opinions in the D&B Report may be based on estimates, projections, forecasts and assumptions that may be as of such dates, or dates indicated in the D&B Report. D&B has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and has further advised that while it has taken due care and caution in preparing the D&B Report based on the information obtained by it from sources which it considers reliable, it does not guarantee the accuracy, adequacy or completeness of the D&B Report or the data therein and is not responsible for any errors or omissions or for the results obtained from the use of D&B Report or the data therein. Unless otherwise indicated, financial, operational, industry and other related information derived from the D&B Report and included herein with respect to any particular year refers to such information for the relevant calendar year. A copy of the D&B Report will be available on the website of our Company from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date. Further, the D&B Report is not a recommendation to invest or disinvest in any entity covered in the report. The views expressed in the D&B Report are that of D&B. You are advised not to unduly rely on the D&B Report. For more information and risks in relation to commissioned reports, see "Risk Factors – Certain sections of this Draft Red Herring Prospectus contain information from the D&B Report which we commissioned and purchased and any reliance on such information for making an investment decision in the Offer is subject to inherent risks." on page 60. Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 23.*

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. You should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

Internal Risk Factors

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

We are an engineering company providing specialized process piping solutions for industries such as oil and gas, power (including nuclear), process industries and chemicals through engineering, procurement and manufacturing. Given the nature of application of our products and engineering processes to critical industries such as oil and gas and power (including nuclear), our products and engineering processes are measured against, high quality standards and stringent specifications of our customers. These specifications are provided by our customers through technical and quality standard specifications which form part of the request for quotations or tender documents circulated by our customers or as part of the contracts or purchase orders which we enter into with our customers. Our customers provide a varying range of specifications which include, *inter alia*, specifications in connection with the design and manufacturing of the product, testing and inspection, safety, quality and sourcing of raw material, packaging, shipment and delivery, adherence and compliance with environmental, health and safety laws and usage of skilled manpower. We cannot assure you that we will be able to meet such technical specifications and quality standards imposed by our customers, at all times. The failure by us to achieve or maintain compliance with these requirements or quality standards may disrupt our ability to supply products to our customers until compliance with such requirements or standards is achieved.

In order to check compliance with the technical specifications and quality standards, many of our customers have audited our facilities and manufacturing processes in the past and may undertake similar audits periodically in the future. These audits play a critical role in customer retention, and any adverse issues that arise in the course of these audits may lead to the relevant customer not considering us for new business, or cancelling their orders with us, until we successfully address any concerns or issues leading to a loss of business from such customer. Further, our agreements with customers typically require us to provide, without any additional charge, assistance and facilities required for inspection and tests of our products and engineering services, which may be undertaken either by our customers or by any external third party.

Our contracts typically require us to indemnify our customers from any liabilities and expenses incurred due to defects and damages found in the products or in connection with performance of engineering service and supplies. Customers can enforce such indemnities against us, unless such defect, damage, or delay is caused due to the customer's wilful misconduct, fraud, gross negligence or wilful misrepresentation. Under our agreements with our customers, we are liable to pay liquidated damages for any delay in the supply of products. These liquidated damages typically range from 0.1% to 1.5% of the total contract or purchase order value, per week of delay, and are typically capped at 5% to 30% of the total contract or purchase order value. We are also liable to pay liquidated damages for any delay in providing documents to our customers in connection with the work which we undertake.

There have been instances in the past where we were not able to meet the scheduled timelines of delivery and consequently, we had to pay liquidated damages to certain customers. The table below sets out the amount of liquidated damages paid by us, due to our inability to meet scheduled timelines prescribed by our customers, as well as the amount of liquidated damages paid by us as a percentage of our revenue from contracts with customers for Fiscal 2023, Fiscal 2022, Fiscal 2021:

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	In ₹ million	As a percentage of total revenue from contracts with customers (%)	In ₹ million	As a percentage of total revenue from contracts with customers (%)	In ₹ million	As a percentage of total revenue from contracts with customers (%)
Cost incurred on liquidated damages paid by us due to our inability to meet scheduled timelines prescribed by our customers	17.31	0.29%	15.99	0.35%	3.20	0.06%

Our contracts also require us to provide warranty against the products and engineering services which we have provided, which requires us to repair or replace the goods or services furnished, which fail to comply with the specifications prescribed by our customers, during the warranty/ defect liability period. The warranty/ defect liability period typically lasts for 12 to 24 months from commissioning/ operational start-up of the relevant project or for a period of 30 to 48 months from the date of delivery of the goods. Further, in the event we replace or repair any goods, we are required to provide an additional warranty on such repaired or replaced goods, which is typically provided for a period of 12 to 24 months. While the cost incurred by the Company for settlement of warranty claims in Fiscal 2023, Fiscal 2022 and Fiscal 2021 is ₹Nil, ₹Nil and ₹Nil, respectively, we cannot assure you that such warranty claims will not be raised in the future.

Accordingly, our customers typically require us to undertake or provide performance bank guarantees for such quality and delivery related obligations which can be enforced against us in case of defective or damaged products or delay in delivery of the products or services supplied by us. The performance bank guarantees which we are required to furnish to our customers typically range from 5% to 20% of the total contract value of the order. These performance bank guarantees furnished by us to our customers are time bound and the expiry period of such guarantees are subject to the commercial terms entered into with each customer. For certain customers, the performance bank guarantee is released upon satisfactory completion of the work, for other customers the period of the performance bank guarantee extends until the period of warranty or for a period of 12-48 months from the date of delivery of the products or from the date of commissioning/ operational start-up of the relevant project.

Depending on the terms under which we supply products or services, if we supply products or services that do not comply with the specifications provided by our customers, our customers may hold us responsible for (i) some or all of the repair or replacement costs of defective products or services; and (ii) all losses incurred due to injury, illness or death to third party or violation of laws due to defective products or services, and the costs of claims, suits and actions in relation to such losses. Such instances could adversely affect our reputation and business and, to the extent not covered by insurance, our results of operations, financial condition and cash flows.

The table below sets out our cost incurred on rectifying products which are not in accordance with the specifications provided by our customers as well as the cost incurred on rectifying products which are not in accordance with the specifications provided by our customers as a percentage of our revenue from contracts with customers, during the Fiscal 2023, Fiscal 2022 and Fiscal 2021:

Particulars	**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
	In ₹ million	**As a percentage of total revenue from contracts with customers (%)**	**In ₹ million**	**As a percentage of total revenue from contracts with customers (%)**	**In ₹ million**	**As a percentage of total revenue from contracts with customers (%)**
Cost incurred on rectifying products which are not in accordance with the specifications provided by our customers	Nil	Nil	0.05	0.00%	0.57	0.01%

We cannot assure you that in future we will not default on any of the existing terms, delivery timelines, specifications or quality standards prescribed by our customers, which may result in the cancellation of existing and future orders, recalls, liquidated damages, invocation of performance bank guarantees or warranty, indemnity and liability claims. Further, such delays in the execution of orders results in the cost overruns and affects our payment milestones subsequently impacting our revenue.

2. ***Our business is dependent and will continue to depend on our manufacturing facilities, and we are subject to certain risks in our manufacturing process due to the usage of heavy machinery in our manufacturing operations. Any slowdown or shutdown in our manufacturing operations or strikes, work stoppages or increased wage demands by our employees could interfere with our operations, and could have an adverse effect on our business, cash flows, financial condition and results of operations.***

We have six strategically located Manufacturing Facilities at Palwal in Haryana, Anjar in Gujarat, Barmer in Rajasthan and Bangkok in Thailand, with three Manufacturing Facilities located at Palwal, Haryana. Our Barmer Satellite Facility is a dedicated facility set up to cater to the piping and erection requirements of the HPCL Rajasthan Refinery Limited. Our wholly owned subsidiary, DFIPL operates our Anjar Heavy Fabrication Facility. Our six Manufacturing

Facilities and the Anjar Heavy Fabrication Facility together span an area of approximately 425,578.54 square meters. Our Manufacturing Facilities had cumulative installed capacity of 94,500 MT per annum, 91,500 MT per annum and 86,500 MT per annum for Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively; and our capacity utilisation, calculated on the basis of our total production capacity was 43.10%, 27.40% and 27.77% for Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively. Our business is dependent upon our ability to manage our manufacturing facilities, which are subject to various operating risks such as the malfunction or breakdown of machinery (including leasehold machinery), failure of equipment or industrial accidents. Any significant malfunction or breakdown of our machinery, our equipment, our IT systems or any other part of our manufacturing processes or systems may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to maintain, repair our machinery, equipment, IT systems or any other part of our manufacturing processes or systems in a timely manner or at all, our operations may need to be suspended until we procure the appropriate machinery, equipment or systems to replace them. In addition, we may be required to carry out planned shutdowns of our facilities for maintenance, inspections and testing, or may shut down certain facilities for capacity expansion and equipment upgrades.

Our piping business involves the usage of heavy machinery with equipment such as heavy cranes, welding equipment, bevelling machines and pickling machines which are operated by our employees. These activities can be extremely dangerous and any accident, including any mechanical and operational failures could cause serious injury to people or property and in certain circumstances, even death. Certain accidents have occurred at our Manufacturing Facilities in the past, which have resulted in the death of employees and contract labour. Any disruption in the operation of our existing production facilities due to any of the foregoing risks could adversely affect our business, financial condition, results of operation and prospects. In addition, many of these operating and other risks may cause personal injury and loss of life, severe damage to or destruction of property and equipment, and environmental damage, and may result in suspension of our operations and the imposition of civil or criminal penalties. Any accident caused due to mechanical or operational failure may cause our workforce to discontinue working at our Manufacturing Facilities due to concerns of safety, which may have an adverse impact on operations.

Our Manufacturing Facilities may also be adversely impacted by a shortage or unavailability of electricity or water. For further details, see "*Risk Factors - A shortage or unavailability of electricity or water could affect our manufacturing operations and biomass power generation and may have an adverse effect on our business, results of operations and financial condition.*"

We have introduced automation in our facilities for the manufacturing, design and fabrication of pipes. For instance, our Manufacturing Facilities are equipped with modern equipment and systems which includes fully automated robotic welding systems, in-house non-destructive facilities such as radiography test/ magnetic particle test, ultrasonic testing, liquid penetrant test, visual test, semi-automatic shot blasting machines and separate fabrication shops for stainless steel. However, in case there are any other new technological developments discovered that significantly decreases the cost of production, in order to compete effectively, we may be required to replace our existing machines with the new ones and thereby incur additional capital expenditure, which would have a material adverse effect on our financial condition and results of operations.

Since a significant portion of our sales are to our overseas customers, our Anjar Facility I, our Anjar Heavy Fabrication Facility, our proposed New Anjar Facility in Gujarat and our Bangkok Facility are strategically located with access to ports to cater to our overseas customers. Our manufacturing facilities in Anjar (Gujarat) are located at a distance of approximately 24 kms from the Deendayal Port Trust (Kandla Port) and at a distance of approximately 75 kms from the Adani Ports and Special Economic Zone (Mundra Port). Our Bangkok Facility is located at a distance of approximately 62 kms from the Bangkok Port. For details, see "*Our Business– Our Facilities*". In the event that we are forced to shut down or decrease the capacity utilization of any of these manufacturing facilities for a significant period of time, it would have a material adverse effect on our earnings and our results of operations from sale of our products and engineering services to overseas customers, which contributes significantly to our revenue from contracts with customers as a whole. Our revenue from contracts with customers outside India as a percentage of total revenue from contracts with customers in Fiscal 2023, Fiscal 2022 and Fiscal 2021 are given below:

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	In ₹ million	As a percentage of total revenue from contracts with customers (%)	In ₹ million	As a percentage of total revenue from contracts with customers (%)	In ₹ million	As a percentage of total revenue from contracts with customers (%)
Revenue from contracts with customers outside India	2,685.92	45.10%	1,681.48	36.48%	2,259.62	45.63%

Our inability to effectively respond to any slowdown or shutdown and to rectify any disruption, in a timely manner and at an acceptable cost, could also lead to an inability to comply with our overseas' customers' requirements and would result in us breaching our contractual obligations. Any significant social, political or economic disruption, or natural calamities or civil disruptions or breakdown of services and utilities in the region where our manufacturing facilities are located, or changes in the policies of the state or local governments of such region, may require us to incur significant capital expenditure, or change our business structure or strategy, or a change in which could have an adverse effect on our business, results of operations and financial condition.

Further, the success of our operations depends on the availability of labour and good relationships with our labour force. At times in order to maintain good relations with local communities, where our Manufacturing Facilities are located, we may be required to provide a number of jobs at our Manufacturing Facilities to local persons. While we ensure that all of our employees and labour are adequately trained, this hiring practice may result in us not being able to hire other skilled manpower, which we may have done otherwise, if not for the obligation to hire local employees. Our Manufacturing Facilities are remotely located and there have been instances where we have faced challenges in employing persons who may be reluctant to relocate to these remote areas. We may incur additional costs in terms of providing accommodation or other facilities in order to assist our employees in working from these remote areas. Strikes and lockouts as a result of disputes with our labour force may adversely affect our operations. While our employees are not members of any organized labour union, and we have not had any instances of strikes, lockouts or labour disputes in the past, we cannot assure you that we shall not experience any strikes or lockouts on account of labour disputes in the future. Such events could disrupt our operations and may have a material adverse effect on our business, financial condition and results of operations.

3. ***Any downturn in the oil and gas, power (including nuclear), process industries, chemical sectors would create an adverse impact on our revenue from contracts with customers, cash flows and financial conditions.***

Our business is heavily dependent on the oil and gas, power (including nuclear), process industries and chemical sectors, in which our customers operate. Our revenue contribution from our customers in the oil and gas, power (including nuclear power), process industries and chemical sectors are set out below together with our revenue from these sectors as a percentage of our total revenue from contracts with customers in Fiscal 2023, Fiscal 2022 and Fiscal 2021:

Sectors	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	In ₹ million	As a percentage of total revenue from contracts with customers (%)	In ₹ million	As a percentage of total revenue from contracts with customers (%)	In ₹ million	As a percentage of total revenue from contracts with customers (%)
Oil and Gas	3,057.79	51.35%	1,953.79	42.39%	1,610.63	32.52%
Power (including nuclear power)	2,033.83	34.16%	1,835.11	39.81%	2,217.84	44.79%
Power Generation through our Abohar Biomass Generation Plant and our Muktsar	739.08	12.41%	784.45	17.02%	660.27	13.33%

Sectors	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	In ₹ million	As a percentage of total revenue from contracts with customers (%)	In ₹ million	As a percentage of total revenue from contracts with customers (%)	In ₹ million	As a percentage of total revenue from contracts with customers (%)
Biomass Generation Plant						
Process Industries (including sugar, specialty chemicals and distilleries)	119.88	2.01%	35.81	0.78%	228.64	4.62%
Chemical	4.37	0.07%	0.00	0.00%	234.79	4.74%
Total	**5,954.95**	**100.00%**	**4,609.16**	**100.00%**	**4,952.17**	**100.00%**

Factors adversely affecting any of these industries in general, or any of our customers in particular, could have a cascading adverse effect on our business, cash flow, financial condition and results of operations. Such factors include, but are not limited to, the following:

- any fluctuations in the oil and gas prices, whether in India or overseas, would create an impact on the capital expenditure plans of oil and gas and power industries, which in turn may result in the cancellation, downsizing or deferring of our customers' capital expenditure plans thus impacting demand for our products and services. For instance, between 2014 and 2016 the global crude oil prices collapsed which created a temporary adverse impact on our business as we faced a decline in the tender opportunities and decline in our orders during such periods.

- seasonality of sectoral demand, which may cause our manufacturing facilities to be underutilised during specific periods;

- a failure by our customers to successfully market their products/ services or to compete effectively;

- change in any registration requirements or non-renewal of registrations or imposition of a regulatory ban, or trade sanctions imposed across the country or any such restrictions on our customers;

- loss of market share, which may lead our customers to reduce or discontinue the purchase of our products or the usage of our services;

- economic conditions of the markets to which our customers cater; and

- regulatory issues faced by these industries in India and internationally.

For any of the above reasons or for any other reason whatsoever, in the event business of our customers in any of these sectors were to substantially decrease, our customers will be unable to execute their expansion plans or business strategies, which will accordingly reduce our orders from such customers and consequently our business, financial condition and results of operations could be adversely affected.

As per the D&B Report, the Indian government has set ambitious targets for renewable energy, 500 GW by 2023 and is committed to increasing the proportion of renewables in the overall mix. In support of this objective, policies like the National Bioenergy Programme and favorable regulations have been implemented to facilitate biomass energy generation (*Source: D&B Report*). While we believe that this augurs well for the sector in which we operate, there can be no assurance that the government will continue to place emphasis on the gas infrastructure or related sectors and any change in government focus may adversely impact the growth of sector in which we operate and as a result our operations and financial performance may be adversely impacted.

4. ***We derive a significant part of our revenue from some customers, and we do not have long term contracts with a majority of these customers. If one or more of such customers choose not to source their requirements from us or to terminate our contracts or purchase orders, our business, cash flows, financial condition and results of operations may be adversely affected.***

Our customer base currently comprises of multinational and Indian companies. The table set forth below provides the revenue contribution and revenue contribution as a percentage of our total revenue from contracts with customers of our largest customer, our top 10 customers and our top 20 customers, for Fiscal 2023, Fiscal 2022 and Fiscal 2021:

Customers	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	In ₹ million	As a percentage of total revenue from contracts with customers (%)	In ₹ million	As a percentage of total revenue from contracts with customers (%)	In ₹ million	As a percentage of total revenue from contracts with customers (%)
Largest customer	822.17	13.81%	781.54	16.96%	940.57	18.99%
Top 10 customers	3,928.08	65.96%	3,374.00	73.20%	3,582.67	72.35%
Top 20 customers	5,159.73	86.65%	4,188.14	90.87%	4,381.80	88.48%

We expect that we will continue to be reliant on our major customers for the foreseeable future. Accordingly, any failure to retain these customers and/or negotiate and execute contracts with such customers on terms that are commercially viable, could adversely affect our business, financial condition and results of operations. In addition, any defaults or delays in payments by a major customer or insolvency or financial distress of any major customer may have an adverse effect on business, financial condition and results of operations. Our reliance on a select group of customers may also constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance.

We typically rely on purchase orders issued by our customers, to govern the volume and other terms of our sales of products and services. Many of the purchase orders we receive from our customers specify a price per unit and delivery schedule. However, such orders may be amended or cancelled prior to completion. Any cancellation or termination by our customers or delay or reduction in their orders or instances where anticipated orders fail to materialize can result in mismatch between our inventories of raw materials and of manufactured products, thereby increasing our costs relating to maintaining our inventory and reduction of our margins. Should such an amendment or cancellation take place, it may adversely impact our production schedules and inventories, and therefore adversely affect our profitability and liquidity. Further, we may not find any customers or purchasers for the surplus or excess capacity, in which case we would be forced to incur a loss.

5. ***If we are unable to introduce new products or engineering processes and respond to changing customer preferences in a timely and effective manner or if our product become obsolete due to a breakthrough in the development of technology or alternate products, the demand for our products or engineering services and supplies may decline, which may have an adverse effect on our business, cash flows, results of operations and financial condition.***

As per the D&B Report, the piping industry is characterised by high entry barriers, in the form of complex manufacturing technology, high capital investment, requirement for skilled labour, and the presence of a robust design & execution capability. The success of our business depends upon our ability to anticipate and identify changes in customer preferences, offering products and services that customers require and, on our ability to develop and manufacture our products in a timely and cost-effective manner. Additionally, such customer preferences are influenced by a number of factors beyond our control, such as the prices of alternative products and prevailing economic conditions. We constantly seek to develop our innovation capabilities to distinguish ourselves from our competitors to enable us to introduce new products and services and different variant of our existing products, based on customer preferences and demand.

Although we seek to identify trends and introduce new products, we recognise that customer preferences cannot be predicted with certainty and can change rapidly, and that there is no certainty that these will be commercially viable or effective or accepted by our customers or that we will be able to successfully compete in such new product segments. Before we can introduce a new product, we must successfully execute a number of steps, including successful engineering, obtaining required approvals and registrations, effective marketing strategies for our target customers, while scaling our vendor, production and infrastructure networks to increase or change the nature of our production capacity. The development and commercialization of new products are complex, time-consuming, costly and involves a high degree of business risk. We may be unable to successfully create these new products or encounter unexpected delays in the launch of these products and even if launched as planned, such products may not perform as we expect. We cannot assure you that we will be able to successfully make timely and cost-effective enhancements and additions to our technological infrastructure, 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. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs and lead to us being less competitive in terms of our prices or quality of products we sell.

In the event of a breakthrough in the development or growing popularity of alternate technology, we may be exposed to the risk of our products becoming obsolete or being substituted by alternatives, and any failure on our part to effectively address such situations or to introduce new products could adversely affect our business, results of operations, financial condition and cash flows. A slowdown in demand for our existing products ahead of a new product introduction could result in a write down in the value of inventory on hand related to existing products and such slowdowns and delays may occur in the future. Further, if our customers, defer or cancel orders for our existing products due to introduction of alternative products, which are much more suitable and preferred as an option, our operating results could be adversely affected.

6. ***We derive majority of our revenue from our engineering services and supplies and our financial condition would be materially and adversely affected if we fail to obtain new contracts.***

The table below sets forth contribution to our revenue from our engineering services and supplies in Fiscal 2023, Fiscal 2022 and Fiscal 2021 respectively:

	Fiscal 2023		**Fiscal 2022**		**Fiscal 2021**	
	In ₹ million	**As a percentage of total revenue from contracts with customers (%)**	**In ₹ million**	**As a percentage of total revenue from contracts with customers (%)**	**In ₹ million**	**As a percentage of total revenue from contracts with customers (%)**
Engineering Services and Supplies	2,249.25	37.77%	926.36	20.10%	704.80	14.23%

Our engineering services and supplies have been largely driven by our track record of meeting customer specifications, quality standards and our long term relationship with our key customers. We cannot assure you that the demand for our engineering services and supplies will be sustained at the same levels in the future. As a result of any adverse changes in demand by our customers and/or any unfavourable change in government policies which may affect such demand, the revenues derived from our engineering services and supplies could be lower than our expectations. This could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our engineering services and supplies are dependent on the capital expenditure plans of our customers. Any fluctuations in the oil and gas prices, whether in India or overseas, or any other factors impacting the business of our customers may result in the cancellation, downsizing or deferring the capital expenditure plans of our customers operating in the oil and gas, power (including nuclear), process industries and, chemical industries, which in turn could have a a material adverse effect on our business, financial condition, results of operations and prospects.

We may also be required to invest in updated technology and processes to develop upgraded engineering services having the desired specification, qualities and characteristics, and continually monitor and adapt to evolving demand in the piping industry. In the event of any change in the requirement by our customers of any technology presently used, which we are not able to provide or if we lack sufficient expertise in that technology, we will not be in a position to bid for such projects for lack of technical qualification and our competitors may get an advantage due to our incapability in bidding for projects requiring technologies which we are not capable of providing.

Our business, growth prospects and financial performance largely depends on our ability to obtain new orders in our engineering services and supplies, and there can be no assurance that we will be able to procure new orders. Our future results of operations and cash flows may fluctuate from period to period depending on the receipt of such orders. In the event we are unable to obtain new orders, our business will be materially and adversely affected. Factors affecting the piping industry, or our customers could have a cascading effect on our business, financial condition and results of operations.

7. ***We face competition from both domestic as well as international companies and our inability to compete effectively may adversely affect our business, cash flows, results of operations, financial condition and cash flows.***

We face competition from companies such as ISGEC Heavy Engineering Limited in certain segments and from the pipe fabrication division of L&T Heavy Engineering in certain areas of our operations, in India as well as other international companies such as Seonghwa Industrial Co. Limited., SUNG IL (SIM) Co Ltd, US Pipe Fabrication. and McDermott which either operate in the same line of business as us or offer similar products and services (*Source: D&B Report*). Few of our competitors may win market share from us by providing lower cost solutions to our customers, with or without adversely affecting their profit margins or by offering technologically advanced products or services.

Even if our offerings address industry and customer needs, our competitors may be more responsive to these needs and more successful at selling their products. If we are unable to provide our customers with superior products and services at competitive prices or successfully market those services to current and prospective customers, we could lose customers, market share or be compelled to reduce our prices, thereby adversely affecting our business, results of operations and financial condition. Our profitability and growth can also be affected by other competitive pressures such as competition for skilled engineering and technology professionals with a proven delivery track record. Our competitors' actions, including expanding their manufacturing capacity, expansion of their operations to newer geographies or product segments in which we compete, or the entry of new competitors into one or more of our markets could cause us to lower prices in an effort to maintain our sales volume. Any of the aforementioned factors could adversely affect our business, results of operations, financial condition and cash flows.

8. ***The number of orders we have received in the past, our current order book and our growth rate may not be indicative of the number of orders we will receive in future. Any delays in execution of our orders expose us to revenue volatilities adversely impacting our revenue from contracts with customers, cash flows and financial conditions***.

As of June 30, 2023, we had an order book of ₹ 5,787.38 million, which constitutes 97.19% of our revenue from contracts with customers for Fiscal 2023. Set out below is the split of our order book from our customers operating in various industries, along with a percentage of the order book details against our revenue from contracts with customers in Fiscal 2023:

Sectors in which our customers operate	Order book contribution (in ₹ million) as of June 30, 2023	As a percentage of revenue from contracts with customers in Fiscal 2023 (%)
Oil and gas	3,495.70	58.70 %
Power (including nuclear)	2,127.26	35.72 %
Process Industries	164.42	2.76 %
Total	**5,787.38**	**97.19 %**

The table below sets forth the breakdown of our order book from our domestic and overseas customers, along with a percentage of the order book details against our revenue from contracts with customers in Fiscal 2023:

Customers	Order book contribution (in ₹ million) as of June 30, 2023	As a percentage of revenue from contracts with customers in Fiscal 2023 (%)
Domestic customers	2,979.78	50.04 %
Overseas customers	2,807.60	47.15 %
Total	**5,787.38**	**97.19 %**

Our order book may be materially impacted if the time taken or amount payable for completion of any ongoing order of our Company exceeds the contractual estimate. The growth of our order book is a cumulative indication of the revenues that we expect to recognise in future periods with respect to our existing contracts. We cannot assure you that the income anticipated in our order book will be realised or if realised, will be realised on time or result in profits. While none of our orders have been cancelled or terminated in its entirety prematurely as on the date of this Draft Red Herring Prospectus, there can be no assurance that the orders will not be cancelled or terminated prematurely in the future, and our Company will receive any applicable termination payments in time or at all or that the amount paid will be adequate to enable our Company to recover its investments in respect of the prematurely cancelled order. In such events, we may have to bear the actual costs for such production incurred by us which may exceed the agreed work as a result of which, our future earnings may be lower from the amount of the order book and if any of the forgoing risks materialize, our cash flow position, revenues and earnings may be adversely affected.

The completion of our orders involves various execution risks which may make us unable to complete our orders within the scheduled time including order delays, modifications in the scope or cancellations may occur from time to time, due to delay in payments by our customers or due to our own defaults, incidents of force majeure, cash flows problems, regulatory delays and any other factor beyond our control. In view of the above, orders can remain in our order book for extended periods of time because of the nature of the order and the timing of the services required by our customers. Delays in the completion of an order may lead to delay in payments from our customers. A large portion of our order book is from large contracts with a few customers, increasing the potential volatility of our results and exposure to individual contract risks.

We cannot assure you that in future we would not default on any of the existing terms of our orders resulting in the payment of liquidated damages. Such delays in the execution of orders results in the cost overruns and affects our payment milestones subsequently impacting our revenue recognition method. Such delays also expose our business to revenue volatility thereby creating an adverse impact on our revenue, cash flows and financial conditions. We may not be able to maintain and enhance our production capabilities within scheduled time or implement our production plans effectively at all.

9. ***We have in the past, and may in the future, experience negative cash flows from investing and financing activities. Any negative cash flows in the future would adversely affect our results of operations, cash flows and financial condition.***

We have in the past, and may in the future, experience negative cash flows from investing and financing activities. The following table sets forth our net cash used in/ generated from operating, investing, and financing activities for the years indicated:

Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
	(in ₹ million)		
Net cash flows from operating activities	139.39	671.47	955.42
Net cash flows used in investing activities	(519.73)	(221.46)	(67.73)
Net cash flows from/ (used in) financing activities	395.13	(497.15)	(875.87)
Net increase/ (decrease) in cash and cash equivalents	14.79	(47.14)	11.82

We had negative net cash outflow from (a) investing activities primarily due to purchase of property, plant and equipment, capital work-in-progress and intangible assets, and (b) from financing activities primarily due to repayment of non-current borrowings, current borrowings, payment of lease liabilities and finance costs. Any negative cash flows in the future could adversely affect our results of operations and financial condition. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 344.

10. ***Our raw material cost constitutes a significant percentage of our total expenses. Any increase in the prices of raw materials or a change in our customers' preference of raw material suppliers could adversely affect our reputation, business, results from operations, financial conditions and cash flows.***

We undertake procurement of raw materials from both domestic and international sources based on factors including but not limited to market availability, pricing and quality. Our basic raw materials include seamless pipes, hot rolled plates, flanges and various fittings. We import part of our raw materials such as stainless steel seamless pipes, carbon steel pipes and welded pipes required for manufacturing of pipes, industrial pipe fittings and piping spools mainly from China, Japan and Italy.

The primary raw material which we utilize at our Manufacturing Facilities is steel. Steel prices fluctuate based on a number of factors, such as, the availability and cost of raw material inputs, fluctuations in domestic and international demand and supply of steel and steel products, international production and capacity, fluctuation in the volume of steel imports, transportation costs, protective trade measures and various social and political factors, in the economies in which the steel producers sell their products and are sensitive to the trends of particular industries, such as, the construction and machinery industries. When downturns occur in these economies or sectors, which may lead to a decrease in steel and steel product prices, and consequently we may experience decreased demand for our products. This may, in turn, have a material adverse effect on our business, results of operations, financial condition and prospects.

The primary raw material which we utilize at our biomass power generation facilities is paddy straw. We also utilize wheat husk, mustard straw and cotton stalk as raw material at our biomass power generation facility. These raw materials are sourced from farmers in the areas where our biomass power generation facilities are located. Due to the crop growing and harvesting seasons in Abohar and Muktsar, Punjab, paddy straw is available only during the months of October-November. If we are unable to procure the required quantity of raw material for our biomass power generation for the year, during this period, we may have to rely on other available raw material, and consequently, we may be unable to operate our biomass power generation facilities at optimum capacity. Such an event could adversely affect our reputation, business, results from operations, financial conditions and cash flow.

The table below sets out the cost incurred in import of raw materials from domestic and international suppliers as a percentage of our total revenue from contracts with customers for Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively.

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	In ₹ million	As a percentage of total revenue from contracts with customers (%)*	In ₹ million	As a percentage of total revenue from contracts with customers (%)*	In ₹ million	As a percentage of total revenue from contracts with customers (%)*
Cost of raw material procured from domestic suppliers	1,488.79	25.00%	1,587.53	34.44%	999.27	20.18%
Cost of raw material procured from international suppliers	806.83	13.55%	604.66	13.12%	713.26	14.40%
Total	**2,295.62**	**38.55%**	**2,192.19**	**47.56%**	**1,712.53**	**34.58%**

* *Our revenues from contracts with customers includes revenues from contracts where our responsibility includes procurement of raw materials (especially pipes) as well as contracts wherein bulk of raw materials (such as pipes) are provided by our customers.*

We are exposed to the price risks associated with purchasing our raw materials consumed, which form the highest component of our expenses. Further, in cases where the holding period of the raw material exceeds the average holding period, we may be required to have additional working capital coverage, for the purposes of maintaining such raw materials which may increase our raw material cost. Although we aim to accommodate such excessive cost in our subsequent/future orders, there can be no assurance that we shall be successful in passing such costs to our customers in the subsequent orders in part, or in full, or at all. Further, any increase in the price of raw materials consumption, which our Company is unable to pass on the impact of, would have a material adverse effect on our Company's business and financial position.

In case of loss, the advance paid to the supplier, if any, is typically recoverable subsequent to the supplier receiving the insurance claim. Although we believe that we enjoy a strong relationship with our suppliers and that our suppliers shall honour their commercial commitments, there can be no assurance that any such advance amount paid shall be reversed by our suppliers to us, in a timely manner or at all subsequent to realisation of the insurance claim. Any such failure on the part of our suppliers may have an adverse effect on our business, results of operations and financial condition.

We have not entered into long-term contracts with our raw material suppliers and all our procurements and supplies are by way of purchase orders/sales orders/short-term contracts which govern the commercial terms, including but not limited to the minimum product standards, quantity, price etc. The suppliers for our raw materials are typically predetermined by our customers, and we have to opt for the suppliers from a preferred list of suppliers provided by our customers through contracts. Our suppliers have access to our competitors who may offer better commercial terms than we may provide. In the absence of long-term contracts establishing formal exclusive relationships between us and such parties, we cannot assure that such business relationships shall last for long or at all and we may lose a significant portion of our revenues to our competitors. A change in preference of our raw material suppliers can result in discontinuation of our engagement with them and such a move could materially and adversely impact our business. Although, we have a strong emphasis on quality, timely delivery of raw materials and personal interaction by the senior management with our suppliers, any change in the buying pattern of buyers and preferences of suppliers can adversely affect the business and the profitability of our Company.

11. ***We are subject to contractual risks under our PPAs with our power purchaser, the Punjab State Power Corporation Limited ("PSPCL"), which is a government body. Any failure to extend or renew our PPAs will have a material and adverse effect on our business, financial condition, cash flows and results of operations.***

The counterparty under our long term PPAs is the PSPCL which is a state-owned entity, and is a principal purchaser of electricity in the state of Punjab. Our PPAs may be cancelled unilaterally by PSPCL upon occurrence of an event of default as enumerated under the PPAs and we may face difficulties negotiating or seeking recourse against them.

We believe that the following terms in our PPAs, amongst others, pose risks to our business:

- Any material failures by us such as failure to pay PSPCL any amount due under the PPA, failure on part of our Company to use reasonable diligence in operating, maintaining or repairing the biomass power facility, failure to perform material obligations under the PPA, failure to use non-conventional sources for generation of power as per the NRSE Policy, 2006 or abandonment of the biomass power facility or discontinuance of the services covered under the PPA will constitute events of default under our PPAs, upon expiration of the relevant cure period.

- Any material failures by us also entitles PSPCL to institute legal action or proceedings or resort to such other remedies as it deems necessary.

- If a force majeure event affecting PSPCL prevents us from supplying electricity to the relevant customer, the payments due under the PPAs available to us may not compensate us adequately.

The long term PPA entered into between PSPCL and our wholly owned subsidiary, MPPL, is expiring in February 2024. While our PPAs are typically renewed or extended after the initial term expires by mutual agreement, in the event that such PPAs are terminated prematurely, or not renewed or extended after the initial term expires, and if we are unable to enter into purchase agreements with other customers, this may have a material adverse effect on our business, financial condition, cash flows and results of operation.

12. ***Activities in the power generation business can be dangerous and we are subject to operational risks such as injury or fatalities to people or damage to property which could disrupt our biomass power generation plant operations and expose us to legal and regulatory action, which could affect our business, financial condition, cash flows and results of operations. Any reduction in dispatched output or the inability of our biomass power generation plants to generate or deliver power as a result of such disruptions may adversely affect our income.***

Our operations in the biomass power generation plants are subject to a number of operational risks, some of which are beyond our control and may delay generation and delivery of power. These include interruptions in supply of raw materials, boiler cleaning activities, unexpected maintenance activities technical problems, flaws in equipment design and construction, production below expected levels of output or efficiency, periodic interruptions to operations due to inclement or hazardous weather conditions, natural disasters, other hazards, industrial accidents, structural collapse and critical equipment failure, which could require a considerable amount of time to replace or repair. For instance, in Fiscal 2023, an alternator at our biomass power generation plant in Muktsar, Punjab was damaged due to wear and tear which resulted in a shutdown of our biomass power generation plant for 23 days. We cannot assure you that such incidents may not occur in the future which could adversely affect our business, financial condition and results of operations.

Activities in the power generation business can be dangerous and can cause injury or fatalities to people or damage to property in certain circumstances. This could subject us to significant disruptions in our energy business and to legal and regulatory action, which could adversely affect our business, financial condition, cash flows and results of operations. The power generation business typically requires employees and contractors to work under potentially hazardous circumstances including handling of highly flammable and explosive materials. Despite compliance with requisite safety requirements and standards, our power generation business is subject to similar hazards. If improperly handled or subjected to unsuitable conditions, these materials could injure our employees or other persons, cause damage to our properties and properties of others and harm the environment. Our biomass power generation plants may also experience boiler tube leakages, which would lead to damage and/or injury to people and property. This may result in disruption in our operations, subject us to regulatory proceedings or litigation, and impose significant restorative costs and liabilities, which may adversely affect our reputation, cash flows and financial condition.

Our profitability from the power division of our Company is a function of our ability to operate our biomass power generation plants at optimal levels as per minimum performance standards that may be determined for us from time to time by competent authorities and our ability to manage our costs. Any failure to meet such minimum performance standard or manage our costs may have a material adverse effect on our business and results of operation.

13. ***Some of our projects are awarded to us through a competitive bidding process. Our inability to effectively bid for such projects in the future could impact our operations and financial conditions.***

We obtain a large portion of our business through a competitive bidding process in which we compete for projects based on, among other factors, pricing, technical capabilities and performance, as well as reputation for quality, experience, past track record, and financing capabilities. The growth of our business depends on our ability to obtain projects including through being awarded tenders in a competitive bidding processes. Once the prospective bidders satisfy the qualification requirements of the tender, the project is usually awarded based on the quote submitted by the prospective bidder. We prepare our quotes through estimations based on our budget and bid for the proposals. Once the bids are evaluated by the customer, the bidder offering a competitive price and meeting other criteria is awarded the project. We spend considerable time and resources in the preparation and submission of bids. We cannot assure you that we would bid where we have been prequalified to submit a bid or that our bids, when submitted would be accepted. In Fiscal 2021, Fiscal 2022 and Fiscal 2023, we won 61.20%, 14.29% and 22.71% of the projects (calculated on the basis of amount in rupees), for which we had submitted bids.

At the time of submitting our bid to acquire a contract, we provide estimated costs involved for the completion of the project including costs related to raw materials, manpower, fuel, equipment, and any additional expenses that may be incurred during the execution of the project. However, an increase in the quantity of raw material, fuel and labour required to execute the project, whether on account of unforeseen construction conditions, or failure or delays on part of our contractors/ sub-contractors, or change in the project or any other reasons could cause the actual expense to us for executing the project to vary from the assumptions underlying our bid for such contract, which could expose us to increases in our actual costs and as such reduced profit margins or losses. We may or may not be able to recover all or some of the additional expenses, which may have a material adverse effect on our results of operations, cash flows and financial condition.

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

We may lose bids to our competitors pursuant to competitive bidding processes due to various factors, including factors which may be beyond our control, such as market conditions and external economic outlook. In the past we have lost certain bids on account of competitors offering lower price. We cannot assure you that we would not lose any bids in future as well. Further, any increase in competition during the bidding process or reduction in our competitive capabilities could have a material adverse effect on our market share.

With reference to projects where our bids have been successful, there may be delays in award of the projects, in procurement of approvals, as may be required for commissioning of the projects, which may delay our projects as well as result in cost overruns, and/or notification of starting dates, which may result in us having to retain resources which remain unallocated, thereby adversely affecting our financial condition and results of operations.

Further, as long as entities related to government are responsible for awarding contracts to us and are a critical party to the development and ongoing operations of our projects, our business is directly and significantly dependent on projects awarded by them. In relation to such contracts, we may also be subject to additional regulatory scrutiny associated with commercial transactions with government owned or controlled entities and agencies. Further, in certain instances, we may face delays associated with collection of receivables from government owned or controlled entities.

14. ***Certain forms filed by us with the RoC have discrepancies and certain corporate records and other documents, are not traceable. While we have conducted a search with the RoC, in respect of the unavailability of such forms and other records, we cannot assure you that such forms or records will be available at all or any time in the future.***

Our Company is unable to trace certain corporate records and regulatory filings made by us. These include corporate records and regulatory filings made in relation to certain allotments, including the form 2, list of allottees, form 23 and minutes of Shareholders' meetings. Further, certain filings made by our Company, including, form 2 and PAS-4 for certain allotments include discrepancies in the number of shares allotted to the respective shareholders, nature of consideration as well as dates and details of the capital build-up of our Company.

Accordingly, we had commissioned a physical and electronic search of the RoC records through a practicing company secretary, M/s. Kapil Kumar & Co., to ascertain the details of all corporate actions undertaken by our Company since incorporation. Pursuant to the foregoing, the practicing company secretary firm has issued its report dated September 25, 2023 (the "**Search Report**"). The key observations in relation to the Secretarial Due Diligence Report are as follows:

Nature of forms and records missing: The nature of forms and records the practicing company secretary was unable to locate are in relation to certain allotments and corporate actions by our Company, include: (i) Form 2s, and the accompanying challans; (ii) form 23 and accompanying challan; and (iii) list of allottees. We cannot assure you that the regulatory filings or corporate records which we have not been able to locate will be available in the future, or that the information gathered in this regard is correct, or that the regulatory filings were done in accordance with applicable law or at all or in timely manner.

Further, as per MCA, our corporate details are erroneously reflected twice, one being in our current name and the second one in our erstwhile name of "DEE Development Engineers Private Limited".

We cannot assure you that the regulatory filings or corporate records which we have not been able to locate will be available in the future, or that the information gathered in this regard is correct, or that the regulatory filings were done in accordance with applicable law or at all or in timely manner. Consequently, certain disclosures in this Draft Red Herring Prospectus in relation to the names of allottees and issue price, have been determined on the basis of other ancillary documents obtained by the practicing company secretary such as share certificates and certified true copy of the minutes of the Board meetings. For details of such allotments, transfers and transmissions, see "*Capital Structure - Notes to the Capital Structure*" on page 91, and "*Capital Structure - Details of Build-up, Contribution and Lock-in of Promoter's Shareholding and Lock-in of other Equity Shares*" on page 96. Additionally, while no notices, disputes or penalties have arisen or been imposed in connection with these corporate records and other documents as of the date of this Draft Red Herring Prospectus, we cannot assure you that no notices, dispute or penalties will arise or be imposed on us in this regard in the future.

15. ***The audit reports of our Company and certain of our Subsidiaries contain an emphasis of matter paragraph and the annexure to Auditor's Report under the Companies (Auditor's Report) Order, 2020 and Companies (Auditor's Report) Order, 2016 of our Company and few of our Subsidiaries, certain adverse remarks or qualifications.***

In the audit report dated September 20, 2021 issued by our Company's Statutory Auditors for our audited consolidated financial statements as of and for the Financial Year ended March 31, 2021, the Statutory Auditor has drawn attention by including an emphasis of matter to indicate management assessment of the likely impact of COVID-19 in the Restated Consolidated Summary Statements.

In the audit report dated September 24, 2022 issued by our Company's Statutory Auditors for our audited consolidated financial statements as of and for the Financial Year ended March 31, 2022, Statutory Auditor has drawn attention by including an emphasis of matter to indicate management assessment of the likely impact of COVID-19 in the Restated Consolidated Summary Statements.

In addition, the audit report dated September 22, 2023 issued by our Company's Statutory Auditors for our audited consolidated financial statements as of and for the Financial Year ended March 31, 2023 included, as an annexure, a statement on certain matters specified in the auditors' report issued under the Companies (Auditor's Report) Order, 2020 as applicable on the consolidated financial statements for the Financial Year ended March 31, 2023, which was modified to indicate that in respect of our Company and/or in some of our Subsidiaries:

DEE Development Engineers Limited

Quarterly returns/statements filed with banks were not in agreement with the unaudited books of accounts;

Malwa Power Private Limited (Subsidiary)

Company is generally regular in depositing undisputed statutory dues including goods and service tax, provident fund, employee state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues as applicable, with the appropriate authorities except payment of advance income tax.

In addition, the audit report dated September 14, 2022 issued by our Company's Statutory Auditors for our audited consolidated financial statements as of and for the Financial Year ended March 31, 2022 included, as an annexure, a statement on certain matters specified in the auditors' report issued under the Companies (Auditor's Report) Order, 2020 as applicable on the consolidated financial statements for the Financial Year ended March 31, 2022, which was modified to indicate that in respect of our Company and/or in some of our Subsidiaries:

DEE Development Engineers Limited

The inventory has been physically verified by the management during the year except for inventories for regular consumables in the nature of stores, spares and packing material and inventories lying with third party, which have not been verified during or at the end of the year.

Quarterly returns/statements filed with banks were not in agreement with the unaudited books of accounts;

Loans granted to our subsidiaries, wherein schedule for repayment of principal and interest had not been stipulated in the agreement and such loans are repayable on demand;

Malwa Power Private Limited (Subsidiary)

The original title deeds in respect of the immovable properties owned by the company were not available for physical verification as same were mortgaged with the lenders;

Company is generally regular in depositing undisputed statutory dues including goods and service tax, provident fund, employee state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues as applicable, with the appropriate authorities except payment of advance income tax.

Dee Fabricom India Private Limited

In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with except non charging of interest on the loan.

In addition, the audit report dated September 3, 2021 issued by our Company's Statutory Auditors for our audited consolidated financial statements as of and for the Financial Year ended March 31, 2021 included, as an annexure, a statement on certain matters specified in the auditors' report issued under the Companies (Auditor's Report) Order, 2016 as applicable on the consolidated financial statements for the Financial Year ended March 31, 2021, which was modified to indicate that in respect of our Company and/or in some of our Subsidiaries:

DEE Development Engineers Limited

The original title deeds in respect of the immovable properties owned by the company were not available for physical verification as same were mortgaged with the lenders;

The inventory has been physically verified by the management during the year except for inventories for regular consumables in the nature of stores, spares and packing material.

Loans granted to subsidiaries, wherein schedule for repayment of principal and interest had not been stipulated in the agreement and such loans are repayable on demand;

Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

In respect of Malwa Power Private Limited

Original title deeds in respect of the immovable properties owned by the company were not available for physical verification as same were mortgaged with the lenders;

Property, plant and equipment has not been physically verified by the management during the year.

For further information, see "*Restated Consolidated Summary Statements – Annexure VI – Part C: Non adjusting items*" on page 293. Such emphasis of matter, adverse remarks or qualifications did not require any corrective adjustment in the Restated Consolidated Summary Statements. There is no assurance that our audit reports for any future periods will not contain qualifications, emphasis of matters or other observations which affect our results of operations in such future periods.

16. ***Some of our new initiatives may not perform as anticipated or may be discontinued. There is no guarantee that we will be successful in the new business segment that we plan to expand into.***

As part of our growth strategy, we have recently expanded our business by entering a new business vertical of design, engineering, fabrication and manufacturing of pilot plants which acts as a pre-commercial production system to evaluate the feasibility of certain processes before the start of full-scale production. New business initiatives require strategic planning and efficient use of resources. We may face unanticipated hurdles as we venture into this new business segment.

Delays in any part of the process, or our inability to obtain necessary regulatory approvals for our pilot plant manufacturing business or failure of the pilot plants which we manufacture, could adversely affect our business. Further, if we discontinue our pilot plant business, the resources utilized towards establishment of this business may not be recoverable. This may adversely affect our business, results of operation and revenues.

We may also encounter other additional anticipated risks and significant competition in such markets. Due to our limited experience in undertaking these types of projects or offering the service of manufacturing pilot plants for customers, our entry into this new business segment may not be successful, which could hamper our growth and damage our reputation and this may impose additional strain on our resources and consume additional time and attention of our senior management. We may be unable to compete effectively for projects in this segment or execute the awarded projects efficiently. We may not be the supplier of first choice and may not command goodwill and trust of customers, as compared to other established players. We may present comparatively higher investment risks due to our limited operating history in the new business which we have ventured into. There can be no assurance that our limited operating history shall not adversely impact our rate of growth and our ability to succeed in realizing our growth strategy.

17. ***We have significant employee benefit expenses, such as salaries, wages and bonus, staff welfare expenses and contribution to provident and other funds. In case we face an increase in employee benefit expenses that we are unable to pass on to our customers, we may be prevented from maintaining our competitive advantage and our profitability may be impacted.***

As of June 30, 2023, our employee workforce (including the employees of our Subsidiaries) consisted of 1,033 employees. We are subject to labour legislations that protect the interests of workers, including legislations that set forth detailed procedures for dispute resolution and employee removal and impose certain financial obligations on employers upon retrenchment of employees, as well as laws and regulations relating to employee welfare and benefits such as minimum wage and maximum working hours, overtime, working conditions, non-discrimination, employee compensation, employee insurance, bonus, gratuity, provident fund, leave benefits and other such employee benefits. These legislations require compliance, from time to time, which may among others, involve payments to be made depending upon their period of employment. If we fail to comply with labour welfare legislations, we may be exposed to fines and we may also face the risk of our licenses under applicable legislations being cancelled or suspended. For further details on the labour laws and other regulations applicable to us, please refer to "*Key Regulations and Policies*" on page 219. Further, regulatory agencies in different states and courts in India may interpret compliance requirements differently, which may make compliance with laws and regulations more complex, time consuming and costly.

We also incur various employee costs, including salaries, wages and bonus, staff welfare expenses and contribution to provident and other funds. Employee benefit expenses constituted the third largest component of our total expenses, i.e., ₹1,109.47 million, ₹792.98 million and ₹ 739.63 million in Fiscal 2023, Fiscal 2022 and Fiscal 2021 respectively which represented 18.63%, 17.20% and 14.94% of our revenue from contracts with customers for the respective periods. In the event the welfare requirements under labour regulations applicable to us are changed, which leads to an increase in employee benefits payable by us, there can be no assurance that we will be able to recover such increased amounts from our customers in a timely manner, or at all. Our profit margins may get adversely impacted if we are unable to pass on such cost increases to our customers.

18. ***We depend on third-party agents for referral of a certain portion of our customers. Any factor affecting our business through third-party agents may adversely impact our reputation, business, results from operations and cash flows.***

We depend on third-party agents, to source a portion of our customers. Such third-party agents market and promote our products and services. We believe that continued growth in our business is dependent upon identifying, developing, and maintaining strategic relationships with such third-party agents. Our revenue contribution from our third-party agents as a percentage of our total revenue from contracts with customers in Fiscal 2023, Fiscal 2022 and Fiscal 2021 is set out in the table below:

	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	In ₹ million	As a percentage of total revenue from contracts with customers (%)	In ₹ million	As a percentage of total revenue from contracts with customers (%)	In ₹ million	As a percentage of total revenue from contracts with customers (%)
Revenue from third-party agents	419.29	7.04%	539.33	11.70%	344.65	6.96%

Our business is dependent on the ability of our third-party agents to promote, sell and market our products and services effectively. Our inability to maintain a stable distribution network of third-party agents and to attract new third-party agents in the future could adversely affect our business, financial condition and results of operations. Further, while we continuously seek to increase the penetration of our products and services by appointing new third-party agents targeted at different markets and geographies, we cannot assure you that we will be able to successfully identify or appoint new third-party agents or effectively manage our network.

While the terms of our agency agreements typically stipulate that the third-party agents are not allowed to enter any contract on behalf of our Company, any misrepresentation by a third-party agent to a potential customer, may adversely affect our business, financial conditions or results of operations. Further, our agreements with our existing third-party agents are not renewed automatically and the continuity of our relationship with them is dependent upon their internal policies, applicable law, and is subject to fresh negotiations.

If our competitors offer more favourable terms to our third-party agents than those offered by us, such agents may decline to market and promote our products and services and terminate their arrangements with us or they may focus on marketing and promoting our competitors' products and services. In addition, our competitors may also have exclusive arrangements with other third-party agents which may restrict them from marketing and promoting our products and services through them, thereby limiting our ability to expand our network. If we are unable to expand or effectively manage our third-party agent network, it could have an adverse effect on our business, financial condition or results of operations.

19. ***Our Barmer Satellite Facility is a dedicated facility set up to cater to the piping and erection requirements of the HPCL Rajasthan Refinery, which may shut down once the project is completed. The shutdown of this manufacturing facility may adversely affect our business, financial condition and results of operations.***

The Barmer Satellite Facility is a dedicated facility set up to cater to the piping and erection requirements of HPCL Rajasthan Refinery Limited (the "**HRRL**"), and does not cater to any other customer. The Barmer Satellite Facility is set up in close proximity to the customer to meet the customer's piping and erection requirements. Such facilities are set up to cater to the specific needs of a single customer, accordingly, we cannot assure you that once the requirements of the existing customer cease to exist, we will be able to continue operating this facility or customize the existing facility to serve other customers in the region and meet their requirements. The operations at the Barmer Facility contributed ₹ 282.22 million, ₹ 180.21 million and ₹ Nil million in Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively, which contributed 4.74%, 3.91% and Nil% respectively to our revenue from contracts with customers for the same period. Accordingly, if we are required to shut our Barmer Satellite Facility, it may have an adverse effect on our business, financial condition and results of operations.

20. ***Any underutilization of our manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance***

We have six strategically located Manufacturing Facilities at Palwal in Haryana, Anjar in Gujarat, Barmer in Rajasthan and Bangkok in Thailand, with three Manufacturing Facilities located at Palwal, Haryana. Our six Manufacturing Facilities and the Anjar Heavy Fabrication Facility together span an area of approximately 425,578.54 square meters and have an aggregate installed capacity of 94,500 MT.

The table below sets forth the installed production capacity and the capacity utilization at each of our Manufacturing Facilities and our Anjar Heavy Fabrication Facility for Fiscal 2023, Fiscal 2022 and Fiscal 2021:

Facilities	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Installed Capacity (in MT)*	Capacity Utilization (in %)*	Installed Capacity (in MT)*	Capacity Utilization (in %)*	Installed Capacity (in MT)*	Capacity Utilization (in %)*
Palwal Facility I	9,000.00	5.62 %	9,000.00	5.57 %	9,000.00	5.23 %
Palwal Facility II	3,000.00	67.13 %	3,000.00	60.77 %	3,000.00	42.43 %
Palwal Facility III	24,000.00	78.84 %	24,000.00	42.07 %	24,000.00	48.90 %
Barmer Facility	5,000.00	55.04 %	5,000.00	31.29 %	-	-
Anjar Facility I	3,000.00	41.60 %	-	-	-	-
Bangkok Facility	14,500.00	39.34 %	14,500.00	23.84 %	14,500.00	19.28 %
Anjar Heavy Fabrication Facility	36,000.00	26.63 %	36,000.00	21.19 %	36,000.00	21.52 %

* *As certified by V.K. Wadhawan, Chartered Engineer, by certificate dated August 25, 2023.*

These figures are not indicative of future capacity utilisation rates, which is dependent on various factors, including availability of raw materials, demand for our products, customer preferences, our ability to manage our inventory and implement our growth strategies. Under utilisation of our manufacturing capacities over extended periods, or significant under utilisation in the short-term, could materially and adversely impact our business, growth prospects and future financial performance.

21. ***We may undertake technological tie-ups with select global OEMs or investments, which may prove to be difficult to integrate and manage or may not be successful thereby negatively impacting our business, results of operations, growth prospects and financial conditions.***

We may consider undertaking technological tie-ups with select global OEMs with the belief that their resources, capabilities and strategies are complementary, and are likely, to enhance our business operations. Our Board may identify suitable opportunities and in the event we do identify such suitable opportunities, we cannot assure you that we will complete those transactions on terms commercially acceptable to us or at all, which may adversely affect our competitiveness and growth prospects. For instance, in the past we expanded our outreach by establishing a Jointly controlled entity, DEE Fabricom LLC UAE, in the United Arab Emirates for international diversification and a potential market for prefabrication in the Middle East and the North Africa region. However, due to commercial reasons, our Company voluntarily wound up the Jointly controlled entity. We cannot assure you that any of our future technological tie-ups or investments would be successful.

22. ***We are required to comply with various government regulations, including obtaining licenses, permits, approvals and consents under certain environmental laws, which are critical for operating our facilities and biomass power generation plants. If we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, results of operations and cash flows may be adversely affected.***

We have six Manufacturing Facilities across India and Thailand, located at Palwal in Haryana, Barmer in Rajasthan, Anjar in Gujarat and Bangkok in Thailand, one engineering Facility located in Chennai, Tamil Nadu, one heavy fabrication facility located in Anjar, Gujarat and two biomass power generation plants located in Punjab at Abohar and Muktsar, respectively. Our operations are subject to extensive government regulations, and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in India and in respective regions that we have operations, generally for carrying out our business, producing and marketing our products and for our facilities. For details of applicable regulations and approvals relating to our business and operations, see "*Government and Other Approvals*" on page 391.

While there have been no instances of non-compliance with the requirements under environmental law for our operations there is no assurance that in the future, we would be able to obtain such environmental consents in a timely manner or at all. We may, in the future, be subjected to regulatory actions for violations including closure of our Manufacturing Facilities and biomass power generation plants, imposition of penalties and other penal actions against our Company and management, which may have a negative impact on our business, reputation, results of operations and cash flows. Further, any failure to comply with environmental laws and/or the terms and conditions of approvals issued under such environmental laws and regulations could also impact our ability to obtain or renew the approvals with respect to our Manufacturing Facilities in a timely manner or at all and may also adversely affect our ability to operate our units and consequently affect our results of operations.

Failure by us to renew, maintain or obtain the required permits or approvals at the requisite time may result in the interruption of our operations and may have an adverse effect on our business, financial condition and results of operations. Some of the key approvals required for our Bangkok Facility are not registered under the name of our Subsidiary, DEE Piping Systems (Thailand) Co., there can be no assurance that these would be registered under our Subsidiary's name in the future. The approvals required by our Company are subject to numerous conditions and there can be no assurance that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action.

We are also subject to a broad range of safety, health, labour, and workplace related laws and regulations in the jurisdictions in which we operate, which impose controls on the disposal and storage of raw materials, noise emissions, air and water discharges; on the storage, handling, discharge and disposal of chemicals, employee exposure to hazardous substances and other aspects of our operations. For example, laws in India limit the amount of hazardous and pollutant discharge that our Manufacturing Facilities may release into the air and water. The discharge of substances that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies and incur costs to remedy the damage caused by such discharges. Any of the foregoing could subject us to litigation, which may increase our expenses in the event we are found liable and could adversely affect our reputation.

The adoption of stricter health and safety laws and regulations, stricter interpretations of existing laws, increased governmental enforcement of laws or other developments in the future may require that we make additional capital expenditures, incur additional expenses or take other actions in order to remain compliant and maintain our current operations. Complying with, and changes in, these laws and regulations or terms of approval may increase our compliance costs and adversely affect our business, prospects, results of operations and financial condition.

Further, the power sector in India, is highly regulated and governed by various laws and regulations, including the Electricity Act and the National Electricity Policy. There can be no assurance that we will be able to respond in a timely and effective manner to the regulatory changes taking place in the power sector and any future regulatory changes. We are required to meet certain requirements and obligations under policies imposed by and schemes launched by the government which may involve substantial amount of cost allocation and may not be in line with the best interest of our business in terms of our aim to decrease expenditure and increase profitability. The GoI has accorded renewable energy "must-run" status, which means that any renewable power that is generated must always be accepted by the grid. However, certain state electricity boards may order the curtailment of renewable energy despite this status and there have been instances of such orders being introduced in the past. This may occur as a result of the state electricity boards' purchasing cheaper power from the exchanges or as a result of transmission congestion owing to mismatch between generation and transmission capacity. There can be no assurance that the GoI will continue to maintain the "must-run" status to renewable energy or that the state electricity boards will not make any orders to curtail the generation of renewable energy. Any change in policy or such curtailment may interrupt our operations and may have an adverse effect on our biomass power generation business, cash flows and results of operations. Further, any unfavourable changes in government (central and state) policies governing the biomass power generation sector may have a negative impact on the demand for biomass power projects which in turn could have an adverse impact on our results of operations.

Further, under applicable Indian foreign investment laws, an Indian company is permitted to invest in, or provide financial commitment to overseas jointly controlled entity or wholly owned subsidiaries, to the extent of 400.00% of the Indian company's net worth as at the date of its last audited balance sheet (subject to certain exceptions). This limitation also applies to any other form of financial commitment by the Indian company, including in terms of any loan, guarantee or counter guarantee issued by such Indian company. Further, there may be limitations stipulated in the host country for foreign investment. Investment or financial commitment not complying with the stipulated requirements is permitted with prior approval of the RBI. Additionally, there are also further requirements specified under the Companies Act and Indian foreign exchange laws in relation to any acquisition that we propose to undertake in the future. These limitations on overseas direct investment could constrain our ability to acquire overseas entities as well as to provide other forms of financial assistance, including guarantees, or support to such entities, which may adversely affect our growth strategy, business and prospects.

23. ***Our Company has availed unsecured loans that may be recalled at any time*.**

Our Company and its Subsidiaries have currently availed unsecured loans which may be recalled by the lenders at any time. In such cases, the lender is empowered to require repayment of the facility at any point in time during the tenor. Any such demand with respect to the unsecured loans of our Company may affect our business, cash flows, financial condition and results of operations. As on July 31, 2023, we had unsecured loans amounting to ₹ 202.74 million, which constituted 3.12% of the total borrowings.

The table below sets out the list of unsecured loans outstanding as of July 31, 2023 of the Subsidiaries of the Company.

Name of the Subsidiary	**Name of Lender**	**Nature of Borrowing**	**Amount outstanding as on July 31, 2023 (*in ₹ million*)**
DEE Piping Systems (Thailand) Co., Ltd	Banyan Tree	Unsecured Loan	12.34
DEE Piping Systems (Thailand) Co., Ltd	M/s Asahi TM	Unsecured Loan	8.22
DEE Piping Systems (Thailand) Co., Ltd	Ravinder Nath Aggarwal	Unsecured Loan	16.45
DEE Piping Systems (Thailand) Co., Ltd	Sunita Agarwal	Unsecured Loan	16.45
DEE Fabricom India Private Limited	Krishan Lalit Bansal	Unsecured Loan	54.00
DEE Piping Systems (Thailand) Co., Ltd	Shikha Bansal	Unsecured Loan	30.48

For further details, see "*Financial Indebtedness*", beginning on page 342.

24. ***Our Subsidiaries have incurred losses in the last three Fiscals and may do so in the future, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.***

Our Subsidiaries, DEE Piping Systems (Thailand) Co., Limited and DEE Fabricom India Private Limited have incurred losses in Fiscal 2023, Fiscal 2022 and Fiscal 2021. The table below sets forth details in relation to the losses incurred by these Subsidiaries during Fiscal 2023, Fiscal 2022 and Fiscal 2021.

(*in ₹ million*)

Particulars	**Fiscal 2023**	**Fiscal 2022**	**Fiscal 2021**
DEE Piping Systems (Thailand) Co. Limited	(56.64)	(66.26)	(129.50)
DEE Fabricom India Private Limited	(19.61)	(32.80)	7.26
Total	**(76.25)**	**(99.06)**	**(122.24)**

In order to continue their operations, these Subsidiaries may require continual financial support from our Company either as debt or as equity. We may not have the ability to provide such support on a continual basis. Such financial support is also subject to limitation under applicable Indian and Thai laws.

25. ***Any default/ delay in payment of statutory dues may attract financial penalties from the respective government authorities and in turn may have a material adverse impact on our financial condition and cash flows.***

We have, in the past, had instances of defaults/ delay in the payment of certain statutory dues with respect to deposit of instalments in relation to employee state insurance and employee provident fund. There can be no assurance that such defaults/ delay may not arise in the future. This may lead to financial penalties from respective government authorities and in turn our cash flows from operations and financial conditions will be adversely affected to the extent we have to pay interest and penalties on the same which may have a material adverse impact on our financial condition and cash flows.

26. ***Our existing international operations subject us to various business, economic, political, regulatory and legal risks, which could adversely affect our reputation, business, results from operations, financial conditions and cash flows.***

We supply our products in overseas markets such as the United States of America, United Kingdom, Canada and Japan. Although we have not experienced any downward fluctuations in our revenues on a regular basis there can be no assurance that fluctuations on account of unfavourable market conditions shall not occur in the future. Any such fluctuations, if they occur, may adversely affect our profitability, results of operations and financial condition.

We plan to continue to expand our presence in international markets by focusing on target countries in accordance with our business strategies. The markets in which we operate and plan to operate in the future are diverse and fragmented, with varying levels of economic and infrastructure development and distinct legal and regulatory systems, and do not operate seamlessly across borders as a single or common market. We may require considerable management attention and financial resources for managing our growing business across these international markets. Our multinational operations are subject to inherent risks, including, but not limited to:

- entry barrier and difficulties in establishing brand recognition;
- uncertainties in cooperation with new local business partners, including distributors, logistics and transportation partners;
- inability to adapt to consumers' preferences and local trends in new regions;
- exposure to expropriation or other government actions in new regions;
- existence of onerous clauses like indemnification and liquidated damages in our agreements with international clients/distributors;
- increased costs related to raw materials and marketing our products in new regions;
- start-up costs related to establishing offices, infrastructure and services in new regions;
- longer accounts receivable collection periods and greater difficulty in accounts receivable collection due to lower bargaining power in a less familiar market;
- potential foreign exchange and repatriation controls on foreign earnings, exchange rate fluctuations and currency conversion restrictions;
- the burden of complying with a variety of foreign laws, including delays or difficulties in obtaining government approvals and permits, import and export licenses, and regulations and unexpected changes in the legal and regulatory environment, including changes to import and export regulations;
- increases in distribution and transportation costs;
- uncertainty regarding liability for products;
- actions which may be taken by foreign governments pursuant to any applicable trade or other restrictions;
- difficulties and costs of staffing and managing multiple multinational operations;
- reduced protection for intellectual property rights in some jurisdictions, at a reasonable cost or at all;
- potentially adverse tax consequences, including tax consequences which may arise in connection with intercompany pricing for transactions between separate legal entities within a group operating in different tax jurisdictions;
- credit risk and higher levels of payment fraud;
- inability to obtain adequate insurance;

- challenges caused by distance, language and cultural differences, and by commencing business relationship with foreign partners and foreign agencies; and

- political and economic instability including potential for political unrest, war or acts of terrorism in countries in which we operate.

We may be unsuccessful in developing and implementing policies and strategies that shall be effective in managing these risks in each country where we do business or plan to do business. Our failure to manage these risks successfully could adversely affect our business, operating results and financial condition. Further, we may face competition in other countries from companies that have more experience with operations in such countries or with international operations generally. We may not be able to compete with such companies if we are unable to offer competitive products at better price points which appeal to consumers in such markets. If we are unable to successfully build our brand reputation in the international markets, it may limit our ability to grow our business. Also, by expanding into new regions and markets, we may be exposed to significant liability and could lose some or all of our investment in such regions, as a result of which our business, financial condition and results of operations could be adversely affected.

27. ***A shortage or unavailability of electricity or water could affect our manufacturing operations and biomass power generation and may have an adverse effect on our business, results of operations and financial condition.***

Our manufacturing operations require continuous supply of electricity for which we depend on the respective state board electricity supply, where our manufacturing facilities are located. The table below sets out the source of the electricity procured by each of our facilities:

Facilities	Power Source
Palwal Facility I	Haryana Electricity Board and captive power (DG)
Palwal Facility II	Haryana Electricity Board and captive power (DG)
Palwal Facility III	Haryana Electricity Board and captive power (DG)
Barmer Facility I	Rajasthan Electricity Board and captive power (DG)
Anjar Facility I	Gujarat Electricity Board and captive power (DG)
Anjar Heavy Fabrication Facility	Gujarat Electricity Board and captive power (DG)
Bangkok Facility	Provincial Electricity Board (Thailand)
Abohar Biomass Power Plant	Punjab Electricity Board and captive power
Muktsar Biomass Power Plant	Punjab Electricity Board and captive power
Chennai Engineering Facility	Tamil Nadu Electricity Board

The table below sets out our power, fuel and water charges together as a percentage of our total expenses in Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively.

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	In ₹ million	As a percentage of total expenses (%)	In ₹ million	As a percentage of total expenses (%)	In ₹ million	As a percentage of total expenses (%)
Power, fuel and water charges	157.26	2.65%	116.57	2.55%	94.18	1.87%

Any shortage or non-availability of electricity or failure of the state electricity grid could delay our operations at the Manufacturing Facilities which may consequently adversely affect our delivery timelines to our customers. Any such delay may have an adverse effect on our business, results of operations and financial condition.

Successful operation of our biomass power generation plants at Abohar and Muktsar, in Punjab, depends on reliable and stable technology and supply of water to the biomass power generation plants. In the event of technical problems or water shortages, the biomass power generation plants may be out of commission or be required to reduce their water consumption, which would reduce their power generation capability. Any shortage or non- availability of water supply could delay our operations at our facilities which may consequently adversely affect our delivery timelines to our customers. Any such delay may have an adverse effect on our business, results of operations and financial condition.

28. ***The industry in which we operate is capital intensive and our current and future expansion plans may require significant amount of capital. If we are unable to raise additional capital, our business prospects, results and financial condition could be adversely affected.***

We plan to further penetrate our presence in both India and the international markets and expand our business operations including manufacturing and sales. We may fund these development plans through a variety of sources, including borrowings, internal accruals and cash flow from operations. We expect our long-term capital requirements to increase significantly to fund our intended growth and we cannot assure that we shall have sufficient capital resources for these new expansion plans or any future expansion plans that we may have. While we expect our internal accruals, cash flow from operations and available credit facilities to be adequate to fund our existing commitments, there can be no assurance that these shall be adequate to fund our expansion plans and our ability to secure these amounts is dependent upon the success of our operations. Additionally, the inability to obtain sufficient financing or the inability of one or more of our financiers to provide committed funding could adversely affect our ability to complete expansion plans. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. Any downgrade in our credit ratings could increase our borrowing costs and adversely affect our access to capital. Further, in case we decide to raise additional funds through the issuance of equity or equity- linked instruments, the interests of our shareholders may be diluted. Additionally, if we decide to meet our capital requirements through debt financing, our interest obligations shall increase, and we may be subject to additional restrictive covenants under our respective financing arrangements. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations and financial condition could be adversely affected.

We have continuous working capital requirements for maintaining sufficient raw material, stores and inventories of finished products, sundry debtor and other current assets during the course of our business operations. We might not be able to provide sufficient collateral to secure the letters of credit, bank guarantees or performance bonds and our ability to enter into new contracts could be limited. Providing security to obtain letters of credit, bank guarantees and performance bonds increases our working capital needs and requirements and limits our ability to repatriate funds in order to meet our contractual obligations or pay dividends. Although we tie up our working capital requirements with our lenders, however, such tie-ups may not be sufficient to meet our working capital requirements in future, considering our expansion plans. Also, there can be no assurance that the budgeting of our working capital requirements for a particular year shall be accurate. There may be situations wherein we may under-budget our working capital requirements, in which case there may be delays in arranging additional working capital, which may consequently disrupt the ongoing operations at our Manufacturing Facilities leading to loss of reputation, and an adverse effect on the cash flows.

29. ***Our customers may be unable to pay their debts due to local economic conditions, which may affect payment for our products used by them on credit leading to adversely affecting our business, financial condition and results of operations.***

Generally, we sell our products against future payment with credit terms varying according to local market practice. Our credit terms typically vary from 30 days to 150 days. However, our customers may be adversely affected by a number of factors beyond their control which could affect their financial condition and consequently their ability to pay us for products that we have sold or are present in their inventory. Although we have not experienced any significant defaults in the past, in periods of declining economic conditions, there can be no assurance that such losses shall not be material, which may have an adverse effect on our business, financial condition and results of operations. Our trade receivables as of March 31, 2023, March 31, 2022 and March 31, 2021 were ₹ 1,727.83 million, ₹ 1,534.34 million and ₹ 1,984.59 million, respectively.

Additionally, in the event of any dispute or a default regarding our payments, we may be constrained to initiate appropriate recovery proceedings which may adversely affect our relations with customers whose loyalties may change in favour of our competitors thereby negatively impacting our order book numbers. There can be no assurance that any legal action taken by our Company against such defaulting customers shall be adjudicated in our favour, and in case of an adverse finding, we may not be able to recover our dues from them, which shall adversely impact our financial condition and results of operations. Further, we may be subject to reputational losses and we may not be perceived as a favoured supplier as potential customers may not be desirous of engaging in commercial arrangements with us in anticipation of similar proceedings being instituted against them as well. This could have an adverse effect on our business, financial condition and results of operations.

In order to offset the risks in connection with payment of debts by customers, our Company relies on bill discounting as a financing strategy to improve its working capital and enhance its cash flows. If we are unable to continue our strategy of bill discounting, it may have an adverse effect on our cash flows and financial condition.

30. ***The objects of the Offer for which funds have been raised and proposed deployment of the Net Proceeds of the Offer have not been appraised by a bank or a financial institution. The deployment of funds is entirely at the discretion of our management and as per the details mentioned in the section titled "Objects of the Offer". Any revision in the estimates may require us to reschedule our expenditure and may have a bearing on our expected***

revenues and earnings. Further, if there are any delays or cost overruns, our business, financial condition and results of operations may be adversely affected.

We intend to utilise the Net Proceeds of the Offer as set forth in "*Objects of the Offer*" on page 106. The funding requirements mentioned for the objects of the Offer are purely based on internal management estimates and have not been appraised by any bank or financial institution. They are based on current conditions and are subject to change in light of changes in external circumstances such as financial and market conditions, business and strategy, competition, negotiation with suppliers, variation in cost estimates on account of factors, including changes in design or configuration of the equipment due to variation in prices which may not be within the control of our management. Our actual expenditure may exceed our internal estimates which may have a bearing on our expected revenues and earnings further requiring us to reschedule our planned expenditure. Further, the deployment of the funds towards the Objects of the Offer is entirely at the discretion of our management. The exact amounts that shall be utilised from the Net Proceeds towards the stated objects shall depend upon our business plans, market conditions, our Board's analysis of economic trends and business requirements, competitive landscape, ability to identity and conclude inorganic acquisitions as well as general factors affecting our results of operations, financial condition and access to capital. Further, if there are any delays or cost overruns, our business, financial condition and results of operations may be adversely affected. 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. We may also use funds for future businesses which may have risks significantly different from what we currently face or may expect. Accordingly, use of the Net Proceeds for 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. For further details, see "*Objects of the Offer*" beginning on page 106.

31. ***We may not be able to adequately protect our intellectual property or may unintentionally infringe upon the intellectual property rights of others which could substantially harm our business.***

We rely on trademarks to protect our rights to our Company's logo. We believe that the logo under which our business operates is an important asset which is integral to the success of our operations. For details of our intellectual property, see "*Our Business – Intellectual Property*" and "*Government and other Approvals – Our Intellectual Property*" on pages 217 and 397, respectively.

The use of our logo by any third party may lead customers to confuse them with our Company, which could lead to our Company losing business to such competitors and could adversely affect our goodwill. In addition, if such third parties experience any negative publicity, it could have an adverse effect on our reputation. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly, and the outcome cannot be assured. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property. In the event that the steps we may take, and the protections afforded by law do not adequately safeguard our proprietary rights, we could suffer losses in revenues and profits due to competing sales of products unlawfully produced which may have an adverse effect on our business, prospects, results of operations and financial condition. Our products are marketed both domestically and internationally and, we aim for a strong brand recall value for our products in such markets. However, any instances of (i) decrease in product quality due to reasons beyond our control; (ii) circulation of low-quality counterfeit products in the markets (iii) unsubstantiated allegations of product quality may motivate our existing and potential customers to explore business relationships with our competitors. As a result, any adverse publicity involving our brand, our products, or us, may impair our reputation, dilute the impact of our branding and marketing initiatives and adversely affect our business and our prospects. In the event that such breaches do occur, and we are unable to secure adequate remedies in relation thereto, our profitability and reputation may be adversely affected with consequent impact on our results of operations and financial condition.

We also rely on product, industry, manufacturing and market "know-how" that cannot be registered and is not subject to any confidentiality or nondisclosure clauses or agreements. We cannot assure you that any of our registered intellectual property rights or our knowhow, or claims thereto, will now or in the future successfully protect what we consider to be the intellectual property underlying our products and business, or that our rights will not be successfully opposed or otherwise challenged.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty as to whether we are infringing on any existing third-party intellectual property rights. We may therefore be susceptible to claims from third parties asserting infringement and other related claims. If claims or actions are asserted against us, we may be required to obtain a license, modify our existing technology or cease the use of such technology and design a new non-infringing technology. Such licenses or design modifications can be extremely costly. Furthermore, necessary licenses may not be available to us on satisfactory terms, if at all. In addition, we may decide to settle a claim or action against us, the settlement of which could be costly. We may also be liable for any past infringement. This could have an adverse effect on our business, results of operations and damage our reputation and relationships with our customers.

32. ***We may not accomplish our growth strategy, and our business may suffer if we fail to manage our growth efficiently or effectively, which could adversely affect our reputation, results from operations, financial conditions and cash flows.***

Our operations have expanded as a result of our strategy to expand into domestic and international markets, and we aim to continue to explore viable means to consolidate the position of our operations, competitively positioning us in the domestic and overseas market. There can be no assurance, however, that we shall be successful in our expansion plans. If we fail to improve our existing systems or controls or to manage growth and expansion effectively, or the cost of such expansion or growth exceeds the revenues generated by our efforts, we may fail in our strategy and our business, financial condition and results of operations could be adversely affected. We expect our future growth to place significant demands on our resources as well as our management. This shall require us to continuously evolve and improve our operational, financial and internal controls across our organization. In particular, continued expansion increases the challenges we face in:

- strengthening our internal control system for purchases of inventory to be commensurate with the size of our Company;
- improving the scope and coverage of our internal audit systems to keep pace with our growth;
- recruiting, training and retaining sufficiently skilled technical, sales and management personnel;
- identifying, understanding and responding to challenges and risks that are unique to the different markets in which we operate;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems; and
- maintaining high levels of product quality and customer satisfaction.

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

- Leverage our market leading position in the industry to capitalize on the revival of capital expenditure cycle in the sectors which we service which will drive the next phase of our growth
- Drive automation across our facilities and processes to bring in operational efficiencies
- Forging technology tie-ups with select global OEMs to derive consistent order flow and making us a preferred partner
- Launch our pilot plant offerings in the near-future
- Focus on deleveraging and maintaining financial flexibility.

These strategies are subject to certain risks and uncertainties. Our strategies may not succeed due to various factors, including our inability to reduce our operating costs, our failure to develop new products and services 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, automation, equipment 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 regular competition, and other operational and management difficulties. Any failure on our part to implement our strategies due to many reasons as attributed aforesaid could be detrimental to our long-term business outlook and our growth prospects and may materially adversely affect our business, financial condition and results of operations. For further details of our strategies, see "*Our Business*" on page 186.

There can be no assurance that our personnel, systems, procedures and controls shall be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. Any of the challenges highlighted above may cause us to delay, modify or forego some or all aspects of our expansion plans. Further, there can be no assurance that we shall be able to execute our strategies on time and within the budget, as and when estimated by the Company.

33. ***A portion of the Net Proceeds will be utilized for the repayment or prepayment of indebtedness availed of by our Company and our Subsidiaries.***

Our Company and our Subsidiaries, DEE Piping Systems (Thailand) Company Limited and DEE Fabricom India Private Limited, have availed term loans, working capital facilities and other types of facilities in the ordinary course of business. As of March 31, 2023 our total borrowings (wherein total borrowings consist of current and non-current borrowings) amounted to ₹ 3,526.22 million.

We intend to utilize ₹ 1,750.00 million of the Net Proceeds towards the repayment or prepayment of all or a portion of certain borrowings availed by us, DEE Piping Systems (Thailand) Company Limited and DEE Fabricom India Private Limited and the payment of the accrued interest thereon. The borrowings to be prepaid or repaid will be selected based on a range of various factors, including (i) any conditions attached to the borrowings restricting our ability to repay or prepay the borrowings and time taken to fulfil such requirements, (ii) levy of any prepayment penalties and the quantum thereof, (iii) receipt of consents for prepayment, (iv) provisions of any laws, rules and regulations governing such borrowings, and (v) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan.

The deployment of Net Proceeds in the Subsidiaries for the purpose of prepayment or repayment of all or a portion of the borrowings as disclosed in the section "*Objects of the Offer*" on page 106, in the form of equity, debt or any other instrument, including inter-corporate loans or in any other manner as may be decided by our Board in accordance with applicable laws and procedures governing overseas direct investments and the limits and conditions prescribed therein. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and the results of operations.

34. ***Our business is substantially dependent on our design and engineering teams to accurately carryout the pre-approval engineering studies for potential orders. Any deviation during the execution of the order as compared to our pre-approval estimates could have a material adverse effect on our cashflows, results of operations and financial condition.***

We have developed in-house resources with key competencies to deliver a project from conceptualization to completion which includes our qualified design and engineering team. We rely on our in-house team for timely and efficient execution of our orders. In addition to design and engineering, our teams carry out detailed inspection of the relevant area for the installation of our products to record and highlight important features and identify any issues that may be of importance in terms of implementation and operation of such orders. While our teams have the necessary skill and experience in carrying our pre-approval engineering studies, we may not able to assure the accuracy of such studies. The accuracy of the pre-approval studies is dependent on the following key elements; (i) preparing a project road map-based investigation of the order site; (ii) undertaking engineering surveys and preliminary designs which broadly include carrying out inventory and detailed condition surveys, carrying our preliminary investigations, availability of construction materials and implementing design in accordance with environmental and social concerns; and (iii) preparation of bills of quantities covering all the items required in the work. Any deterrence or deviation in the estimation and calculation of the key elements may hamper the quality of the pre-approval engineering study, on which we rely before submitting any tenders for the relevant order. Any deviation during the implementation and operation of the order as compared to our pre-approval estimates could have a material adverse effect on our cash flows, results of operations and financial condition.

35. ***We rely on contractors for the recruitment of contract labourers, and are therefore exposed to execution risks, including the risk of the unavailability of requisite manpower when needed, and liability towards labourers under applicable Indian laws which may adversely affect our financial condition and results of operation.***

We enter into arrangements with contractors for the recruitment of contract labor as per our requirements for a fixed period of time. There is no assurance that we may be able to renew these arrangements on a timely basis or at all. We do not have direct control over the timing or quality of the services and supplies provided by such third parties. Contractors hired by us may be unable to provide the requisite manpower on a timely basis, or at all, or may be subjected to disputes with their personnel, which, in turn, may affect production at our Manufacturing Facilities and timely delivery of our products to our customers. Although we do not engage contract labor directly, we may be held responsible under applicable Indian laws for wage payments to such labor should our contractors' default on wage payments, which shall adversely affect our financial condition and results of operation.

36. ***We are dependent on third party transportation and logistics service providers. Any increase in the charges of these entities or any defect, damage or destruction caused to our products during the process of delivery could adversely affect our business, financial condition and results of operations. Further, any delay in the supply of free issue material by our customers may cause delays in the execution of our manufacturing and could adversely affect our business, financial condition and results of operations.***

Pursuant to our arrangements with certain customers, based on customer preferences, we are typically required to pay the freight costs for the products we sell to such customers. In addition, we may have to pay for transportation costs in relation to the delivery of some of the raw materials and other inputs to our Manufacturing Facilities. We do not own any vehicles for the transportation of our products and/or raw materials, we therefore rely on third party transportation and logistics providers for delivery of our raw materials and products. We do not have any long-term contractual arrangements with such third-party transportation and logistics providers. Disruptions of logistics could impair our ability to procure raw materials and/or deliver our products on time, which could materially and adversely affect our business, financial condition and results of operations.

The table below sets out our freight and forwarding expenses (net of recovery) and our freight and forwarding expenses (net of recovery) as a percentage of our total expenses in Fiscal 2023, Fiscal 2022 and Fiscal 2021:

	Fiscal 2023		**Fiscal 2022**		**Fiscal 2021**	
	In ₹ million	**As a percentage of total expenses (%)**	**In ₹ million**	**As a percentage of total expenses (%)**	**In ₹ million**	**As a percentage of total expenses (%)**
Freight and forwarding (net of recovery)	116.52	1.96%	61.21	1.34%	100.88	2.00%

We are subject to the risk of increases in freight costs. If we cannot fully offset any increase in freight costs, through increase in the prices for our products, we would experience lower margins. In addition, any increase in export tariffs also will increase expenses which in turn may adversely affect our business, financial condition and results of operations. Further, since a significant portion of our revenue from contracts with customers is derived from our overseas customers, we are heavily reliant on water transportation and the ports located near our manufacturing facilities in Anjar, Gujarat and Bangkok, Thailand.

We may be responsible for the transport of our products and accordingly be exposed to the risk of theft, accidents, defect, damage and/or loss of our products in transit. While there have been no material instances of theft, accident or loss in the past three years, we cannot assure you that such incidents will not occur in future. Any such acts could result in serious liability claims (for which we may not be adequately insured) which could have an adverse effect on our business, financial condition and results of operations.

Some of our customers provide us with the free issue material which we utilise for production. Any delay in supply of the material by the customers may lead to a delay in completion of a work order. Customers may also supply large quantities of material to us, which may require us to acquire additional storage area, and consequently impact our inventory planning.

37. ***There are outstanding litigations pending against us, our Subsidiaries, Directors and our Promoter, which, if determined adversely, could affect our operations. We could suffer significant litigation expenses in defending these claims and could be subject to significant damage, compensation, or other remedies, which could adversely affect our reputation, business, results from operations, financial conditions and cash flows.***

In the ordinary course of our business, we may receive product liability claims, general commercial claims related to the conduct of our business and the performance of our products and services, employment claims and other litigation claims. Litigation resulting from these claims could be costly and time-consuming and could divert the attention of management and key personnel from our business operations.

There are certain outstanding legal proceedings against our Company, Subsidiaries, Directors and Promoter. These proceedings are pending at different levels of adjudication before various courts, tribunals, quasi-judicial authorities and appellate tribunals and, if determined adversely, could adversely affect our reputation, business, results of operations and financial condition.

A summary of outstanding litigation proceedings involving our Company, Subsidiaries, Directors and Promoter, as disclosed in "*Outstanding Litigation and Material Developments*" on page 385, in terms of the SEBI ICDR Regulations and the Materiality Policy, as of the date of this Draft Red Herring Prospectus is provided below.

Name of the Individual/ Entity	**Criminal Proceedings**	**Tax Proceedings**	**Statutory or Regulatory Proceedings**	**Disciplinary actions by the SEBI or Stock Exchanges against our Promoter**	**Material Civil Litigations**	**Aggregate amount involved (in ₹ million)***
Company						
By the Company	2	Not applicable	Not applicable	Not applicable	4	174.93
Against the Company	NIL	7	2	Not applicable	1	125.32

Name of the Individual/ Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoter	Material Civil Litigations	Aggregate amount involved (in ₹ million)*
Directors						
By the Directors	Nil	Not applicable	Not applicable	Not applicable	Nil	Nil
Against the Directors	Nil	3	Nil	Not applicable	Nil	1.00
Promoter						
By the Promoter	Nil	Not applicable	Not applicable	Not applicable	Nil	Nil
Against the Promoter	Nil	2	Nil	Nil	Nil	1.00
Subsidiaries						
By the Subsidiaries	Nil	Not applicable	Not applicable	Not applicable	Nil	Nil
Against the Subsidiaries	Nil	1	Nil	Not applicable	Nil	1.07

* *To the extent quantifiable*

Further, in one of the actions taken by regulatory or statutory authorities, the Directorate of Enforcement, Ministry of Finance, Department of Revenue, Gurugram Zonal Office, Government of India ("**ED**") issued an order dated May 19, 2023 ("**Order**") to our Company directing our Company to furnish the records and documents as mentioned in the Order. Subsequently, our Company has provided the documents and information to the Directorate of Enforcement as per the Order issued to the Company. For see "*Outstanding Litigation and Material Developments*" beginning on page 385.

The amounts claimed in these legal proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in the applicable laws or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements in accordance with Ind AS 37 that could increase our expenses and current liabilities.

There can be no assurance that these legal proceedings shall be decided in favour of our Company, Subsidiaries, Directors or Promoter, as the case may be, or that no further liability shall arise out of these proceedings. Further, such legal proceedings could divert management time and attention and consume financial resources. Any adverse outcome in any of these proceedings may adversely affect our profitability and reputation and may have an adverse effect on our results of operations and financial condition. For further details of certain material legal proceedings involving our Company, our Subsidiaries, our Promoter, our Directors and our Group Companies, see "*Outstanding Litigation and Material Developments*" beginning on page 385.

38. ***Our Promoter and certain members of the Promoter Group have provided personal guarantees for certain borrowings obtained by our Company and Subsidiaries, and any failure or default by our Company and Subsidiaries to repay such loans could trigger repayment obligations on our Promoter and certain members of the Promoter Group, which may impact their ability to effectively service their obligations and thereby, adversely impact our business and operations.***

As of July 31, 2023, certain of our borrowings are backed by personal guarantees provided by our Promoter and certain members of the Promoter Group. For further details in relation to our borrowings, see "*Financial Indebtedness*" on page 342. Any default or failure by our Company or Subsidiaries to repay loans in a timely manner or at all could trigger repayment obligations on the part of our Promoter and certain members of the Promoter Group in respect of such loans. This, in turn, could have an impact on the Promoter's ability to effectively service his obligations as the Promoter of our Company, thereby having an adverse effect on our business, results of operations and financial condition. Further, in the event that our Promoter or the members of the Promoter Group withdraw or terminate the guarantees, our lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our business, results of operations and financial condition.

39. ***Certain supporting documents in connection with the biographies of certain of our KMPs and SMPs included in the section "Our Management" of this Draft Red Herring Prospectus are unavailable.***

Certain documents supporting the information included in this Draft Red Herring Prospectus with respect to education background, disclosed in the sections titled "*Our Management*" on page 245 may not be available. Accordingly, reliance has been placed on affidavits, declarations and undertakings furnished by our KMPs and SMPs, namely Ranjan Kumar Saranghi, Sameer Agarwal and Charu Agarwal, to us and the Lead Managers to disclose the details of their educational qualification. Neither we, nor the Lead Managers have been able to independently verify these details prior to inclusion in this Draft Red Herring Prospectus. Further, there can be no assurances that such KMPs and SMPs will be able to trace the relevant documents pertaining to their educational qualification in future, or at all.

40. ***Employee misconduct or failure of our internal processes or procedures could harm us by impairing our ability to attract and retain customers and subject us to significant legal liability and reputational harm, which could adversely affect our reputation, business, results from operations, financial conditions and cash flows.***

Our business is exposed to the risk of employee misconduct or the failure of our internal processes and procedures. For example, misconduct by employees could involve the improper use or disclosure of confidential information, which could result in costly litigation and serious reputational or financial harm. While we strive to monitor, detect and prevent fraud or misappropriation by our employees, through various internal control measures and internal policies, the precautions we take to prevent and detect such activity may not be effective in all cases and we may be unable to adequately prevent or deter such activities in all cases. While we have not experienced such issues in the past, there could be instances of fraud and misconduct by our employees which may go unnoticed for certain periods of time before corrective action is taken. In addition, we may be subject to regulatory or other proceedings, including claims for alleged negligence, in connection with any such unauthorized transaction, fraud or misappropriation by our employees, which could adversely affect our goodwill, business prospects and future financial performance. Even when we identify instances of fraud and other misconduct and pursue legal recourse or file claims with our insurers, there can be no assurance that we shall recover any amounts lost through such fraud or other misconduct.

We may also be subject to theft or embezzlement by our employees, suppliers or third-party transportation or logistics services provider, which may result in loss of our inventory, or loss of the free issue material supplied by our customers. Although, there have been no major incidents of theft or embezzlement in the past and we have set up various security measures at our Manufacturing Facilities, such as deployment of security guards and operational processes such as periodic stock taking, there can be no assurance that we will not experience any theft, embezzlement, loss of stock in transit or similar incidents in the future, which could adversely affect our reputation, results of operations, financial condition and cash flows

41. ***We have substantial indebtedness which requires significant cash flows to service and limits our ability to operate freely. Any breach of terms under our financing arrangements or our inability to comply with repayment and other covenants in the financing agreements could adversely affect our business, financial condition, cash flows and credit rating.***

We have entered into agreements in relation to financing arrangements with certain banks for working capital facilities and bank guarantees. The table below sets out our total borrowings as of July 31, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021:

	As of July 31, 2023 (in ₹ million)	**Fiscal 2023 (in ₹ million)**	**Fiscal 2022 (in ₹ million)**	**Fiscal 2021 (in ₹ million)**
Total borrowings*	3,420.04	3,526.22	2,853.58	2,571.65

* *Total borrowings consist of current and non-current borrowings*

The agreements with respect to our borrowings contain restrictive covenants, including, but not limited to, requirements that we obtain consent from our lenders prior to undertaking certain matters including, among others, approaching capital market for mobilizing additional resources either in the form of debt or equity, undertaking any new project or implementing any scheme of expansion/ diversification or capital expenditure, acquiring fixed assets, drastic change in the management set-up of our Company, change in the capital structure of our Company or the constitutional documents of our Company, change in ownership or control, or change in the threshold prescribed for shareholding of certain shareholders of our Company. In the event our Company commits a default under the loan agreements, the lenders shall have a right to convert the outstanding amount into fully paid-up Equity Shares of our Company, in their sole and absolute discretion. For details, see "*Financial Indebtedness*" beginning on page 342.

Further, under the terms of our borrowings, we are required to create a charge on our current assets, mortgage our specified properties and properties belonging to our Promoter, provide personal guarantees by our Promoter and certain members of the Promoter Group and corporate guarantee by a member of our Promoter Group. As our assets are hypothecated in favour of lenders, our rights in respect of transferring or disposing of these assets are restricted. This may also limit our ability to incur future debt and create security thereby requiring us to obtain the respective lenders' consent prior to entering into certain transactions.

While, as on the date of this Draft Red Herring Prospectus, we have complied with all covenants and obtained all requisite consents from our lenders for undertaking the Offer, there can be no assurance that we will be able to comply with the financial or other covenants prescribed under the documentation for our financing arrangements or that we will be able to obtain consents necessary to take the actions that may be required to operate and grow our business in the future. Further, if we fail to service our debt obligations, the lenders have the right to enforce the security created in respect of our secured borrowings. A default under certain of our financing agreements may also result in cross-defaults under other financing agreements and result in the outstanding amounts under such other financing agreements becoming due and payable immediately. If the lenders choose to enforce security and dispose our assets to recover the amounts due from us, our business, financial condition and results of operations may be adversely affected.

Any failure to comply with the conditions and covenants in our financing agreements or the creation of additional encumbrances that is not waived by our lenders or guarantors or otherwise cured or occurrence of a material adverse event could lead to an event of default and consequent termination of our credit facilities or acceleration of amounts due under such facilities could adversely affect our business, financial condition, results of operations and cash flows.

42. *In the event our contingent liabilities materialize, our financial condition may be adversely affected.*

The following table sets forth certain information relating to our contingent liabilities in accordance with Ind AS 37 as of Fiscal 2023:

(*in ₹ million*)

Particulars	As of March 31, 2023
Demand by Income Tax Department	19.99
Demand by Excise Authorities	3.94
Claim filed by a supplier	-
Custom duty liability which may arise if obligations for exports are not fulfilled	1.80
Export obligation on account of duty free import	20.64

We cannot assure you that these contingent liabilities shall not become established as liabilities. In the event any of these contingent liabilities become established as liabilities, it may have an adverse effect on our financial condition and results of operations. Further, there can be no assurance that we shall not incur similar or increased levels of contingent liabilities in the future. For further details, see also "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 344.

43. *A portion of our revenues and expenses are denominated in foreign currencies. As a result, we are exposed to foreign currency exchange risks and regulatory changes in foreign exchange management which may adversely impact our results of operations.*

Apart from our operations in India of which our sales are denominated in Indian Rupees, we also sell our products in and source our raw materials from several other countries and receive/make payments in foreign currencies. Fluctuation in foreign currencies exchange rates could have adverse effects on our business, results of operations and financial condition.

Our business and results from operations may be affected in the event that the exchange rate between the international currencies and the Indian Rupee fluctuates. Depreciation of the Indian Rupee against such international currencies may have an adverse effect on our total expenses and profit. Further, volatility in exchange rates would result in an increase in the cost of our products. We may not be able to pass on such increase in costs to our customers. Certain markets in which we sell our products may be subject to exchange control risks, which may result in either delayed recovery or even non-realization of revenue. 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 adverse effect on our results of operations and cash flows. For particulars of our foreign exchange risk, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 344.

44. *Some of our facilities are located on leased premises. There can be no assurance that these lease agreements shall be renewed upon termination or that we shall be able to obtain other premises on lease on same or similar commercial terms, which could adversely affect our business, results from operations, financial conditions and cash flows.*

Some of our facilities, or some parts of our facilities, are held on a leasehold basis. The details of these are as below:

S. No.	Facility	Property Description*	Area (in square meters)*	Term
1.	Palwal Facility II	Plant 1- Unit 2, Village Tatarpur, Tehsil/Dist. Palwal, Haryana	4,527.42	Three years commencing October 1, 2020
2.	Palwal Facility III	Plant 2 – Unit 3, Village Tatarpur, Tehsil/Dist. Palwal, Haryana	9,469.65	Nine years commencing December 9, 2015

S. No.	Facility	Property Description*	Area (in square meters)*	Term
		Plant 2 – Unit 3, Village Tatarpur, Tehsil/Dist. Palwal, Haryana	9,459.53	11 years commencing December 1, 2023
		Plant 2 – Unit 3, Village Tatarpur, Tehsil/Dist. Palwal, Haryana	18,210.85	Nine years commencing July 22, 2016
		Plant 2 – Unit 3, Village Tatarpur, Tehsil/Dist. Palwal, Haryana	7,259.05	10 years commencing May 1, 2019
		Plant 2 – Unit 3, Village Tatarpur, Tehsil/Dist. Palwal, Haryana	7,183.17	10 years commencing November 16, 2020
		Plant 2 – Unit 3, Village Tatarpur, Tehsil/Dist. Palwal, Haryana	12,317.62	10 years commencing April 1, 2022
		Plant 2 – Unit 3, Village Tatarpur, Tehsil/Dist. Palwal, Haryana	3,768.64	Nine years commencing August 1, 2021
		Plant 2 – Unit 3, Village Tatarpur, Tehsil/Dist. Palwal, Haryana	5,564.43	10 years commencing June 1, 2022
		Plant 2 – Unit 3, Village Tatarpur, Tehsil/Dist. Palwal, Haryana	4,046.86	10 years commencing June 1, 2022
		Plant 2 – Unit 3, Village Tatarpur, Tehsil/Dist. Palwal, Haryana	708.20	10 years commencing June 1, 2022
		Plant 2 – Unit 3, Village Tatarpur, Tehsil/Dist. Palwal, Haryana	714.05	10 years commencing June 1, 2022
		Plant 2 – Unit 3, Village Tatarpur, Tehsil/Dist. Palwal, Haryana	2,972.90	11 months commencing April 1, 2023
		Plant 2 – Unit 3 , Village Tatarpur, Tehsil/Dist. Palwal, Haryana	1,114.84	Six months commencing April 1, 2023
		Plant 2 – Unit 3, Village Tatarpur, Tehsil/Dist. Palwal, Haryana	4,180.62	Six months commencing September 20, 2023
3.	Barmer Facility	Plot No. 917, 918 & 919, Village Manjhiwala, Tehsil Pachpadra, District Barmer, Rajastan-344022	40,468.55	Three years commencing January 1, 2022
		Plot No. 917, 918 & 919, Village Manjhiwala, Tehsil Pachpadra, District Barmer, Rajastan-344022	32,374.84	Three years commencing November 7, 2022
4.	Anjar Facility I	Village Ajapar, Tehsil Anjar, Dist. Kachch, Gujarat	5,474.97	Nine years commencing from April 21, 2022
		Village Ajapar, Tehsil Anjar, Dist. Kachch, Gujarat	26,368	11 months commencing from November 1, 2022
5.	Anjar Heavy Fabrication Facility	Village Ajapar, Taluka Anjar, District Kutchh, Gujarat	33,287.61	10 years commencing November 1, 2021
		Village Ajapar, Taluka Anjar, District Kutchh, Gujarat	23,965.00	Five years commencing September 23, 2022
		Village Ajapar, Taluka Anjar, District Kutchh, Gujarat	31,177.00	11 months commencing August 23, 2023

S. No.	Facility	Property Description*	Area (in square meters)*	Term
6.	Abohar Facility	Village:- Gaddan Dhob, Tehsil :- Abohar, District:- Fazilka	16,187.43	Two years commencing October 2, 2022
		Village:- Gaddan Dhob, Tehsil :- Abohar, District:- Fazilka	16,187.43	One year commencing October 1, 2022
		Village :- Gaddan Dhob, Tehsil :- Abohar, District:- Fazilka	60,702.82	Five years commencing October 1, 2022
		Village :- Gaddan Dhob, Tehsil :- Abohar, District:- Fazilka	10,471.24	Five years commencing October 1, 2022
7.	Muktsar Facility	Village Gulabewala, Tehsil District Muktsar,Punjab	29,339.71	11 months commencing April 1, 2023
		Village Gulabewala, Tehsil District Muktsar,Punjab	6,070.29	One year commencing October 14, 2022
		Village Gulabewala, Tehsil District Muktsar,Punjab	10,370.07	One year commencing April 1, 2023
8.	Numaligarh Facility	2 no. Rongajan Bagan Gaon, Mouza Moukhowa, Dist. Golaghat, Assam	5,351.21	10 years commencing April 1, 2023
		2 no. Rongajan Bagan Gaon, Mouza Moukhowa, Dist. Golaghat, Assam	4,816.09	10 years commencing April 1, 2023

* *As certified by V.K. Wadhawan, Chartered Engineer, by certificate dated August 25, 2023.*

Our leases may expire in ordinary course. We cannot assure you that we shall continue to be able to operate out of our existing premises or renew our existing leases at favorable terms or at all. Any such event may adversely impact our operations and cash flows and may divert management attention from our business operations. In case of any encumbrance or adverse impact or deficiency in the title of the owners or development rights from whose premises we operate, breach of the contractual terms of any lease, or if any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavourable to us, or if they terminate our agreements, we may suffer a disruption in our operations and shall have to look for alternate premises. In the event of relocation, we may be required to obtain fresh regulatory licenses and approvals. Until we receive these, we may suffer disruptions in our operations and our business which may adversely affect our financial condition.

Although stamp duty was paid at the time of execution of the lease agreements, such arrangements may be finally adjudicated by relevant revenue authorities to be inadequately stamped or duly registered. Unless such documents are adequately stamped or duly registered, such documents may be rendered inadmissible as evidence in a court in India or may not be authenticated by any public officer and the same may attract penalty as prescribed under applicable law or may impact our ability to enforce these agreements legally, which may result in an adverse effect on the continuance of our operations and business. For details in relation to our premises, see "*Our Business – Properties*" on page 217.

45. ***The success of our business depends substantially on our strong management, including our Promoter, Directors, Key Managerial Personnel and Senior Management Personnel, and on our operational workforce. Our inability to retain them or to recruit highly skilled technical personnel that are necessary for our business could adversely affect our business.***

Our success largely depends upon the knowledge and experience of our Promoter, Directors, our Key Managerial Personnel and our Senior Management Personnel as well as our ability to attract and retain skilled personnel. Any loss of our Promoter, Directors, Key Managerial Personnel, Senior Management Personnel or our ability to attract and retain them and other skilled personnel could adversely affect our business, financial condition and results of operations. We depend on the management skills and guidance of our Promoter 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 Managerial Personnel and our Senior Management Personnel. 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 Managerial Personnel or Senior Management Personnel 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, financial condition and results of operations 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. In Fiscal 2023, Fiscal 2022 and Fiscal 2021, our Company's attrition rate was stable at 13.31%, 12.32% and 8.71% respectively. The loss of the services of such persons could have an adverse effect on our business, results of operations, cash flows and financial condition.

There is significant competition for management and other skilled personnel in the piping industry 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 experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, financial condition and results of operations may be adversely affected. For further information, see "*Our Management*" on page 245.

46. ***Our Promoter, certain of our Directors, Key Managerial Personnel and Senior Management Personnel may have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.***

Our Promoter, Directors, Key Managerial Personnel and Senior Management Personnel may be deemed to be interested to the extent of Equity Shares held by them and by members of our Promoter Group, as well as to the extent of any dividends, bonuses, perquisites or other distributions on such Equity Shares. Further, certain of our Directors are also on the board of certain Subsidiaries and accordingly may be deemed to be interested to the extent of the sitting fees, commission and remuneration payable to them by such Subsidiaries. For further details, see "*Capital Structure*", "*Our Promoter and Promoter Group*" and "*Our Management*" beginning on pages 90, 263 and 245, respectively**.**

47. ***Our Promoter and certain members of our Promoter Group shall continue to retain significant control in our Company after the Offer, which shall allow them to influence the outcome of matters submitted to shareholders for approval. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control.***

As on date of this Draft Red Herring Prospectus, our Promoter and certain members of our Promoter Group hold 53,039,040 Equity Shares representing 100.00% of the pre-issued, subscribed and paid-up Equity Share capital of our Company. After the completion of this Offer, our Promoter and certain members of our Promoter Group shall continue to hold significant shareholding in our Company. As a result, our Promoter and certain members of our Promoter Group shall continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting, and our other shareholders shall be unable to affect the outcome of such voting. Our Promoter and certain members of our Promoter Group may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders, such as actions which delay, defer or cause a change of our control or a change in our capital structure, merger, consolidation, takeover or other business combination involving us, or which discourage or encourage a potential acquirer from making a tender Offer or otherwise attempting to obtain control of us. We cannot assure that our Promoter and certain members of our Promoter Group shall act in our interest while exercising their rights in such entities, which may in turn materially and adversely affect our business and results of operations. We cannot assure you that our Promoter and certain members of our Promoter Group shall act to resolve any conflicts of interest in our favour. If our Promoter and certain members of our Promoter Group sells a substantial number of the Equity Shares in the public market, or if there is a perception that such sale or distribution could occur, the market price of the Equity Shares could be adversely affected. No assurance can be given that such Equity Shares that are held by the Promoter shall not be sold any time after the Offer, which could cause the price of the Equity Shares to decline.

48. ***Any downgrading of our credit rating by a domestic or international credit rating agency may increase interest rates for our future borrowings, which would increase our cost of borrowings, and adversely affect our ability to borrow on a competitive basis****.*

CARE has assigned our long term bank facilities a rating of BBB+ and our short term bank facilities a rating of A2 on October 10, 2022. Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. A decrease in these credit ratings could limit our access to capital markets and increase our borrowing costs, which could materially and adversely affect our financial condition and operating results.

Our credit rating may be downgraded in the future due to various factors, including factors which may be beyond our control. For instance, the credit ratings assigned by CARE were downgraded from A- on our long term bank facilities to BBB+ in September, 2021, on account of lower execution owing to disruption faced due to the spread of the COVID-19 pandemic, sustained low level of order book position providing limited revenue visibility and increase in exposure towards subsidiaries which were yet to scale up their operations. Any future downgrade of our credit ratings may increase interest rates for refinancing our borrowings, which would increase our cost of borrowings, and may have an adverse effect on our future issuances of debt and our ability to borrow on a competitive basis. If any of these risks materialise, it could have a material adverse effect on our business, reputation, results of operations and financial condition.

49. ***Any withdrawal, or termination of, or unavailability of tax benefits and exemptions currently availed by us or our Subsidiaries may have an adverse effect on our business, results of operations, financial condition and cash flows.***

The tax related laws that are applicable to us include the Income Tax Act, 1961, the Customs Act, 1962, Goods and Services Tax Laws (including Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, States Goods and Services Tax Act, 2017 and Union Territory Goods and Services Tax Act, 2017) and various rules and notifications issued by taxation authorities thereunder. Our Subsidiaries are also subject to various tax related laws in the jurisdictions where they are incorporated. There can be no assurance as to the nature of action current or future governments shall implement regarding allowance of tax incentives or duty benefits. However, there is no certainty with respect to the nature and timing of such incentives/benefits, if any, in case any such benefits are extended in favour of the Company or our Subsidiaries in the future, we may not be able to comply with the obligations and stipulations that would allow us to avail ourselves of such benefits or concessions, and consequently, we may lose such benefits and concessions.

50. ***We cannot assure payment of dividends on the Equity Shares in the future. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

While our Company has paid dividends in the past, our ability to pay dividends in the future will depend on a number of factors identified in the dividend policy of our Company, liquidity position, profits, capital requirements, financial commitments and financial requirements including business expansion plans, cost of borrowings, other corporate actions and other relevant or material factors considered relevant by our Board, and external factors, such as the state of the economy and capital markets, applicable taxes, regulatory changes and other relevant or material factors considered relevant by our Board. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realisation of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no assurance that our Equity Shares will appreciate in value.

51. ***Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject and this may have an adverse effect on our business.***

We face the risk of loss resulting from product liability, contractual, warranty, and other lawsuits, whether or not such claims are valid. In addition, our insurance may not be adequate to cover such claims or may not be available to the extent we expect. For details of the insurance policies that we maintain, see "*Our Business – Insurance*" on page 216. A successful claim that exceeds or is not covered by our policies could require us to pay substantial sums. Our Company has maintained various insurance policies, in amounts that we believe are commercially appropriate, including contractor's plant and machinery policy, public liability industrial policy, burglary insurance policy, standard fire and special perils policy, general liability insurance, product liability insurance policy, marine single transit inland policy and marine export import insurance open policy for transit of goods, group mediclaim policy, group personal accident insurance, group term policy, directors and officers liability insurance and workmen compensation policy for our employees.

The table below sets out the total insured net assets as well as the percentage of insurance coverage as of March 31, 2023:

Particulars	As of March 31, 2023
Total insured net assets (in ₹ million)	3,198.39
Percentage of insurance coverage (in %)	85.61

Although, we attempt to obtain coverage for and mitigate our liability for damages arising from negligent acts, errors or omissions through insurance policies, our liability may sometimes not be covered as a result of the limitations of liability set forth in our insurance policies. In such event, our insurance policies may not protect us from liability for damages, which may lead to financial liability and other adverse consequences.

Further, while we believe that adequate insurance coverage shall be available in the future, there can be no assurance that such coverage shall be available at costs and terms acceptable to us or that such coverage shall be adequate with respect to future claims that may arise. If we are not able to adequately insure against the risks we face, or the insurance coverage we have taken is inadequate to cover our losses, our business, financial condition and results of operations could be adversely affected. In addition, our insurance policies are subject to annual review, and there can be no assurance that we shall be able to renew these policies on similar or otherwise acceptable terms, or at all. If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have an adverse effect on our financial condition, results of operations and cash flows.

52. ***Certain sections of this Draft Red Herring Prospectus contain information from the D&B Report which we commissioned and purchased and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.***

Certain sections of this Draft Red Herring Prospectus include information based on, or derived from, the D&B Report or extracts of the D&B Report prepared by D&B, which is not related to our Company, Directors or Promoter. We commissioned and paid for this report for the purpose of confirming our understanding of the industry in connection with the Offer. All such information in this Draft Red Herring Prospectus indicates the D&B Report as its source. Accordingly, any information in this Draft Red Herring Prospectus derived from, or based on, the D&B Report should be read taking into consideration the foregoing.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Industry sources do not guarantee the accuracy, adequacy or completeness of the data. Further, the D&B Report is not a recommendation to invest / disinvest in any company covered in the D&B Report. Accordingly, you should not place undue reliance on, or base their investment decision solely on this information.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Offer pursuant to reliance on the information in this Draft Red Herring Prospectus based on, or derived from, the D&B Report. You should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the D&B Report before making any investment decision regarding the Offer. See "*Industry Overview*" on page 136. For the disclaimers associated with the D&B Report, see "*Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation- Industry and Market Data*" on page 23.

53. ***Information relating to the historical installed capacities of our Manufacturing Facilities included in this Draft Red Herring Prospectus may be based on certain assumptions and estimates by the chartered engineer verifying such information and future production and capacity utilisation may vary.***

Information relating to our installed capacities and the historical capacity utilisation of our Manufacturing Facilities included in this Draft Red Herring Prospectus may be based on certain assumptions and estimates, including assumptions relating to availability and quality of raw materials and assumptions relating to potential utilization levels and operational efficiencies. While we have obtained a certificate dated August 25, 2023 from V.K.Wadhawan, chartered engineer, in relation to such capacities and actual production levels, future capacity utilisation rates may vary significantly from the estimated production capacities of our production facility and historical capacity utilisation rates. In addition, capacity utilisation is calculated differently in different countries, industries and for the kinds of products we manufacture. Actual utilisation rates may differ significantly from the estimated installed capacities or historical estimated capacity utilization information of our facilities. We make significant decisions, including determining the levels of business that we shall seek and accept, production schedules, personnel requirements and other resource requirements, based on our internal estimates and targets and strive to ensure that our production capacity is, at all times, utilized at optimum levels. If we are unable to fully utilize our installed capacities in the future, there could be a negative impact on our cost and profitability and thereby adversely affecting our financial condition. Undue reliance should therefore not be placed on our installed capacity or historical estimated capacity utilisation information for our existing facilities included in this Draft Red Herring Prospectus. For further details of our production and capacity utilization, see "*Our Business*" on page 186.

54. ***Any variation in the utilisation of Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.***

We intend to use the net proceeds raised pursuant to the Fresh Issue as set forth under "*Objects of the Offer*" on page 106. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Sections 13(8) and 27 of the Companies Act 2013, we cannot undertake any variation in the utilisation of the Net Proceeds without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

Further, our Promoter would be required to provide an exit opportunity to Shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on the Promoter to provide an exit opportunity to such dissenting shareholders may deter the Promoter from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoter of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI. In light of these factors, we may not be able to undertake variation of objects of the Issue 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 unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

55. ***We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***

We have entered into transactions with related parties in the past and we may, from time to time, enter into related party transactions in the future. These related party transactions include, *inter alia*, sale of finished goods, sale of property, plant and equipment, purchase of materials, payment of job work charges, payment of rent, loans to Subsidiaries, guarantees given on loans taken by Subsidiaries, reimbursement of expenses, loans taken from Directors and interest on such loans, short term employee benefits and Directors' sitting fees. All such transactions have been conducted on an arm's length basis, in accordance with the Companies Act and applicable law. We cannot assure you that we will receive similar terms in our related party transactions in the future, and that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is likely that our future related party transactions may potentially involve conflicts of interest which may be detrimental to us. We cannot assure you that such transactions, individually or in the aggregate, shall not have an adverse effect on our business, financial condition, and results of operations. For details of the related party transactions see "*Other Financial Information – Related Party Transactions*" on page 340.

56. ***We may be exposed to the risks of significant breaches of data security, and malfunctions or disruptions of information technology systems.***

We have deployed information technology systems and accounting system to support our business processes, including sales, order processing, production, procurement, inventory management, quality control, product costing, human resources, distribution and finance. We have implemented an ERP solution, Microsoft Dynamics 365 Business Central, an all-in-one business management solution for small and mid sixed organization to streamline and automate business processes, enabling us to manage our business efficiently. It helps standardize our processes and planning and management of our sourcing and operations and to assist in the smooth functioning of finance, sales, stores, purchase, inventory and payroll functions, it also backs up data and stores it securely through authorisation, authentication, data encryption and auditing. These technology initiatives are intended to increase productivity and operating efficiencies, they may not achieve such intended results. These systems may be potentially vulnerable to data security breaches, whether by employees or others, which may result in unauthorized persons getting access to sensitive data. Such data security breaches could lead to the loss of data related to our products and services and other proprietary information could be compromised. These systems are also susceptible to outages due to fire, floods, earthquakes, power loss, telecommunications failures, natural disasters, computer viruses or malware, break-ins and similar events. Effective response to such disruptions or malfunctions shall require effort and diligence on the part of our third-party distribution partners and employees to avoid any adverse effect to our information technology systems.

57. ***We track certain operational metrics with internal systems and tools. Certain of our operational metrics are subject to inherent challenges in measurement which may adversely affect our business and reputation.***

We track certain operational metrics, including transaction volumes and key business metrics such as EBITDA, EBITDA margin, PBT Margin, PAT Margin, ROCE, RoNW, net worth, NAV and Net Debt to Total Equity, among others, with internal systems and tools which may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies, or the assumptions on which we rely. Our internal systems and tools have a number of limitations, and our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics. If the internal systems and tools we use to track these metrics undercount or over count performance or contain algorithmic or other technical errors, the data we report may not be accurate. While these numbers are based on what we believe to be reasonable estimates of our metrics for the applicable period of measurement, there are inherent challenges in measuring how our platforms are used across large populations. In addition, limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding of certain details of our business, which could affect our long-term strategies. If our operating metrics are not accurate representations of our business, if investors do not perceive our operating metrics to be accurate, or if we discover material inaccuracies with respect to these figures, we expect that our business, reputation, results of operations and financial condition would be adversely affected.

58. ***Certain Non-GAAP financial measures and other statistical information relating to our operations and financial performance have been included in this Draft Red Herring Prospectus.***

Certain Non-GAAP financial measures and other statistical information relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. These Non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable with those presented by other companies. Certain Non-Generally Accepted Accounting Principles ("Non-GAAP") financial measures and other statistical information relating to our operations and financial performance such as Net worth, NAV, EBIT, EBITDA, EBITDA Margin, PBT Margin, PAT Margin, ROCE, RoNW and Net Debt to Total Equity and others have been included in this Draft Red Herring Prospectus. We compute and disclose such Non-GAAP financial measures and other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These Non-GAAP financial measures are supplemental measures of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP financial measures 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 financial measures are not standardized terms, hence a direct comparison of these Non-GAAP financial measures between companies may not be possible. However, such information may not be computed on the basis of any standard methodology that is applicable across the industry and may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS. Such information may also not be comparable to titled measures presented by other companies and may have limited usefulness as a comparative measure. If investors make investment decisions based on non-GAAP financial measures and other statistical information disclosed by us that are inaccurate, we may also face potential lawsuits or disputes with investors or regulators, which could adversely affect our business, reputation, results of operations and financial condition.

59. ***The impact of the COVID-19 pandemic is uncertain and still evolving, and could adversely affect our business, financial condition and results of operations.***

The COVID-19 pandemic has had, and may continue to have, repercussions across local, national, and global economies and financial markets. The manufacturing industry in India had been severely affected by the global outbreak of the COVID-19 pandemic since early 2020 due to reduced traveller traffic, government-mandated restrictions on movement, and lockdown imposed by central and state governments. While the lockdown measures have been lifted and the manufacturing sector has resumed its services in Fiscal 2022 with greater health and safety measures, any resurgence of the COVID-19 pandemic, spread of any new variant of COVID-19, or spread of any other epidemic in future may result in adverse impact on our business, financial condition, cash flows, and results of operations. The extent to which the COVID-19 pandemic, any new strain of COVID-19, any future epidemic, or widespread public health emergency will impact our business and financial position, is significantly dependent on future developments, which are highly uncertain and cannot be predicted.

Further, the Statutory Auditors of the Company in its audit reports on the audited consolidated financial statements as at and for the years ended March 31, 2021 and March 31, 2022 included the Emphasis of Matter in relation to impact of COVID-19 on the business and operations of the Company and its Subsidiaries. For further details, see "*Risk Factors - The audit reports of our Company and certain of our Subsidiaries contain an emphasis of matter paragraph and the Companies (Auditor's Report) Order, 2020 and Companies (Auditor's Report) Order, 2016 of our Company and few of our Subsidiaries, certain adverse remarks or qualifications.*

Any intensification of the COVID-19 pandemic, any future outbreak of another highly infectious or contagious disease, widespread public health emergency or epidemic may adversely affect the business, financial condition, cash flows and results of operations of our Company. To the extent that the resurgence of COVID-19 or any future pandemic or any other pandemic or epidemic which may adversely affect our business and operations, it may also in turn have the effect of heightening many of the other risks described in this section.

60. ***We will not receive any proceeds from the Offer for Sale. The Selling Shareholder will receive the Net Proceeds from the Offer for Sale.***

The Offer consists of a Fresh Issue and an Offer for Sale. The Selling Shareholder shall be entitled to the Net proceeds from the Offer for Sale, which comprise proceeds from the Offer for Sale net of Offer expenses shared by the Selling Shareholder, and our Company will not receive any proceeds from the Offer for Sale.

61. ***We face employee related regulatory risks and any significant disputes with our employees and/or concerned regulators may adversely affect our business prospects, cash flows, results of operations and financial condition.***

As of June 30, 2023, our workforce consisted of 1,033 employees. Inherent risks involved in managing such a large workforce includes possible discrimination and harassment claims and other acts allegedly committed by our employees or agents, wrongful termination, violation of employment rights and minimum wage requirements, criminal activity or any other claims.

Although, while we believe that we maintain good relationships with our employees and there have been no instances of employee related disputes or complaints in the past, there can be no assurance that the corporate policies we have in place to help reduce our exposure to these risks will be effective or that we will not experience losses as a result of these risks in the future. Any losses that we incur in this regard could have an adverse effect on our reputation, business, cash flows, results of operations and financial condition. We also face the risk that lawsuits may be filed which could result in damages and other costs that our insurance may be inadequate to cover. In addition to diverting our management resources, such allegations may result in adverse publicity. Any adverse outcome in such litigations may result in orders that may materially and adversely impact our operations and may also result in reputational loss.

External Risk Factors

62. ***We may be impacted by political, economic or other factors including but not limited to any changes in laws, rules and regulations and legal uncertainties that are beyond our control.***

The Indian economy and its capital markets are influenced by economic, political and market conditions in India and globally including the volatility in the securities markets in other countries. We are dependent on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy. Further, the following external risks may have an adverse impact on our business, results of operations, financial condition and cash flows, should any of them materialize:

- increase in interest rates may adversely impact our access to capital and increase our borrowing costs, which may constrain our ability to grow our business and operate profitably;
- instability in other countries and adverse changes in geopolitical situations;
- change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular;
- strikes, lock-outs, work stoppages or increased wage demands by employees, suppliers or other service providers;
- adverse change in India’s sovereign credit rating by rating agencies;
- the Indian economy has had sustained periods of high inflation in the recent past. High rates of inflation may increase our employee costs and decrease demand for our products and services, which may have an adverse effect on our profitability and competitive advantage, to the extent that we are unable to pass on increased employee costs by increasing cost of our services;
- a decline in India’s foreign exchange reserves may affect liquidity and interest rates in the Indian economy as well as the valuation of the Indian Rupee, which may adversely impact our financial condition;
- political instability, resulting from a change in government or in economic and fiscal policies, may adversely affect economic conditions in India. In recent years, India has implemented various economic and political reforms. Reforms in relation to land acquisition policies and trade barriers have led to increased incidents of social unrest in India over which we have no control;
- the occurrence of natural or man-made disaster or epidemic or pandemic such as COVID-19 may adversely affect economic conditions in India;
- instability in the financial markets and volatility in, and actual or perceived trends in trading activity on, India’s principal stock exchanges;
- macroeconomic factors and central bank regulation, including in relation to interest rate movements, which may in turn adversely impact our access to capital and increase our borrowing costs;

- civil unrest, acts of violence, terrorist attacks, regional conflicts or situations of war may adversely affect the financial markets, which may impact our business, results of operations, financial condition and cash flows; and

- changing laws, rules and regulations and legal uncertainties, including adverse application of trade, corporate and tax laws, which may adversely affect our business, results of operations, financial condition and prospects.

- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws; being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

Furthermore, the GoI has announced the union budget for Fiscal 2024, pursuant to which the Finance Bill, 2023, has introduced various amendments. The Finance Bill has received assent from the President of India on March 31, 2023, and has been enacted as the Finance Act, 2023. We cannot predict whether any amendments made pursuant to the Finance Act, 2023 would have an adverse effect on our business and operations or on the industry in which we operate.

63. ***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. It is not possible for us to predict the extent and duration of this volatility and adverse impact on the global or Indian securities markets, including any possible impact on our Equity Shares. 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.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy can have adverse effects on the financial and market conditions in other countries and 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. Furthermore, economic developments globally can have a significant impact on India. 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.

Conditions outside India, such as slowdowns in the economic growth of other countries, could have an impact on the growth of the Indian economy and government policy may change in response to such conditions. The Indian economy and financial markets are also significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States, Europe or China or Asian emerging market countries, may have an impact on the Indian economy.

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. The sovereign rating downgrades for Brazil and Russia (and the imposition of sanctions on Russia in connection with the Russia-Ukraine war) have also added to the growth risks for these markets. These factors may also result in a slowdown in India's export growth. Any significant financial disruption could have a material adverse effect on our business, financial condition, cash flows and results of operation.

Such 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, cash flows and results of operations and reduce the price of the Equity Shares.

64. ***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, cyclones, storms, tsunamis, fires, explosions, flooding, and/or earthquakes), epidemics, pandemics such as COVID-19, and man-made disasters, including acts of war, military actions, 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 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.

India has experienced instances of social, religious and civil unrest and hostilities between neighbouring countries from time to time. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy negatively. 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. A worsening of the current outbreak of the COVID-19 pandemic 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. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

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

65. ***A slowdown in our sale of products and engineering services to our overseas customers due to tariffs and trade barriers and international sanctions could adversely affect our business, financial conditions and results of operations.***

A significant portion of our revenue is derived from our international business. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products. There can be no assurance that the countries or regions (like the European Community) where we seek to sell our products will not impose trade restrictions on us in future. We may also be prohibited from exporting to certain restricted countries that may be added to a sanctions list maintained by the Government of India or other foreign governments, such as the Specially Designated Nationals and Blocked Persons list maintained by the Office of Foreign Assets Control of the US Department of Treasury in the United States. In February 2022, hostilities between Russia and Ukraine commenced, which has led to the imposition of sanctions of various Russian interests (and in some cases Belarus) by the European Union, Australia, Canada, Japan, New Zealand, Switzerland, South Korea, the United Kingdom and the United States. Any such imposition of trade barriers or international sanctions may have an adverse effect on our business, financial condition and results of operations

66. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, financial condition, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

For instance, the Taxation Laws (Amendment) Act, 2019, a tax legislation issued by India's Ministry of Finance effective as of September 20, 2019, prescribes certain changes to the income tax rate applicable to companies in India.

According to this legislation, companies can henceforth voluntarily opt in favor of a concessional tax regime (subject to no other special benefits and/or exemptions being claimed), which reduces the rate of income tax payable to 22% subject to compliance with conditions prescribed, from the erstwhile 25% or 30% depending upon the total turnover or gross receipt in the relevant period. Any such future amendments may affect our other benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities, tribunals or courts would have an effect on our profitability.

Due to the COVID-19 pandemic, the Government of India also passed the Taxation and Other Laws (Relaxation of Certain Provisions) Act, 2020, implementing relaxations from certain requirements under, among others, the Central Goods and Service Tax Act, 2017 and Customs Tariff Act, 1975, each as amended. Further, the Government of India has announced the Union Budget for the Financial Year 2023 pursuant to which the Finance Act of 2022 (the **"Finance Act"**) has introduced various amendments.

We have not fully determined the impact of these recent and proposed laws and regulations on our business. We cannot predict whether any amendments made pursuant to the Finance Act would have an adverse effect on our business, financial condition and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, financial condition, prospects and results of operations. 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.

The Finance Act has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. Further, our Company cannot predict whether any tax laws or other regulations impacting it will be enacted or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have an adverse effect on our business, results of operations and financial condition.

67. ***We may be affected by competition laws in India and any adverse application or interpretation of the Competition Act could in turn adversely affect our business.***

The Competition Act, 2002, as amended (the "**Competition Act**") was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition ("**AAEC**"). Under the Competition Act, any arrangement, understanding or action in concert, whether formal or informal, which causes or is likely to cause an AAEC is deemed void and attracts substantial monetary penalties.

Further, any agreement among competitors which directly or indirectly (i) involves determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services; (ii) or shares the market or source of production or provision of services by way of geographical area, type of goods or services or number of customers in the relevant market; (iii) directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void.

Further, the Competition Act prohibits abuse of dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and liable to be punished.

On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act which came into 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 CCI. Additionally, on May 11, 2011, the CCI issued the 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.

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

The Competition Act was amended on April 11, 2023, the Competition (Amendment) Act, 2023 has been enacted to increase the ease of doing business in India and enhance transparency. The Act requires notification of transactions that exceed a global deal value of ₹ 2,000 crores, subject to the target having "substantial business operations" in India, formalizes a lower threshold of 'control', i.e., the ability to exercise material influence, in any manner, over the management or affairs or strategic commercial decisions, to exempt combinations from the standstill obligations under Section 6(2A) of the Act, if the combinations involve: (a) an open offer; or (b) an acquisition of shares or securities, through a series of transactions on a regulated stock exchange etc.

68. ***Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as US GAAP and IFRS, which may affect investors' assessments of our Company's financial condition.***

The Restated Consolidated Summary Statements for the Financial Years ended March 31, 2021, March 31, 2022 and March 31, 2023 included in this Draft Red Herring Prospectus are derived from audited consolidated financial statements as of and for the Financial Years ended March 31, 2021, March 31, 2022 and March 31, 2023 prepared in accordance with Ind AS the provisions of the Companies Act, 2013 and other accounting principles generally accepted in India and restated by our Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI. Ind AS differs from accounting principles with which you may be familiar, such as Indian GAAP, IFRS and US GAAP.

We have not attempted to explain in a qualitative manner the impact of the IFRS or US GAAP on the financial information included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial information to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP, which may differ from accounting principles with which you may be familiar in other countries. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus, which is restated as per the SEBI ICDR Regulations, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices, Ind AS, the Companies Act and the SEBI ICDR Regulations, on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. You should review the accounting policies applied in the preparation of the Restated Consolidated Summary Statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar.

69. ***We may be impacted by an adverse change in India's sovereign credit rating by a domestic or international rating agency.***

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

70. ***Investors may not be able to immediately sell any of the Equity Shares they subscribe to in this Offer on an Indian Stock Exchange.***

The Equity Shares will be listed on the Stock Exchange. Pursuant to the applicable Indian laws and practice, permission for listing of the Equity Shares will not be granted till the Equity Shares in this Offer have been issued and allotted and all relevant documents are submitted to the Stock Exchanges. Further, certain actions must be completed prior to the commencement of listing and trading of the Equity Shares such as the Investor's book entry or 'demat' accounts with the depository participants in India, expected to be credited within one (1) Working Day of the date on which the

Basis of Allotment is finalized with the Designated Stock Exchange. In addition, the Allotment of Equity Shares in the Offer and the credit of such Equity Shares to the applicant's demat account with the depository participant could take approximately five Working Days from the Bid/Offer Closing Date and trading in Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days from Bid/ Offer Closing Date. Any failure or delay in obtaining the approval or otherwise commence trading in Equity Shares would restrict your ability to dispose of your Equity Shares. We cannot assure you that the Equity Shares will be credited to investors' demat accounts or that trading in the Equity Shares will commence in a timely manner (as specified herein) or at all. We could also be required to pay interest at the applicable rates if the allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

71. ***There is no assurance that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all or that once listed, will remain listed on the Stock Exchange.***

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until Allotment of Equity Shares pursuant to this Offer. In accordance with current regulations and circulars issued by 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.

Although it is currently intended that the Equity Shares will remain listed on the Stock Exchanges, there is no assurance of the continued listing of the Equity Shares. Among other factors, we may not continue to satisfy the listing requirements of the Stock Exchanges. Accordingly, Shareholders will not be able to sell their Equity Shares through trading on the Stock Exchanges if the Equity Shares are no longer listed on the Stock Exchange.

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

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

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

73. ***Upon listing, we may be subject to additional costs/unanticipated expenses arising from the obligations that a listed public company has to comply with, under the applicable regulatory framework in India.***

We are not a publicly listed company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed public company, we shall incur legal, accounting, insurance and other expenses that we have not incurred as an unlisted public company, including costs associated with listed company reporting and corporate governance requirements. We expect that rules and regulations shall increase our legal and financial compliance costs and make some activities more time-consuming and costly, although we are currently unable to estimate these costs with any degree of certainty. Laws and regulations could also make it more difficult or costly for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. Laws and regulations could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as our senior management. Furthermore, if we are unable to satisfy our obligations as a public company, we could be subject to delisting, fines, sanctions and other regulatory action and potentially civil litigation. Any such action could adversely affect our business, financial condition and results of operations and cash flow.

For instance, we shall be subject to the Listing Regulations which shall require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies. Further, as a publicly listed company, we shall need 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 shall 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 legal and accounting staff with appropriate experience and technical accounting knowledge, but there can be no assurance that we shall be able to do so in a timely and efficient manner.

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

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

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as STT is paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. Furthermore, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India.

Furthermore, if non-resident shareholders of entities holding the Equity Shares exit by way of sale or redemption of the shares held by them abroad in such entities, such non-resident shareholders could be taxed on capital gains in India if the offshore shares derive substantial value from Indian assets, subject to certain exemptions. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India only in limited situations and generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. Similarly, any business income realized from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller.

Furthermore, the Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount.

Our Company cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our Company's business, results of operations, financial condition and cash flows. Investors should consult their own tax advisors about the consequences of investing in or trading in Equity Shares.

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

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

77. ***The determination of the Price Band is based on various factors and assumptions and the Offer Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Offer.***

The determination of Price Band is based on various factors and assumptions and will be determined by our Company and the Selling Shareholder in consultation with the Book Running Lead Managers. Furthermore, the Offer Price of the Equity Shares will be determined by our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers through the book building process prescribed under the SEBI ICDR Regulations.

The Offer Price will be based on numerous factors, as described under "*Basis for Offer Price*" beginning page 118 may not be indicative of the market price for our Equity Shares after the Offer. The market price of our Equity Shares could be subject to significant fluctuations after the Offer and may decline below the Offer Price. In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company's performance. As a result of these factors, we cannot assure you that investors will be able to resell their Equity Shares at or above the Offer Price

78. ***Our Equity Shares have never been publicly traded, and, after the Offer, our Equity Shares may experience price and volume fluctuations, and an active trading market for our Equity Shares may not develop.***

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market for our Equity Shares may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for our Equity Shares will develop, or if developed, the liquidity of such market for our Equity Shares. Investors might not be able to rapidly sell the Equity Shares at the quoted price if there is no active trading in the Equity Shares. The Offer Price of our Equity Shares is proposed to be determined through a book-building process and shall be based on numerous factors, as described in the section "*Basis for Offer Price*" on page 118 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. You may not be able to re-sell your Equity Shares at or above the Issue Price and may as a result lose all or part of your investment.

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

There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after this Issue may be subject to significant fluctuations 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. The market price of our Equity Shares may be subject to significant fluctuations in response to, among other factors:

- our financial condition, results of operations and cash flows;
- prospects for our business;
- quarterly variations in our results of operations;
- results of operations that vary from the expectations of research 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;
- conditions in financial markets, including those outside India;
- a change in research analysts' recommendations;
- announcements by us or our competitors of new products, significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or government entities of significant claims or proceedings against us;
- new laws and government regulations or changes in laws and government regulations applicable to our industry;
- developments relating to our peer companies in our industry;
- change in interest rates;
- additions or departures of Key Managerial Personnel or Senior Management Personnel; and
- general economic and stock market conditions.

The Indian stock markets have, from time to time, experienced significant price and volume fluctuations that have affected market prices for the securities of Indian companies. As a result, investors in our Equity Shares may experience a decrease in the value of our Equity Shares regardless of our financial performance or prospects. Changes in relation to any of the factors listed above could adversely affect the price of our Equity Shares. Consequently, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all, and may as a result lose all or a part of your investment.

79. ***Any future issuance of Equity Shares or convertible securities or other equity linked instruments by us may dilute your shareholding, and significant sales of Equity Shares by our major shareholders, 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 and grants of stock options under our employee stock option plan, may lead to the dilution of investors' shareholdings in us. Any future issuances of Equity Shares or the disposal of Equity Shares by our major shareholders or the perception that such issuance or sales may occur, 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 the Equity Shares or incurring additional debt. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of the Equity Shares. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares.

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

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA and the rules thereunder. Under the foreign exchange control regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the exceptions specified by the RBI, then the approval of the RBI will be required for such transaction to be valid. Additionally, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the Indian income tax authority. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all.

Furthermore, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the GoI, as prescribed in the Consolidated FDI Policy and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. Restrictions on foreign investment activities and impact on our ability to attract foreign investors may cause uncertainty and delays in our future investment plans and initiatives. Further, if our Company ceases to be "owned and controlled" by resident Indian entities, we will be subject to additional investment and exit restrictions under the FDI Policy and the FEMA. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular term or at all.

For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 436. Our ability to raise any foreign capital under the FDI route is therefore constrained by Indian law, which may adversely affect our business, cash flows, results of operations, financial condition and prospects.

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

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

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

The United Kingdom, Singapore, UAE, and Hong Kong have been declared by the GoI to be reciprocating territories for purposes of Section 44A of the Civil Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit on the judgment under Section 13 of the Civil Code, and not by proceedings in execution. The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court.

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

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

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

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

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

84. ***Our ability to raise foreign capital may be constrained by Indian law.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

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

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

86. ***Compliance with provisions of Foreign Account Tax Compliance Act may affect payments on the Equity Shares.***

The U.S. "Foreign Account Tax Compliance Act" (or "**FATCA**") imposes a new reporting regime and potentially, imposes a 30% withholding tax on certain "foreign passthru payments" made by certain non-U.S. financial institutions (including intermediaries).

If payments on the Equity Shares are made by such non-U.S. financial institutions (including intermediaries), this withholding may be imposed on such payments if made to any non-U.S. financial institution (including an intermediary) that is not otherwise exempt from FATCA or other holders who do not provide sufficient identifying information to the payer, to the extent such payments are considered "foreign passthru payments". Under current guidance, the term "foreign passthru payment" is not defined and it is therefore not clear whether and to what extent payments on the Equity Shares would be considered "foreign passthru payments". The United States has entered into intergovernmental agreements with many jurisdictions (including India) that modify the FATCA withholding regime described above. It is not yet clear how the intergovernmental agreements between the United States and these jurisdictions will address "foreign passthru payments" and whether such agreements will require us or other financial institutions to withhold or report on payments on the Equity Shares to the extent they are treated as "foreign passthru payments". You should consult their tax advisors regarding the consequences of FATCA, or any intergovernmental agreement or non-U.S. legislation implementing FATCA, to their investment in Equity Shares.

87. ***U.S. holders should consider the impact of the passive foreign investment company rules in connection with an investment in our Equity Shares.***

A foreign corporation will be treated as a passive foreign investment company ("**PFIC**") for U.S. federal income tax purposes for any taxable year in which either: (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of its gross assets during the taxable year (based on of the quarterly values of the assets during a taxable year) are "passive assets," which generally means that they produce passive income or are held for the production of passive income.

No assurance can be given that our Company will or will not be considered a PFIC in the current or future years. The determination of whether or not our Company is a PFIC is a factual determination that is made annually after the end of each taxable year, and there can be no assurance that our Company will not be considered a PFIC in the current taxable year or any future taxable year because, among other reasons, (i) the composition of our Company's income and assets will vary over time, and (ii) the manner of the application of relevant rules is uncertain in several respects. Further, our Company's PFIC status may depend on the market price of its Equity Shares, which may fluctuate considerably.

88. ***The insolvency laws of India may differ from those of other jurisdictions with which investors are familiar.***

As we are established in India under the Companies Act, any insolvency proceedings relating to us is likely to involve Indian insolvency laws (including the Insolvency and Bankruptcy Code, 2016 of India), the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which investors are familiar.

SECTION III: INTRODUCTION

THE OFFER

The details of the Offer are summarised below:

Equity Shares Offered	
Offer of Equity Shares of face value of ₹10 each[(7)]	Up to [●] Equity Shares aggregating up to ₹[●] million
of which	
Fresh Issue[(1)(7)]	Up to [●] Equity Shares aggregating up to ₹ 3,250.00 million
Offer for Sale[(2)]	Up to 7,900,000 Equity Shares aggregating up to ₹ [●] million
which includes	
QIB Portion [(3)(4)]	Not more than [●] Equity Shares
of which	
- Anchor Investor Portion	Up to [●] Equity Shares
- Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares
of which	
- Mutual Fund Portion	[●] Equity Shares
- Balance for all QIBs including Mutual Funds	[●] Equity Shares
Non-Institutional Portion[(4)(5)(6)]	Not less than [●] Equity Shares
Of which	
One-third of the Non-Institutional Portion, available for allocation to Bidders with an application size between ₹200,000 to ₹1,000,000	[●] Equity Shares
Two-thirds of the Non-Institutional Portion, available for allocation to Bidders with an application size of more than ₹1,000,000	[●] Equity Shares
Retail Portion[(5)(6)]	Not less than [●] Equity Shares
Pre- and Post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	[●] Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds by our Company	For details of the use of proceeds from the Fresh Issue, see "*Objects of the Offer*" on page 106. Our Company will not receive any proceeds from the Offer for Sale.

(1) *Our Board has authorised the Offer, pursuant to a resolution dated September 7, 2023 and our Board has taken on record the participation of the Selling Shareholder in the Offer for Sale pursuant to a resolution dated September 25, 2023. Our Shareholders have authorised the Fresh Issue pursuant to a special resolution dated September 7, 2023.*

(2) *The details of authorization by the Selling Shareholder approving his participation in the Offer for Sale are as set out below.*

S. No.	Name	Date of consent letter	Number of Offered Shares
1.	Krishan Lalit Bansal	September 7, 2023	Up to 7,900,000

The Selling Shareholder confirms that the Equity Shares being offered by him are eligible for being offered for sale pursuant to the Offer in terms of Regulation 8 of the SEBI ICDR Regulations.

(3) *Our Company and the Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will be accordingly reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Offer Price. In case of under-subscription or non- Allotment in the Anchor Investor Portion, the remaining Equity Shares will be added back to the Net QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor 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 QIBs (other than Anchor Investors) in proportion to their Bids. See "Offer Procedure" on page 418.*

(4) *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except the QIB portion would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, the BRLMs and the Designated Stock Exchange. In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, the Allotment for the valid Bids will be made in the first instance towards subscription for 90% of the Fresh Issue. For further details, see "Offer Structure" on page 415.*

(5) *SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹500,000, shall use the UPI Mechanism. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹200,000 and up to ₹500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid cum Application Form for Bidding through Syndicate, sub-syndicate members,*

Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(6) Allocation to Bidders in all categories, except Anchor Investors, if any, Non-Institutional Bidders and Retail Individual Bidders, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. The allocation to each Non-Institutional Bidder 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, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.

(7) Our Company, in consultation with the Book Running Lead Managers, may consider a Pre-IPO Placement of up to [●] specified securities aggregating up to ₹650.00 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the Book Running Lead Managers and the Pre-IPO Placement, if any, will be undertaken prior to filing of this Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the size of the Fresh Issue will be reduced by the number of specified securities issued and allotted in the Pre-IPO Placement, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement shall not exceed 20% of the size of the Fresh Issue.

For further details, see "*Offer Structure*", "*Terms of the Offer*" and "*Offer Procedure*" on pages 415, 409 and 418 respectively.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from the Restated Consolidated Summary Statements. The summary financial information presented below should be read in conjunction with "*Restated Consolidated Summary Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 268 and 344, respectively.

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SUMMARY OF RESTATED CONSOLIDATED BALANCE SHEET

(All amounts are in ₹ million)

Particulars		As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
ASSETS				
Non-current assets				
	Property, plant and equipment	3,647.56	3,453.92	3,600.74
	Capital work-in-progress	34.91	42.65	20.02
	Goodwill	27.12	27.12	27.12
	Other intangible assets	26.52	18.55	22.63
	Right to use assets	104.08	43.41	45.93
	Financial assets			
	(i) Investments	0.10	0.10	0.10
	(ii) Other financial assets	73.84	92.73	53.50
	Deferred tax asset (net)	31.97	24.80	20.70
	Other non-current assets	96.56	54.30	25.32
	Total non-current assets	**4,042.66**	**3,757.58**	**3,816.06**
Current assets				
	Inventories	2,891.82	2,420.32	1,842.60
	Financial assets			
	i)Trade receivables	1,727.83	1,534.34	1,984.59
	ii) Cash and cash equivalents	18.18	3.39	50.53
	iii) Bank balances other than (ii) above	309.76	249.33	274.35
	iv) Other financial assets	80.95	6.96	12.26
	Other current assets	591.39	482.05	378.37
	Total current assets	**5,619.93**	**4,696.39**	**4,542.70**
Total assets		**9,662.59**	**8,453.97**	**8,358.76**
EQUITY AND LIABILITIES				
Equity				
	Equity share capital	106.08	106.08	156.93
	Other equity	4,130.36	4,013.74	4,386.25
	Total equity	**4236.44**	**4119.82**	**4543.18**
Non-current liabilities				
	Financial liabilities			
	i) Borrowings	618.19	468.21	513.11
	ii) Lease liabilities	88.17	40.42	40.63
	Deferred tax liabilities (net)	197.05	202.97	212.34
(c)	Net employee defined benefit liabilitites	1.49	1.37	10.47
(d)	Other non-current liabilities	20.91	9.59	9.33
	Total non-current liabilities	**925.81**	**722.56**	**785.88**
CURRENT LIABILITIES				
(a)	Financial liabilities			
	i) Borrowings	2,908.03	2,385.37	2,058.54
	ii) Lease liabilities	23.20	9.90	9.43
	iii) Trade payables			
	- (a) Total outstanding dues of micro enterprises and small enterprises	43.41	44.99	23.82
	- (b) Total Outstanding dues of creditors other than micro enterprises and small enterprises	1,277.34	991.31	751.06
	iv) Other financial liabilities	81.62	41.25	29.11
	Net employee defined benefit liabilities	24.83	19.42	13.98
	Other current liabilities	112.30	115.28	142.38

Particulars		As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	Liabilities for current tax (net)	29.61	4.07	1.38
	Total current liabilities	**4,500.34**	**3,611.59**	**3,029.70**
Total equity and liabilities		**9,662.59**	**8,453.97**	**8,358.76**

SUMMARY OF RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(All amounts are in ₹ million)

Particulars	For the year ended March 31,		
	2023	2022	2021
I INCOME			
Revenue from contracts with customers	5,954.95	4,609.16	4,952.17
Other income	188.25	99.23	178.09
Total Income (I)	**6,143.20**	**4,708.39**	**5,130.26**
II EXPENSES			
Cost of raw materials consumed	2,261.00	1,948.97	1,984.71
Purchases of traded goods	28.90	11.35	9.57
(Increase) in inventories of finished goods, traded goods and work-in-progress	(387.68)	(242.10)	370.04
Employee benefits expenses	1,109.47	792.98	739.63
Finance costs	299.02	253.37	271.28
Depreciation and amortization expenses	377.27	358.99	355.37
Other expenses	2251.50	1451.89	1311.38
Total expenses (II)	**5,939.48**	**4,575.45**	**5,041.98**
Restated Profit before tax (I-II)	**203.72**	**132.94**	**88.28**
Share of profit of a Jointly controlled entity	**-**	**-**	**1.21**
III Restated profit before tax (I-II)	**203.72**	**132.94**	**89.49**
IV Tax expenses:			
Current tax	85.25	67.75	73.08
Adjustment of tax related to earlier years	(0.34)	(2.98)	(1.27)
Deferred tax charge/(credit)	(10.91)	(13.80)	(124.37)
Total tax expense (IV)	**74.00**	**50.97**	**(52.56)**
V Restated profit for the year (III-IV)	**129.72**	**81.97**	**142.05**
VI Restated Other Comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Re-measurement gain/ (loss) on defined benefit plans	(8.63)	1.31	3.45
Income tax effect	2.18	(0.33)	(0.88)
	(6.45)	**0.98**	**2.57**
Items that will be reclassified to statement of profit or loss:			
Exchange differences on translation of foreign operations	(6.65)	(2.91)	19.63
Restated Other Comprehensive income/(loss) for the year, net of tax (VI)	**(13.10)**	**(1.93)**	**22.20**
VII Restated total comprehensive income for the year, net of tax (V-VI)	**116.62**	**80.04**	**164.25**
Restated earnings per equity share [nominal value of shares INR 10 each (Previous year INR 10 each]			
- Basic earnings per share	2.45	1.53	2.44
- Diluted earnings per share	2.45	1.53	2.44

SUMMARY OF RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

(All amounts are in ₹ million)

Particulars	For the year ended March 31,		
	2023	2022	2021
A. Operating activities			
Restated profit before tax	**203.72**	**132.94**	**89.49**
Adjustments to reconcile restated profit before tax to net cash flows:			
Depreciation and amortization expenses	377.27	358.99	355.37
Profit/ loss on sale /discard of property, plant and equipment (net)	(19.80)	0.60	2.52
Finance income	(15.32)	(13.48)	(22.31)
Liabilities no longer required written back	(36.20)	-	-
Unrealized (gain) on foreign exchange (net)	(64.21)	(26.84)	(21.43)
Amortization of deferred revenue	(1.65)	-	(5.55)
Finance costs	299.02	253.37	271.28
Sundry balances written off	14.05	(0.14)	0.37
Operating profit before working capital changes	**756.88**	**705.44**	**669.74**
Working capital adjustments :			
(Increase)/ decrease in trade receivables	(212.88)	454.82	0.38
(Increase) in inventories	(471.49)	(576.46)	635.78
(Increase) in financial assets	(140.95)	(1.58)	(2.00)
(Increase) in other assets	(88.06)	(119.70)	(61.52)
Increase in trade payables	334.62	241.48	65.36
Increase/(decrease) in provisions	4.40	(3.07)	(0.56)
Increase in financial liabilities	41.73	41.63	8.34
(Decrease) in other liabilities	(25.81)	(7.46)	(289.34)
Cash generated from operations	**198.44**	**735.10**	**1,026.18**
Income tax paid (net of refund)	(59.05)	(63.63)	(70.76)
Net cash flows from operating activities	**139.39**	**671.47**	**955.42**
B. Investing activities:			
Purchase of property, plant and equipment, capital work in progress and intangible assets	(586.45)	(263.17)	(168.63)
Proceeds from sale of property, plant & equipment	28.23	24.98	13.08
Investment in wholly owned subsidiary company	-	-	(0.10)
Investments in bank deposits	(264.34)	(133.16)	(158.71)
Proceeds from redemption/ maturity of bank deposits	224.62	86.52	168.84
Interest received	78.21	63.37	77.79
Net cash flows used in investing activities	**(519.73)**	**(221.46)**	**(67.73)**
C. Financing activities:			
Proceeds from long term borrowings	926.08	258.44	380.51
Repayment of long term borrowing	(710.32)	(337.84)	(530.63)
Proceeds/(repayment) short term borrowings (net)	551.22	384.31	(398.84)
Interest paid	(350.80)	(287.04)	(318.41)
Principle repayment of lease liabilities	(12.53)	(6.75)	(4.51)
Interest paid on lease liabilities	(8.52)	(4.87)	(3.99)
Buy back of equity shares	-	(503.40)	-
Net cash flows from/ (used in) financing activities	**395.13**	**(497.15)**	**(875.87)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	14.79	(47.14)	11.82
Cash and cash equivalents at the beginning of the year	3.39	50.53	38.71
Cash and cash equivalents at year end	**18.18**	**3.39**	**50.53**
Cash and Cash equivalents comprise:			
Cash on hand	0.83	0.53	0.48
Balance with banks	17.35	2.86	50.05
	18.18	**3.39**	**50.53**

GENERAL INFORMATION

Our Company was originally incorporated as "DE Development Engineers Private Limited" a private limited company under the Companies Act, 1956 through certificate of incorporation dated March 21, 1988, issued by the RoC to reflect the change in name. Thereafter, the name of the Company was changed to "DEE Development Engineers Private Limited" pursuant to a Board resolution dated September 28, 1997 and a special resolution passed in the general meeting of the Shareholders held on October 22, 1997 and consequently a fresh certificate of incorporation dated January 8, 1998 was issued by the RoC to reflect the change in name.

Pursuant to an amendment in the Companies Act, 1956, our Company was deemed public under Section 43A (1A) of the Companies Act, 1956 with effect from July 1, 1998. Consequently, the word 'Private' was deleted from the name of our Company and the name was changed to "DEE Development Engineers Limited" pursuant to a Board resolution dated June 1, 1998.

Thereafter, our Company was converted into a private limited company pursuant to an amendment to Section 43A (1A) in Companies Act, 1956 by Section 43A (2A) of the Companies Amendment Act, 2000 with effect from July 16, 2004 and the name was changed to "DEE Development Engineers Private Limited" pursuant to a Board resolution dated July 16, 2004.

The name of our Company was changed to 'DEE Development Engineers Limited' upon conversion to a public limited company pursuant to a Board resolution dated December 29, 2009 and a resolution passed in the extra-ordinary general meeting of the Shareholders held on January 18, 2010 and consequently a fresh certificate of incorporation dated March 11, 2010, was issued by the RoC.

Registered and Corporate Office of our Company

DEE Development Engineers Limited
Unit 1, Prithla-Tatarpur Road,
Village Tatarpur, Dist. Palwal,
Faridabad, Haryana – 121102, India

Company registration number and Corporate Identity Number
Company registration Number: 030225
Corporate Identity Number: U74140HR1988PLC030225

Details of incorporation and changes in the name of our Company

For details of our incorporation and changes to our name, see "*History and Certain Corporate Matters*" on page 226.

Registrar of Companies

Our Company is registered with the RoC, National Capital Territory of Delhi and Haryana at New Delhi, situated at the following address:

4th Floor, IFCI Tower,
61, Nehru Place,
New Delhi –110019,
India.

Filing

A copy of this Draft Red Herring Prospectus shall be uploaded on the SEBI intermediary portal at https://siportal.sebi.gov.in as specified in Regulation 25(8) of the SEBI ICDR Regulations and the SEBI master circular SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023. It will also be filed with the 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

The Red Herring Prospectus and Prospectus, respectively, will be filed with the RoC in accordance with Section 32 read with Section 26 of the Companies Act, along with the material contracts and documents referred to in each of the Red Herring Prospectus and the Prospectus, respectively, and through the electronic portal.

Board of Directors

The table below sets forth the details of the constitution of our Board of Directors as on the date of this Draft Red Herring Prospectus:

Name	Designation	DIN	Address
Krishan Lalit Bansal	Chairman and Managing Director	01125121	1255, Sector-14, Faridabad, Haryana, India 121007
Ashima Bansal	Whole-time Director	01928449	House No. 1255, Sector-14, Faridabad, Haryana, India 121007
Shikha Bansal	Whole-time Director	02712175	H No. 1255, Sector-14, Faridabad, Haryana, India 121007
Bhisham Kumar Gupta	Independent Director	09493608	Flat no. – 3096, Sector – C, Pkt 3, Vasant Kunj, South West Delhi, India – 110070
Shilpi Barar	Independent Director	09030808	House no. 472, Sector-14, Faridabad, Escortsnagar, Haryana – 121007
Ashwani Kumar Prabhakar	Independent Director	10198026	Flat no. 321, Plot no. 10, New Ashiyana CGHS LTD, Sector-6, Dwarka, South West Delhi, Delhi – 110075.

For brief profiles and further details of our Directors, see "*Our Management*" on page 245.

Company Secretary and Compliance Officer

Ranjan Kumar Sarangi is the Company Secretary and Compliance Officer of our Company. His contact details are set forth below:

Ranjan Kumar Sarangi
Unit 1, Prithla-Tatarpur Road,
Village Tatarpur, Dist. Palwal,
Faridabad, Haryana – 121102, India
Tel: +91 1275 248345
E-mail: secretarial@deepiping.com

Statutory Auditors of our Company

S. R. Batliboi & Co. LLP
4th Floor, Office 405
World Mark – 2, Asset No. 8
IGI Airport Hospitality District,
Aerocity New Delhi – 110 037, India.
Tel: +91 11 4681 9500
E-mail: srbc@srb.in
ICAI Firm Registration Number: 301003E/E300005
Peer Review Certificate Number: 013326

Changes in Statutory Auditors

There has been no change in our statutory auditors in the three years immediately preceding the date of this Draft Red Herring Prospectus.

Investor Grievances

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

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) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of UPI Bidders.

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 information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All Offer-related grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the Book Running Lead Manager where the Anchor Investor Application Form was submitted by the Anchor Investor.

Book Running Lead Managers

SBI Capital Markets Limited
1501, 15th Floor, A & B Wing,
Parinee Crescenzo, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051,
Maharashtra, India
Tel.: +91 22 4006 9807
E-mail : dee.ipo@sbicaps.com
Website: www.sbicaps.com
Investor grievance e-mail: investor.relations@sbicaps.com
Contact Person: Janardhan Wagle/ Ayush Goyal
SEBI Registration Number: INM000003531

Equirus Capital Private Limited
12th Floor, C Wing, Marathon Futurex,
N.M. Joshi Marg, Lower Parel,
Mumbai – 400013
Maharashtra, India
Tel.: +91 22 4332 0732
E-mail: dee.ipo@equirus.com
Website: www.equirus.com
Investor grievance e-mail: investorsgrievance@equirus.com
Contact person: Ankesh Jain/ Jenny Bagrecha
SEBI Registration Number: INM000011286

Inter-se Allocation of Responsibilities between the BRLMs

The table below sets forth the *inter-se* allocation of responsibilities for various activities among the BRLMs.

Sr. No	Activities	Responsibility	Coordination
1.	Capital structuring with the relative components and formalities such type of instruments, size of the Offer, allocation between primary and secondary and positioning strategy. Due diligence of Company including its operations / management / business plans / legal etc. Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and application form. Ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalisation of DRHP, RHP, Prospectus, and RoC filing	SBICAPS, Equirus	SBICAPS
2.	Drafting and approval of all statutory advertisements.	SBICAPS, Equirus	SBICAPS
3.	Drafting and approval of all publicity material other than statutory advertisements as mentioned in point 2 above, including corporate advertising, brochures, etc filing of media compliance report with SEBI.	SBICAPS, Equirus	Equirus
4.	Appointment of intermediaries - Registrar to the Offer, Printer and advertising agency (including coordination of all agreements to be entered with such parties)	SBICAPS, Equirus	SBICAPS
5.	Appointment of other intermediaries – Monitoring agency, Banker to the Offer, Share Escrow Agent, etc (including coordination of all Agreements to be entered with such parties)	SBICAPS, Equirus	Equirus
6.	Preparation of roadshow presentation and frequently asked questions	SBICAPS, Equirus	Equirus
7.	International institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy • Finalising the list and division of international investors for one- to-one meetings • Finalising international road show and investor meeting schedules	SBICAPS, Equirus	Equirus
8.	Domestic Institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy preparation of publicity budget;	SBICAPS, Equirus	SBICAPS

Sr. No	Activities	Responsibility	Coordination
	• Finalizing the list and division of domestic investors for one- to-one meetings; and • Finalizing domestic road show and investor meeting schedule.		
9.	Conduct non-institutional marketing of the Offer.	SBICAPS, Equirus	SBICAPS
10.	Conduct retail marketing of the Offer, which will cover, inter-alia: • Finalising media, marketing, public relations strategy and publicity budget frequently asked questions at retail road show • Finalising brokerage, collection centers • Finalising centers for holding conferences for brokers etc. Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material	SBICAPS, Equirus	Equirus
11.	Managing anchor book related activities including anchor co-ordination, Anchor CAN, intimation of anchor allocation and submission of letters to regulators post completion of anchor allocation, and coordination with stock exchanges for book building process, filing of letters including for software, bidding terminals, mock trading and payment of 1% security deposit to Designated Stock Exchange.	SBICAPS, Equirus	Equirus
12.	Managing the book and finalization of pricing in consultation with Company and Selling Shareholder	SBICAPS, Equirus	SBICAPS
13.	Post bidding activities including management of escrow accounts, coordinate non- institutional allocation, coordination with Registrar, SCSBs, and banks, unblocking of application monies, intimation of allocation and dispatch of refund to bidders, etc. Post-Offer activities, which shall involve essential follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising Company about the closure of the Offer, based on correct figures, finalization of the basis of allotment, based on technical rejections, finalization of trading, dealing and listing of instruments, dispatch of certificates or demat credit and refunds/ unblocking of funds, post Offer stationery and, coordination with various agencies connected with the post-offer activity such as registrar to the offer, bankers to the offer, Sponsor Banks, Self-Certified Syndicate Bank including responsibility for underwriting arrangements (as applicable), Payment of the applicable STT on behalf of Selling Shareholder, coordination for investor complaints related to the Offer, Coordinating with Stock Exchanges and SEBI for submission of all post-Offer reports including the submission of final post issue report and coordination with SEBI and Stock Exchanges for refund of 1% security deposit	SBICAPS, Equirus	Equirus

Syndicate Members

[●]

Legal Counsel to the Offer

Trilegal
One World Centre,
10th Floor, Tower 2A & 2B,
Senapati Bapat Marg,
Lower Parel (West),
Mumbai – 400 013

Registrar to the Offer

Link Intime India Private Limited
C 101, 1st Floor, 247 Park
Lal Bahadur Shastri Marg, Vikhroli (West)
Maharashtra, India 400083

Tel: +91-8108114949
E-mail: dde.ipo@linkintime.co.in
Website: www.linkintime.co.in
Investor grievance e-mail: dde.ipo@linkintime.co.in
Contact person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

Banker(s) to the Offer

Escrow Collection Bank(s)

[●]

Refund Bank(s)

[●]

Public Offer Account Bank(s)

[●]

Sponsor Bank(s)

[●]

Bankers to our Company

Bank of India
New Delhi Large Corporate Branch,
10th Floor, Chaderlok Building,
36, Janpath, New Delhi - 110001
Tel: 011 23461432/ 23461400
E-mail: largecorporatebr.newdelhi@bankofindia.co.in
Website: www.bankofindia.co.in
Contact person: Deputy General Manager

HDFC Bank Limited
B 6/3, Safdarjung Enclave,
Opposite Deer Park, B6, Block B6
Humayunpur, Safdarjung Enclave,
New Delhi – 110029
Tel: +91 7417114024
E-mail: kanishk.goel@hdfcbank.com
Website: www.hdfcbank.com
Contact person: Kanishk Goel

Punjab National Bank
DCM Building, No. 16
Barakhamba Road,
New Delhi – 110001
Tel: 011 23719094
E-mail: lcb8143@pnb.co.in
Website: www.pnbindia.co.in
Contact person: Deputy General Manager

Union Bank of India
Mid Corporate Branch Delhi South,
26/28, First Floor, D-Block, Connaught Place,
New Delhi-110001
Tel: +91 9137849790
E-mail:UBIN0549797@unionbankofindia.bank
Website: www.unionbankofindia.co.in
Contact person: Yogesh Kumar

Export - Import Bank of India
Centre One Building, Foor 21,
World Trade Centre Complex,
Cuffe Parade, Mumbai -400005
Tel: +91 22 22172600
E-mail: lomg@eximbankindia.in
Website: www.eximbankindia.in
Contact person: General Manager

IndusInd Bank Limited
New Tower, Hyatt Regency Complex,
7th Floor, Block A,
District Centre, Bhikhaji Cama Place,
R.K. Puram, New Delhi – 110066
Tel: 011 4250 5200
E-mail: Praveen.goyal@indusind.com
Website: www.indusind.com
Contact person: Corporate Banking

Yes Bank Limited
Yes Bank House,
Off Western Express Highway
Santacruz East Mumbai City 400 055
Tel: 0120 571767
E-mail: Deepak.arora@yesbank.in
Website: www.yesbank.in
Contact person: Deepak Arora

Bandhan Bank Limited
DN – 32, Salt Lake Sector – V,
Kolkata – 700091
Tel: 91- 9711284679
Email: sandeep.kumar@bandhanbank.com
Website: www.bandhanbank.com
Contact person: Sandeep Kumar

Designated Intermediaries

Self Certified Syndicate Banks

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

SCSBs and mobile applications enabled for UPI Mechanism

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

Syndicate SCSB Branches

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

Registered Brokers

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

Registrar and Share Transfer Agents

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

Collecting Depository Participants

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

Credit Rating

As the Offer is an initial public offering of Equity Shares, the appointment of a credit rating agency is not required.

IPO Grading

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

Debenture Trustees

As the Offer is an initial public offering of Equity Shares, the appointment of debenture trustees is not required.

Monitoring Agency

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company will appoint a monitoring agency, prior to the filing of the Red Herring Prospectus with the RoC for monitoring the utilization of the Net Proceeds. For further details in relation to the proposed utilisation of the Net Proceeds, see '*Objects of the Offer*' on page 106.

Appraising Agency

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency. Accordingly, no appraising entity has been appointed for the Offer.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Experts

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

(i) Our Company has received written consent dated September 28, 2023 from S. R. Batliboi & Co. LLP, Chartered Accountants, to include their name as required under section 26 (1) 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 their (i) examination report, dated September 25, 2023 on our Restated Consolidated Summary Statements; and (ii) their report dated September 28, 2023 on the statement of special tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

(ii) Our Company has received written consent dated September 25, 2023 from SANMARKS & Associates, Chartered Accountants, the statutory auditors of one of our Subsidiaries, DEE Fabricom India Private Limited to be named as an "expert" under Section 2(38) read with Section 26(5) of the Companies Act, 2013, in respect of the report on the utilization of loans for the purpose availed dated September 23, 2023. Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

(iii) Our Company has received written consent dated September 25, 2023 from Bangkok International Audit Co. Ltd. , Certified Public Accountants, to be named as an "expert" under Section 2(38) and other applicable provisions of the Companies Act, 2013, in respect of the statement of special tax benefits in relation to DEE Piping Systems (Thailand) Co. Limited dated September 6, 2023 included in this Draft Red Herring Prospectus and report on the utilization of loans for the purpose availed dated September 9, 2023. Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

(iv) Our Company has received written consent dated September 28, 2023 from VSD & Associates, Chartered Accountants, to be named as an "expert" under Section 2(38) and other applicable provisions of the Companies Act, 2013. Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus .

(v) Our Company has received written consent dated September 25, 2023 from M/s. Kapil Kumar & Co., practicing company secretary, to be named as an "expert" under Section 2(38) and other applicable provisions of the Companies Act, 2013. Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

(vi) Further, our Company has received written consent dated August 25, 2023 from Vinay Kumar Wadhawan, an independent chartered engineer, to be named as an "expert" under Section 2(38) and other applicable provisions of the Companies Act, 2013 to the extent and in his capacity as a chartered engineer and in respect of the certificate dated August 25, 2023 issued by him in relation to our Company's manufacturing capacities and capacity utilization at all of its manufacturing facilities included in this Draft Red Herring Prospectus. Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Book Building Process

Book building process, in the context of the Offer, refers to the process of collection of Bids from Bidders on the basis of the Red Herring Prospectus and the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and the minimum Bid Lot size will be decided by our Company, and the Selling Shareholder, in consultation with the BRLMs and shall be advertised in [●] editions of the [●], an English language national daily with wide circulation, and [●] editions of [●], a Hindi language national daily with wide circulation (Hindi also being the regional language of Haryana where our Registered Office is located), and advertised at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges to upload on their respective websites. The Offer Price shall be determined by our Company and the Selling Shareholder, in consultation with the BRLMs, after the Bid/Offer Closing Date.

All investors, other than Anchor Investors, shall only participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or, in case of UPI Bidders, by alternatively using 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 Bids (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 ₹200,000) can revise their Bids during the Bid/Offer Period and can withdraw their Bids on or before the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw Bids after the Anchor Investor Bid/ Offer Period. Further, allocation to QIBs in the Net QIB Portion will be on a proportionate basis and allocation to Anchor Investors in the Anchor Investor Portion will be on a discretionary basis. Additionally, 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.

For further details on the method and procedure for Bidding and book building procedure, see '*Terms of the Offer*', '*Offer Structure'* and *'Offer Procedure'* on pages 409, 415 and 418, respectively.

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

Bidders should note that the Offer is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) filing of the Prospectus with the RoC.

Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Offer Procedure"* on page 418.

Underwriting Agreement

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed 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 Shareholder intend to enter into an Underwriting Agreement with the Underwriters, who shall be merchant bankers or stockbrokers registered with SEBI, for the Equity Shares. The Underwriting Agreement is dated [●]. The extent of underwriting obligations and the Bids to be underwritten by each Underwriter shall be as per the Underwriting Agreement, it is proposed that pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to conditions specified therein.

The Underwriters have indicated their intention to underwrite such number of Equity Shares as disclosed below:

(This portion has been intentionally left blank and will be filled in before the Prospectus is filed 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 indicative and will be finalised after determination of the Offer Price and Basis of Allotment and the allocation of Equity Shares, subject to and in accordance with 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 each of the abovementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The Board of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

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

CAPITAL STRUCTURE

Our Company's share capital, as of the date of this Draft Red Herring Prospectus, is disclosed below.

(In ₹ except share data)

S. No.	Particulars	Aggregate value at face value (₹)	Aggregate value at Offer Price*
A	**AUTHORISED SHARE CAPITAL**(1)		
	68,750,000 Equity Shares of face value ₹10 each	687,500,000	-
	6,250,000 Preference Shares of face value ₹10 each	62,500,000	-
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER**		
	53,039,140 Equity Shares of face value of ₹10 each	530,391,400	-
C	**PRESENT OFFER**		
	Offer of up to [●] Equity Shares of face value ₹10 each aggregating up to ₹[●] million(2)(4)	[●]	[●]
	of which		
	Fresh Issue of up to [●] Equity Shares of face value ₹ 10 each aggregating up to ₹3,250.00 million(2)(4)	[●]	[●]
	Offer for Sale of up to 7,900,000 Equity Shares of face value ₹10 each aggregating up to ₹[●] million(3)	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER***		
	[●] Equity Shares of face value of ₹[●] each	[●]	[●]
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	1,24,87,79,690.26	
	After the Offer	[●]	

* *To be included upon finalization 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, see "History and Certain Corporate Matters—Amendments to the Memorandum of Association" on page 227.*

(2) *Our Board has authorised the Offer, pursuant to their resolution dated September 7, 2023 and our Board has taken on record the participation of the Selling Shareholder in the Offer for Sale pursuant to a resolution dated September 25, 2023. Our Shareholders have authorised the Fresh Issue pursuant to a special resolution dated September 7, 2023.*

(3) *The Selling Shareholder pursuant to his consent dated September 7, 2023 confirms that the Equity Shares being offered by him are eligible for being offered for sale pursuant to the Offer in terms of Regulation 8 of the SEBI ICDR Regulations. For details on the authorizations by the Selling Shareholder in relation to the Offer for Sale, see "The Offer" on page 75.*

(4) *Our Company, in consultation with the Book Running Lead Managers, may consider a Pre-IPO Placement of up to [●] specified securities aggregating up to ₹650.00 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the Book Running Lead Managers and the Pre-IPO Placement, if any, will be undertaken prior to filing of this Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the size of the Fresh Issue will be reduced by the number of specified securities issued and allotted in the Pre-IPO Placement, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement shall not exceed 20% of the size of the Fresh Issue.*

Notes to Capital Structure

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

(a) *History of Equity Share capital of our Company:*

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for/ Nature of allotment	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital	Name of allottees
March 21, 1988	30	10	10	Initial subscription to the Memorandum of Association	Cash	30	300	10 Equity Shares each were allotted to Krishan Lalit Bansal, Dalip Singh Sidhu and Lajwant Rai
April 1, 1988*	23,930	10	-	Preferential issue	Consideration other than cash(1)	23,960	239,600	12,330 Equity Shares were allotted to Krishan Lalit Bansal, 7,120 Equity Shares were allotted to Harinder Kaur, 4,460 Equity Shares were allotted to Lajwant Rai, 10 Equity Shares were allotted to H.K.L Bansal and 10 Equity Shares were allotted to Kamlesh Loomba
February 1, 1991*	1,040	10	10	Further issue	Cash	25,000	250,000	1,040 Equity Shares were allotted to Lajwant Rai
January 17, 1996	200,000	10	-	Bonus issue in the ratio of eight Equity Shares for every one Equity Share held	Not applicable	225,000	2,250,000	98,720 Equity Shares were allotted to Krishan Lalit Bansal, 56,960 Equity Shares were allotted to Harinder Kaur, 44,080 Equity Shares were allotted to Lajwant Rai, 80 Equity Shares were allotted to H.K.L Bansal, 80 Equity Shares were allotted to Dalip Singh Sidhu and 80 Equity Shares were allotted to Kamlesh Loomba
January 18, 1996	25,000	10	10	Rights issue	Cash	250,000	2,500,000	15,000 Equity Shares were allotted to Krishan Lalit Bansal, 5,000 Equity Shares were allotted to Dalip Singh Sidhu and 5,000 Equity Shares were allotted to Lajwant Rai
March 27, 1997	250,000	10	10	Rights issue	Cash	500,000	5,000,000	195,000 Equity Shares were allotted to Krishan Lalit Bansal and 55,000 Equity Shares were allotted to Ashima Bansal
July 28, 1998	700,000	10	10	Rights issue	Cash	1,200,000	12,000,000	488,300 Equity Shares were allotted to Krishan Lalit Bansal, 75,000 Equity Shares were allotted to H.K.L Bansal, 66,000 Equity Shares were allotted to Lajwant Rai, 61,400 Equity Shares were allotted to Dalip Singh Sidhu and 9,300 Equity Shares were allotted to Harinder Kaur

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for/ Nature of allotment	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital	Name of allottees
December 5, 2002	300,000	10	10	Rights issue	Cash	1,500,000	15,000,000	91,500 Equity Shares were allotted to Dalip Singh Sidhu, 65,000 Equity Shares were allotted to Ashima Bansal, 48,500 Equity Shares were allotted to H.K.L Bansal, 40,000 Equity Shares were allotted to Atul Bansal, 40,000 Equity Shares were allotted to Jyoti Rai and 15,000 Equity Shares were allotted to Lajwant Rai
March 29, 2003	500,000	10	-	Bonus issue in the ratio of one Equity Share for every three Equity Shares held	Not applicable	2,000,000	20,000,000	269,788 Equity Shares were allotted to Krishan Lalit Bansal, 52,664 Equity Shares were allotted to Dalip Singh Sidhu, 45,196 Equity Shares were allotted to Lajwant Rai, 41,198 Equity Shares were allotted to H.K.L Bansal, 40,000 Equity Shares were allotted to Ashima Bansal, 24,460 Equity Shares were allotted to Harinder Kaur, 13,332 Equity Shares were allotted to Jyoti Rai, 13,332 Equity Shares were allotted to Atul Bansal and 30 Equity Shares were allotted to Kamlesh Loomba
May 28, 2008	9,000,000	10	-	Bonus issue in the ratio of nine Equity Shares for every two Equity Shares held	Not applicable	11,000,000	110,000,000	6,545,655 Equity Shares were allotted to Krishan Lalit Bansal, 1,253,817 Equity Shares were allotted to Lajwant Rai, 720,000 Equity Shares were allotted to Ashima Bansal, 239,994 Equity Shares were allotted to Atul Bansal, 239,994 Equity Shares were allotted to Jyoti Rai and 540 Equity Shares were allotted to Kamlesh Loomba
February 17, 2011	200	10	100	Preferential issue	Cash	11,000,200	110,002,000	100 Equity Shares each were allotted to BanyanTree Growth Capital LLC and Capvent India Private Equity Fund Limited
August 5, 2015(2)	2,195,541	10	555.67	Private placement	Cash	13,195,741	131,957,410	2,179,293 Equity Shares were allotted to First Carlyle Ventures III, 12,744 Equity Shares were allotted to Madhava Menon Shankar Narayanan, 1,274 Equity Shares were allotted to Nikhil Mohta, 1,274 Equity Shares were allotted to Manish Gaur, 637 Equity Shares were allotted to Kapil Modi and 319 Equity Shares were allotted to Rishabh Chindalia
August 5, 2015(2)	2,496,978	10	Not applicable(3)	Conversion of CCPS(4)	Not applicable	15,692,719	156,927,190	2,496,978 Equity Shares were allotted to First Carlyle Ventures III
May 17, 2021	(5,084,891)	10	99	Buy back on a proportionate basis for all	Cash	10,607,828	106,078,280	Buy back of 5,081,387 Equity Shares from First Carlyle Ventures III, 1,274 Equity Shares from Manish Gaur, 1,274 Equity Shares from Nikhil Mohta, 637 Equity Shares from Kapil Modi and 319 Equity Shares from Rishabh Chindalia.

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for/ Nature of allotment	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital	Name of allottees
				shareholders as on May 8, 2021				
September 7, 2023	42,431,312	10	-	Bonus issue in the ratio of four Equity Shares for every one Equity Share held	Not applicable	53,039,140	530,391,400	31,711,348 Equity Shares were allotted to Krishan Lalit Bansal, 6,025,820 Equity Shares were allotted to DDE Piping Components Private Limited, 3,519,920 Equity Shares were allotted to Ashima Bansal, 1,173,704 Equity Shares were allotted to Shikha Bansal, 400 Equity Shares were allotted to DEE Group Trust, 40 Equity Shares were allotted to Charu Agarwal, 40 Equity Shares were allotted to Shruti Aggarwal and 40 Equity Shares were allotted to ASV Fabrication Private Limited

* *The Form 2 (return of allotment) filed with the RoC in connection with the allotment of Equity Shares dated April 1, 1988 and February 1, 1991, are untraceable. For further details, see "Risk Factors – Certain forms filed by us with the RoC have discrepancies and certain corporate records and other documents, are not traceable. While we have conducted a search with the RoC, in respect of the unavailability of such forms and other records, we cannot assure you that such forms or records will be available at all or any time in the future." on page 39.*

(1) *The Equity Shares were issued to the allottees in lieu of the acquisition of the business of partnership firm of M/S Development Engineers. Value of given equity shares is not quantifiable.*

(2) *Our Company filed a revised form PAS-3 in relation to the allotment due to an inadvertent error in the initial form.*

(3) *Consideration of ₹80 per CCPS was paid at the time of issuance of CCPS and no consideration was paid at the time of conversion.*

(4) *The CCPS were transferred by BanyanTree Growth Capital LLC and Capvent India Private Equity Fund Limited to First Carlyle Ventures III on August 5, 2015.*

(b) *History of Preference Share capital of our Company*

Date of allotment	Number of Preference Shares allotted	Face value per Preference Share (₹)	Issue price per Preference Share (₹)	Reason for/ Nature of allotment	Nature of consideration	Cumulative number of Preference Shares	Cumulative paid-up Preference Share capital	Name of allottees
Compulsorily Convertible Preference Shares ("CCPS")								
February 17, 2011	6,250,000	10	80	Preferential issue(1)	Cash	6,250,000	62,500,000	4,625,000 CCPS were allotted to BanyanTree Growth Capital LLC and 1,625,000 CCPS were allotted to Capvent India Private Equity Fund Limited

Date of allotment	Number of Preference Shares allotted	Face value per Preference Share (₹)	Issue price per Preference Share (₹)	Reason for/ Nature of allotment	Nature of consideration	Cumulative number of Preference Shares	Cumulative paid-up Preference Share capital	Name of allottees
Compulsorily Convertible Preference Shares ("CCPS")								
August 5, 2015	(6,250,000)	10	Not applicable[2]	Conversion to Equity Shares[3][4]	Not applicable	Nil	Nil	Conversion of 6,250,000 CCPS held by First Carlyle Ventures III

[(1)] *Pursuant to the subscription agreement dated February 2, 2011.*
[(2)] *Consideration of ₹80 per CCPS was paid at the time of issuance of CCPS and no consideration was paid at the time of conversion.*
[(3)] *The CCPS were transferred by BanyanTree Growth Capital LLC and Capvent India Private Equity Fund Limited to First Carlyle Ventures III on August 5, 2015.*
[(4)] *As per the share subscription, purchase and shareholders agreement dated August 4, 2015.*

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

Except as stated below, our Company has not issued any shares in the past for consideration other than cash or by way of bonus issue, as of the date of this Draft Red Herring Prospectus:

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Reason for allotment	List of allottees	Benefits accrued to our Company
April 01, 1988	23,930	10	-	Preferential issue	12,330 Equity Shares were allotted to Krishan Lalit Bansal, 7,120 Equity Shares were allotted to Harinder Kaur, 4,460 Equity Shares were allotted to Lajwant Rai, 10 Equity Shares were allotted to H.K.L Bansal and 10 Equity Shares were allotted to Kamlesh Loomba	Acquired the business of partnership firm of M/S Development Engineers
January 17, 1996	200,000	10	-	Bonus issue in the ratio of eight Equity Shares for every one Equity Share held	98,720 Equity Shares were allotted to Krishan Lalit Bansal, 56,960 Equity Shares were allotted to Harinder Kaur, 44,080 Equity Shares were allotted to Lajwant Rai, 80 Equity Shares were allotted to H.K.L Bansal, 80 Equity Shares were allotted to Dalip Singh Sidhu and 80 Equity Shares were allotted to Kamlesh Loomba	-
March 29, 2003	500,000	10	-	Bonus issue in the ratio of one Equity Share for every three Equity Shares held	269,788 Equity Shares were allotted to Krishan Lalit Bansal, 52,664 Equity Shares were allotted to Dalip Singh Sidhu, 45,196 Equity Shares were allotted to Lajwant Rai, 41,198 Equity Shares were allotted to H.K.L Bansal, 40,000 Equity Shares were allotted to Ashima Bansal, 24,460 Equity Shares were allotted to Harinder Kaur, 13,332 Equity Shares were allotted to Jyoti Rai,	-

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Reason for allotment	List of allottees	Benefits accrued to our Company
					13,332 Equity Shares were allotted to Atul Bansal and 30 Equity Shares were allotted to Kamlesh Loomba	
May 28, 2008	9,000,000	10	-	Bonus issue in the ratio of nine Equity Shares for every two Equity Shares held	6,545,655 Equity Shares were allotted to Krishan Lalit Bansal, 1,253,817 Equity Shares were allotted to Lajwant Rai, 720,000 Equity Shares were allotted to Ashima Bansal, 239,994 Equity Shares were allotted to Atul Bansal, 239,994 Equity Shares were allotted to Jyoti Rai and 540 Equity Shares were allotted to Kamlesh Loomba	-
September 7, 2023	42,431,312	10	-	Bonus issue in the ratio of four Equity Shares for every one Equity Share held	31,711,348 Equity Shares were allotted to Krishan Lalit Bansal, 6,025,820 Equity Shares were allotted to DDE Piping Components Private Limited, 3,519,920 Equity Shares were allotted to Ashima Bansal, 1,173,704 Equity Shares were allotted to Shikha Bansal, 400 Equity Shares were allotted to DEE Group Trust, 40 Equity Shares were allotted to Charu Agarwal, 40 Equity Shares were allotted to Shruti Aggarwal and 40 Equity Shares were allotted to ASV Fabrication Private Limited	-

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

Our Company has not issued any Equity Shares at a price which may be lower than the Offer Price during the period of one year preceding the date of this Draft Red Herring Prospectus except as disclosed in the Share capital history of our Company. As on the date of this Draft Red Herring Prospectus, our Company does not have any outstanding Preference Shares. For further details, see " – *Share capital history of our Company – History of Equity Share Capital of our Company*" on page 91.

4. **Issue of shares out of revaluation reserves**

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

5. **Issue of shares pursuant to any scheme of arrangement**

Our Company has not issued or allotted any shares in terms of a scheme of arrangement approved under Sections 391-394 of the Companies Act, 1956 or Sections 230-234 of the Companies Act, 2013.

6. **Details of Build-up, Contribution and Lock-in of Promoter's Shareholding and Lock-in of other Equity Shares**

As on the date of this Draft Red Herring Prospectus, our Promoter holds 39,639,185 Equity Shares constituting approximately 74.74% of the issued, subscribed and paid-up share capital of our Company.

(a) Build-up of Promoter's equity shareholding in our Company

The build-up of the equity shareholding of our Promoter since incorporation of our Company is set forth below:

Krishan Lalit Bansal

Date of allotment/ transfer	Number of fully paid-up Equity Shares	Face value (₹)	Issue/ Transfer price per Equity Share (₹)	Nature of consideration	Nature of acquisition/ allotment/ transfer	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)
March 21, 1988	10	10	10	Cash	Initial subscription to the Memorandum of Association	Negligible	[●]
April 1, 1988	12,330	10	-	Consideration other than cash(1)	Preferential issue	0.02	[●]
January 17, 1996	98,720	10	-	Not applicable	Bonus issue in the ratio of eight Equity Shares for every one Equity Share held	0.19	[●]
January 18, 1996	15,000	10	10	Cash	Rights issue	0.03	[●]
March 27, 1997	195,000	10	10	Cash	Rights issue	0.37	[●]
July 28, 1998	488,300	10	10	Cash	Rights issue	0.92	[●]
March 29, 2003	269,788	10	-	Not applicable	Bonus issue in the ratio of one Equity Share for every three Equity Shares held	0.51	[●]
March 16, 2007	152,900	10	37	Cash	Transfer of Equity Shares from Dalip Singh Sidhu	0.29	[●]

Date of allotment/ transfer	Number of fully paid-up Equity Shares	Face value (₹)	Issue/ Transfer price per Equity Share (₹)	Nature of consideration	Nature of acquisition/ allotment/ transfer	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)
March 23, 2007	52,664	10	37	Cash	Transfer of Equity Shares from Dalip Singh Sidhu	0.10	[●]
March 28, 2007	5,090	10	37	Cash	Transfer of Equity Shares from Dalip Singh Sidhu	0.01	[●]
May 22, 2007	164,788	10	-	Not applicable	Transmission of Equity Shares of H.K.L Bansal by way of will	0.31	[●]
May 28, 2008	6,545,655	10	-	Not applicable	Bonus issue in the ratio of nine Equity Shares for every two Equity Shares held	12.34	[●]
December 28, 2009	(100)	10	55	Cash	Transfer of Equity Shares to Shikha Bansal	Negligible	[●]
April 1, 2010	(10)	10	-	Not applicable	Transfer of Equity Shares by way of gift to Charu Aggarwal	Negligible	[●]
April 15, 2010	278,626	10	55	Cash	Transfer of Equity Shares from Lajwant Rai	0.53	[●]
April 15, 2010	53,332	10	55	Cash	Transfer of Equity Shares from Jyoti Rai	0.10	[●]
June 8, 2013	660	10	10	Cash	Transfer of Equity Shares from Kamlesh Loomba	Negligible	[●]
August 5, 2015	(404,916)	10	555.67	Cash	Transfer of Equity Shares to First Carlyle Ventures III	(0.76)	[●]
September 7, 2023	31,711,348	10	-	Not applicable	Bonus issue in the ratio of four Equity Shares for every one Equity Share held	59.79	[●]
Total	**39,639,185**					**74.74**	**[●]**

(1) *The Equity Shares were issued in lieu of the acquisition of the business of partnership firm of M/S Development Engineers. Value of given equity shares is not quantifiable.*

(b) Details of Promoter's Contribution and lock-in

Pursuant to Regulations 14 and 16 (1)(a) of the SEBI ICDR Regulations, an aggregate of at least 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoter shall be considered as the minimum Promoter's Contribution and is required to be locked-in for a period of eighteen months from the date of Allotment ("**Promoter's Contribution**"). Our Promoter's shareholding in excess of 20% shall be locked in for a period of six months from the date of Allotment.

The details of the Equity Shares held by our Promoter, which shall be locked-in for minimum Promoter's Contribution for a period of eighteen months, from the date of Allotment as Promoter's Contribution are set forth below:*

Name of the Promoter	Number of Equity Shares locked-in	Date up to which Equity Shares are subject to lock-in	Date of Acquisition of Equity Shares and when made fully paid-up	Nature of transaction	Face value (₹)	Issue/Acquisition price per Equity Share (₹)	Pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

* *To be completed prior to filing of the Prospectus with the RoC.*

Our Promoter has given consent to include such number of Equity Shares held by him as disclosed above, constituting 20% of the fully diluted post-Offer Equity Share capital of our Company as Minimum Promoter's Contribution and has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Minimum Promoter's 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.

Our Company undertakes that the Equity Shares that are being locked-in will not be ineligible for computation of Promoter's Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoter, see "—*Details of Build-up, Contribution and Lock-in of Promoter's Shareholding and Lock-in of other Equity Shares – Build-up of Promoter's equity shareholding in our Company*" on page 96.

In this connection, we confirm the following:

(i) The Equity Shares offered towards minimum Promoter's Contribution have not been acquired during the three immediately preceding years (a) for consideration other than cash and revaluation of assets or capitalization of intangible assets, or (b) arising from bonus issue by utilization of revaluation reserves or unrealised profits of our Company or from a bonus issue against Equity Shares, which are otherwise ineligible for computation of Promoter's Contribution;

(ii) The Equity Shares offered towards minimum Promoter's Contribution have not been acquired by our Promoter during the year immediately preceding the date of this Draft Red Herring Prospectus at a price lower than the Offer Price;

(iii) Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm into a company in the preceding one year 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 or a limited liability partnership firm;

(iv) The Equity Shares forming part of the Promoter's Contribution are not subject to any pledge; and

(v) All Equity Shares held by our Promoter are in dematerialised form as on the date of this Draft Red Herring Prospectus.

(c) Details of Equity Shares locked-in for six months

In addition to the Equity Shares proposed to be locked-in as part of the minimum Promoter's Contribution as stated above, as prescribed under the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company (including any unsubscribed portion of the Offered Shares) will be locked-in for a period of six months from the date of Allotment.

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

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

(e) Other requirements in respect of lock-in

Pursuant to Regulation 20 of the SEBI ICDR Regulations, details of locked-in Equity Shares will be recorded by relevant depositories.

Pursuant to Regulation 21 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoter may be pledged only with scheduled commercial banks or public financial institutions or a Systemically Important NBFC or a housing finance company as collateral security for loans granted by such scheduled commercial bank or public financial institution or Systemically Important NBFC or housing company, provided that specified conditions under the SEBI ICDR Regulations are complied with. However, the relevant lock-in period shall continue pursuant to the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

Pursuant to Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by our Promoter, which are locked-in in accordance with Regulation 16 of the SEBI ICDR Regulations, may be transferred to any member of the Promoter Group, or to a new promoter of our Company and the Equity Shares held by any persons other than our Promoter, which are locked-in in accordance with Regulation 17 of the SEBI ICDR Regulations, may be transferred to and among such other persons holding specified securities that are locked in, subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

7. **Shareholding pattern of our Company**

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

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII)=(IV) +(V) + (VI)	Shareholding as a % of total number of shares (calculate as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding Convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialised form (XIV)
								Number of Voting Rights			Total as a % of (A+B + C)			Number (a)	As a % of total Share s held (b)	Number (a)	As a % of total Shares held (b)	
								Class e.g.: Equity Shares	Class e.g.: Others	Total								
(A)	**Promoter and Promoter Group**	6	5,30,39,040	-	-	5,30,39,040	100.00	5,30,39,040	-	5,30,39,040	100.00	-	-	-	-	-	-	5,30,39,040
(B)	**Public**	2	100	-	-	100	-	100	-	100	-	-	-	-	-	-	-	100
(C)	**Non-Promoter-Non Public**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	**Shares underlying depository receipts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	**Shares held by employee trusts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**8**	**5,30,39,140**	**-**	**-**	**5,30,39,140**	**100.00**	**5,30,39,140**	**-**	**5,30,39,140**	**100.00**	**-**	**-**	**-**	**-**	**-**	**-**	**5,30,39,140**

8. **Details of shareholding of the major Shareholders of our Company:**

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

S. No.	Name of Shareholder	Number of Equity Shares (face value ₹10) held	Percentage of the pre-Offer Equity Share capital (%)
1.	Krishan Lalit Bansal	39,639,185	74.74
2.	DDE Piping Components Private Limited	7,532,275	14.20
3.	Ashima Bansal	4,399,900	8.30
4.	Shikha Bansal	1,467,130	2.76
Total		**53,038,490**	**99.99**

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

S. No.	Name of Shareholder	Number of Equity Shares (of face value of ₹10) held	Percentage of the pre-Offer Equity Share capital (%)
1.	Krishan Lalit Bansal	39,639,185	74.74
2.	DDE Piping Components Private Limited	7,532,275	14.20
3.	Ashima Bansal	4,399,900	8.30
4.	Shikha Bansal	1,467,130	2.76
Total		**53,038,490**	**99.99**

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

S. No.	Name of Shareholder	Number of Equity Shares (of face value of ₹10) held	Percentage of the pre-Offer Equity Share capital (%)
1.	Krishan Lalit Bansal	7,927,837	74.74
2.	DDE Piping Components Private Limited	1,506,555	14.20
3.	Ashima Bansal	879,980	8.30
4.	Shikha Bansal	293,426	2.76
Total		**10,607,798**	**99.99**

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

S. No.	Name of Shareholder	Number of Equity Shares (of face value of ₹10 each) held	Percentage of the pre-Offer Equity Share capital (%)
1.	Krishan Lalit Bansal	7,927,837	74.74
2.	DDE Piping Components Private Limited	1,506,555	14.20
3.	Ashima Bansal	880,000	8.30
4.	Atul Krishan Bansal	293,326	2.76
Total		**10,607,718**	**99.99**

9. **Details of the Shareholding of our Directors, our Key Managerial Personnel, our Senior Management Personnel, our Promoter and members of our Promoter Group**

Except as disclosed below, as on the date of this Draft Red Herring Prospects, neither our Promoter nor the members of our Promoter Group hold any Equity Shares in our Company:

S. No.	Name of the Shareholder	Number of Equity Shares held	Percentage of the pre- Offer Equity Share capital (%)	Percentage of the post-Offer Equity Share capital (%)
Promoter				
1.	Krishan Lalit Bansal (*also a Director and KMP*)	39,639,185	74.74	[●]
Promoter Group				

S. No.	Name of the Shareholder	Number of Equity Shares held	Percentage of the pre- Offer Equity Share capital (%)	Percentage of the post-Offer Equity Share capital (%)
2.	DDE Piping Components Private Limited	7,532,275	14.20	[●]
3.	Ashima Bansal (*also a Director and KMP*)	4,399,900	8.30	[●]
4.	Shruti Aggarwal (*also an SMP*)	50	Negligible	[●]
5.	Shikha Bansal (*also a Director and KMP*)	1,467,130	2.76	[●]
6.	DEE Group Trust	500	Negligible	[●]
Senior Management Personnel				
7.	Charu Agarwal	50	Negligible	[●]
Total		53,039,090	**100.00**	[●]

For details, with respect to the shareholding of our Directors, KMPs and SMPs, see "*Our Management – Shareholding of Directors in our Company*" and "*Our Management – Shareholding of Key Managerial Personnel and Senior Management Personnel*" on pages 250 and 261, respectively.

10. None of the BRLMs or their respective associates, as defined in the SEBI Merchant Bankers Regulations, hold any Equity Shares in our Company as of the date of this Draft Red Herring Prospectus.

11. Our Company, our Directors and the BRLMs have not entered into any buy-back arrangements for purchase of Equity Shares.

12. Our Company has not made any public issue since its incorporation, and has not made any rights issue of any kind or class of securities since its incorporation, other than as disclosed in "*– Share Capital History of our Company*" on page 91.

13. Our Company does not have any partly paid-up Equity Shares as of the date of this Draft Red Herring Prospectus and all Equity Shares Allotted in the Offer will be fully paid-up at the time of Allotment.

14. Except for the Equity Shares/ specified securities, as the case may be, allotted pursuant to (i) the Offer; (ii) the Pre-IPO Placement; and (iii) exercise of employee stock options, 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 pursuant to the Offer or refund of application monies.

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

16. Except as disclosed below, neither our Promoter (also the Selling Shareholder), the members of our Promoter Group nor our Directors, or any of their relatives 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:

Date	Nature of transaction	Number of Equity Shares	Face value per Equity Share (₹)	Transfer price per Equity Share (₹)	Total consideration (₹)
August 16, 2023	Purchase(1)	100	10	500	50,000

(1) *Purchase from DDE Piping Components Private Limited by DEE Group Trust.*

17. Except for the Offer, 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, 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.

18. As of the date of this Draft Red Herring Prospectus, the total number of holders of the Equity Shares is eight.

19. Our Company shall ensure that any transactions in the Equity Shares by our Promoter and members of our Promoter Group during the period between the date of this Draft Red Herring Prospectus and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of the transactions.

20. Except for any employee stock options that may be granted pursuant to the DEE ESOP Scheme 2023, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus.

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

22. Neither the Book Running Lead Managers nor any associate of the Book Running Lead Managers (except Mutual Funds sponsored by entities which are associates of the Book Running Lead Managers or insurance companies promoted by entities which are associate of Book Running Lead Managers or AIFs sponsored by the entities which are associate of the Book Running Lead Managers or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the Book Running Lead Managers) shall apply in the Offer under the Anchor Investor Portion.

23. As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoter and members of our Promoter Group are pledged or otherwise encumbered.

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

25. **Employee Stock Option Plan**

Our Company, pursuant to the resolutions passed by our Board in its meeting dated September 22, 2023 and our Shareholders in its meeting dated September 23, 2023, adopted DEE ESOP Scheme 2023 which is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended. The maximum number of Equity Shares that may be issued pursuant to the exercise of options granted to participants under DEE ESOP Scheme 2023 shall be such number of Equity Shares not exceeding 5% of the paid-up share capital of our Company(subject to adjustments for corporate actions such as subdivision of Equity Shares or consolidation of Equity Shares).

Our Company has not undertaken any employee stock option scheme and has not granted any options in Fiscal 2021, Fiscal 2022 and Fiscal 2023.

The following table sets forth the particulars of DEE ESOP Scheme 2023, as certified by VSD & Associates, Chartered Accountant, by way of their certificate dated September 28, 2023 as on the date of this Draft Red Herring Prospectus:

Particulars	**Details** **From April 1, 2023 until the date of filing of this Draft Red Herring Prospectus**
Total options granted	416,920
Exercise price of options in ₹ (as on the date of grant options)	10.00
Options forfeited/lapsed/cancelled	Nil
Variation of terms of options	Nil
Money realized by exercise of options	Nil
Total number of options outstanding in force	416,920
Total options vested (excluding the options that have been exercised)	Nil
Options exercised (since implementation of the ESOP Scheme)	Nil
The total number of Equity Shares arising as a result of exercise of granted options (including options that have been exercised)	416,920
Employee wise details of options granted to:	
(a) Key managerial personnel	Sameer Aggarwal – 9,000 Ranjan Kumar Sarangi – 4,800
(b) Senior management personnel	Charu Agarwal – 14,400 Pankaj Agarwal – 28,000 Pawan Arora – 7,200

<table>
<tr><th rowspan="2">Particulars</th><th>Details</th></tr>
<tr><th>From April 1, 2023 until the date of filing of this Draft Red Herring Prospectus</th></tr>
<tr><td>(c) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year</td><td>Nil</td></tr>
<tr><td>(d) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant</td><td>Nil</td></tr>
<tr><td>Diluted earnings per share pursuant to the issue of Equity Shares on exercise of options in accordance with IND AS 33 ‘Earnings Per Share’</td><td>NA</td></tr>
<tr><td>Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference, if any, between employee compensation cost so computed and the employee compensation calculated on the basis of fair value of the stock options and the impact of this difference, on the profits of the Company and on the earnings per share of the Company</td><td>NA</td></tr>
<tr><td>Description of the pricing formula and method and significant assumptions used to estimate the fair value of options granted during the year including, weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in the market at the time of grant of option</td><td>The fair value of the employee stock options have been derived using the black-scholes option pricing model.

Significant assumptions are listed below:
<table>
<tr><th rowspan="2">Particulars</th><th colspan="3">Time period of option vesting from the grant year</th></tr>
<tr><th>Year 1</th><th>Year 2</th><th>Year 3</th></tr>
<tr><td>Fair value of the equity share at the time of grant of options (in INR)</td><td>223.87</td><td>223.87</td><td>223.87</td></tr>
<tr><td>Exercise price per equity share (in INR)</td><td>10.00</td><td>10.00</td><td>10.00</td></tr>
<tr><td>Life of the options granted (vesting and exercise period in years)</td><td>4.50</td><td>5.00</td><td>5.50</td></tr>
<tr><td>Expected Volatility (%)</td><td>30.06</td><td>29.27</td><td>28.34</td></tr>
<tr><td>Dividend Yield (%)</td><td>0.00</td><td>0.00</td><td>0.00</td></tr>
<tr><td>Risk-free Rate (%)</td><td>6.94</td><td>6.95</td><td>6.97</td></tr>
</table></td></tr>
<tr><td>Impact on the profits and on the Earnings Per Share of the last three years if the accounting policies specified in the Securities and Exchange</td><td>NA</td></tr>
</table>

Particulars	Details
	From April 1, 2023 until the date of filing of this Draft Red Herring Prospectus
Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 had been followed, in respect of options granted in the last three Years	
Intention of key managerial personnel, senior management personnel, and whole-time directors who are holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	NIL
Intention to sell Equity Shares arising out of the ESOP Scheme or allotted under an ESOP Scheme within three months after the listing of Equity Shares by directors, key managerial personnel, senior management personnel and employees having Equity Shares arising out of the ESOP Scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	NIL

OBJECTS OF THE OFFER

The Offer comprises of the Fresh Issue and the Offer for Sale. The Fresh Issue comprises of up to [●] Equity Shares by our Company aggregating up to ₹3,250.00 million and the Offer for Sale comprises of up to 7,900,000 Equity Shares, aggregating up to ₹ [●] million by the Selling Shareholder.

Offer for Sale

The proceeds of the Offer for Sale shall be received by the Selling Shareholder and will not form part of the Net Proceeds. Our Company will not receive any proceeds from the Offer for Sale. The Selling Shareholder will be entitled to the proceeds from the Offer for Sale, after deducting his share of the Offer related expenses and relevant taxes thereon. For further details, see *"Objects of the Offer –Offer Expenses"* on page 115.

Fresh Issue

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

(₹ in million)

Particulars	Amount
Gross proceeds from the Fresh Issue(2)	Up to 3,250.00
(Less) Fresh Issue related expenses(1)	[●]
Net Proceeds(1)	**[●]**

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

(2) *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement. The Pre-IPO Placement shall not exceed 20% of the size of the Fresh Issue. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement and after compliance with the requirements prescribed under the Companies Act, our Company may utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects.*

Requirement of funds

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

1. Funding working capital requirements of our Company;

2. Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company and our Subsidiaries, DEE Piping Systems (Thailand) Co. Limited and DEE Fabricom India Private Limited; and

3. General corporate purposes.

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

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, including enhancement of our Company's visibility and brand image and creation of a public market for our Equity Shares in India.

The main objects clause and objects incidental and ancillary to the main objects as set out in the Memorandum of Association enables our Company: (i) to undertake its existing business activities; and (ii) to undertake the activities proposed to be funded from the Net Proceeds, including the activities towards which the loans proposed to be repaid from the Net Proceeds were utilised.

Utilisation of Net Proceeds and Schedule of Deployment

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

(₹ in million)

Particulars	Amount which will be financed from Net Proceeds	Estimated Utilisation of Net Proceeds
		Fiscal 2024
Funding working capital requirements of our Company	750.00	750.00
Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company and our Subsidiaries, DEE Piping Systems (Thailand) Co. Limited and DEE Fabricom India Private Limited	1,750.00	1,750.00
General corporate purposes (1)	[●]	[●]

Particulars	Amount which will be financed from Net Proceeds	Estimated Utilisation of Net Proceeds
		Fiscal 2024
Total(1)(2)	[●]	[●]

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

(2) *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement. The Pre-IPO Placement shall not exceed 20% of the size of the Fresh Issue. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement and after compliance with the requirements prescribed under the Companies Act, our Company may utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects.*

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates and other commercial and technical factors. However, such fund requirements and deployment of funds have not been appraised by any bank, or financial institution. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition, variation in cost estimates on account of factors, incremental pre-operative expenses and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable laws. Our historical expenditure may not be reflective of our future expenditure plans. No bank, financial institution or other appraising entity has been appointed in relation to the Offer and the deployment of the Net Proceeds. For further information, see "*Risk Factors – The objects of the Offer for which funds have been raised and proposed deployment of the Net Proceeds of the Offer have not been appraised by a bank or a financial institution. The deployment of funds is entirely at the discretion of our management and as per the details mentioned in the section titled "Objects of the Offer". Any revision in the estimates may require us to reschedule our expenditure and may have a bearing on our expected revenues and earnings. Further, if there are any delays or cost overruns, our business, financial condition and results of operations may be adversely affected.*" on page 48.

In the event that the estimated utilization of the Net Proceeds in a scheduled fiscal year is not completely met, due to the reasons stated above, the same shall be utilised in the next fiscal year, as may be determined by our Company, in accordance with applicable laws. Subject to applicable laws, in the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements. Further, if the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding other existing Objects.

Means of finance

Fund requirements for our Objects are proposed to be funded from the Net Proceeds and/ or through our internal accruals. Accordingly, we confirm that there are no requirements to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, in addition to the Net Proceeds, under Regulation 7(1)(e) of the SEBI ICDR Regulations.

Details of the Objects of the Fresh Issue

1. Funding the working capital requirements of our Company

Our business is working capital intensive and we fund a majority of our working capital requirements in the ordinary course of business from internal accruals and by entering into financing arrangements with various banks and financial institutions. For details of the working capital facilities availed by our Company, see "*Financial Indebtedness*" on page 342. We intend to utilise ₹750.00 million from the Net Proceeds to fund the working capital for meeting business requirements of our Company in Fiscal 2024. The funding of the incremental working capital requirements of our Company will help lead to a consequent increase in our profitability and in achieving the proposed targets as per our business plan.

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

(a) Existing working capital

The details of our Company's working capital as on March 31, 2023, March 31, 2022 and March 31, 2021, and the source of funding, on a standalone basis, as certified by VSD & Associates, Chartered Accountants through their certificate dated September 28, 2023, are provided in the table below:

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Current assets			
(a) Inventories	2,489.95	2,108.12	1,661.39
(b) Financial assets			
(i) Trade receivables	1,367.96	1,276.69	1,806.60
(ii) Cash and cash equivalents	4.27	1.78	37.31
(iii) Loans	7.10	11.93	24.03
(iv) Others	377.92	255.35	290.74
(c) Other current assets	499.86	445.09	307.65
Total current assets (A)	**4,747.06**	**4,098.96**	**4,127.72**
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	19.28	5.97	5.37
(ii) Trade payables	1,125.80	839.60	655.62
(iii) Others	75.59	32.15	8.39
(b) Liabilities for current tax (net)	29.18	0.34	-
(c) Provisions	22.97	18.68	12.64
(d) Other current liabilities	105.08	105.47	115.01
Total current liabilities (B)	**1,377.90**	**1,002.21**	**797.03**
Net working capital requirements (C) (C=A-B) (excluding borrowings)	**3,369.16**	**3,096.75**	**3,330.69**
Existing funding pattern			
Borrowings from banks (including bill discounting)	2,456.81	1,947.57	1,606.47
Internal Accruals/ Equity	912.35	1,149.18	1,724.22
Total	**3,369.16**	**3,096.75**	**3,330.69**

(b) *Future working capital*

On the basis of existing and estimated working capital requirement of our Company on a standalone basis, and assumptions for such working capital requirements, our Board pursuant to its resolution dated September 28, 2023 has approved the projected working capital requirements for Fiscal 2024 and Fiscal 2025 and the proposed funding of such working capital requirements as set forth below:

(₹ in million)

Particulars	Fiscal 2024	Fiscal 2025
Current assets		
(a) Inventories	2,437.30	2,728.08
(b) Financial assets		
(i) Trade receivables	1,793.53	2,380.48
(ii) Cash and cash equivalents	260.30	168.94
(iii) Loans	20.48	27.33
(iv) Others	1,082.34	335.12
(c) Other current assets	636.97	848.82
Total current assets (A)	**6,230.92**	**6,488.77**
Current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	15.65	23.71
(ii) Trade payables	1,017.85	1,242.36
(iii) Others	50.63	54.04
(b) Liabilities for current tax (net)	15.08	25.85
(c) Provisions	27.29	39.81
(d) Other current liabilities	197.24	264.56
Total current liabilities (B)	**1,323.74**	**1,650.33**
Net working capital requirements (C) (C=A-B) (excluding borrowings)	**4,907.18**	**4,838.44**

Particulars	Fiscal 2024	Fiscal 2025
Funding pattern		
(a) Proceeds from the Fresh Issue	750.00	-
(b) Internal accruals/ Equity/ borrowings from banks/ financial institutions (including bill discounting)	4,157.18	4,838.44
Total	**4,907.18**	**4,838.44**

Note: As certified by VSD & Associates, Chartered Accountants, by way of certificate dated September 28, 2023.

Our Statutory Auditors have provided no assurance or services related to any prospective financial information.

Assumptions for our estimated working capital requirements

The following table sets forth the details of the holding period (with days rounded to the nearest whole number) considered for Fiscal 2021, Fiscal 2022 and Fiscal 2023, as well as estimated for Fiscal 2024 and Fiscal 2025:

Particulars	No. of days				
	For the Fiscal ended March 31, 2021	For the Fiscal ended March 31, 2022	For the Fiscal ended March 31, 2023	For the Fiscal ended March 31, 2024	For the Fiscal ended March 31, 2025
	(Actual)	(Actual)	(Actual)	(Estimated)	(Estimated)
(A) Current assets					
(a) Inventory days	147	208	181	139	117
(b) Trade Receivables days	160	126	99	102	102
(c) Other financial and current assets days	59	70	64	114	59
(B) Current liabilities					
1. Trade Payables days	58	83	82	58	53
2. Other financial and current liabilities days	13	16	18	17	18

Note: As certified by VSD & Associates, Chartered Accountants, by way of certificate dated September 28, 2023.

*(1) Inventory days: Average of inventory for the current and previous period / direct cost (including cost of goods sold and other direct expenses) for the current period * 365.*

*(2) Trade Receivable days: Average of trade receivables for the current and previous period/ revenue from contracts with customers * 365.*

*(3) Other Financial and current Assets days: Average of other current assets for the current and previous period/ revenue from contracts with customers * 365.*

*(4) Trade payable days: Average of trade payables for the current and previous period/total direct cost for the current period * 365.*

*(5) Other financial and current liabilities days: Average of other current liabilities for the current and previous period / total operating cost for the current period * 365.*

Key assumptions for working capital projections

The working capital projections made by our Company are based on certain key assumptions, as set out below:

Sr. No.	Particulars	Assumptions
1.	Inventories	Our Company has maintained inventory holding period of 147 days for Fiscal 2021, 208 days for Fiscal 2022 and 181 days for Fiscal 2023. Inventory holding period for Fiscal 2023 reduced to 181 days due to better operational execution. Our Company considers the inventory holding levels to be at 139 days for Fiscal 2024 and 117 days for Fiscal 2025, considering the scale of operations and in line with the industry practice.
2.	Trade Receivables	The holding levels of trade receivables were 160 days for Fiscal 2021, 126 days for Fiscal 2022 and 99 days for Fiscal 2023. Our Company considers the holding levels to be 102 days for Fiscal 2024 and Fiscal 2025, respectively, in line with Fiscal 2023.

Sr. No.	Particulars	Assumptions
3.	Other financials and current Assets	Our Company's other financial assets and other currents assets include balance with statutory authorities, prepaid expenses, staff advances, advances to suppliers, short term loan and advances, security deposits and recoverable from customers, cash and cash equivalents. Our Company has maintained holding level of other financial assets and other current assets at 59 days for Fiscal 2021, 70 days for Fiscal 2022, and 64 days for Fiscal 2023. Our Company expects the holding levels in Fiscal 2024 and Fiscal 2025 to be 114 days and 59 days, respectively.
4.	Trade Payables	Our Company has maintained holding level of trade payable at 58 days for Fiscal 2021, 83 days for Fiscal 2022, and 82 days for Fiscal 2023. Our Company plans to streamline its payable processes to its vendors enabling it to negotiate for better rates and thereby the holding levels are expected to reduce to 58 days and 53 days for Fiscal 2024 and Fiscal 2025, respectively.
5.	Other financial and current Liabilities	It includes payables to employees, statutory liabilities, advance revenue, advance from customers, accrued salaries and benefits, provision for gratuity and current tax liabilities (net). Our Company has maintained the holding levels at 13 days for Fiscal 2021, 16 days for Fiscal 2022, and 18 days for the Fiscal 2023. The Company expects the holding levels in Fiscal 2024 and Fiscal 2025 to be 17 days and 18 days, respectively, to be in line with that for Fiscal 2023 levels.

Note: As certified by VSD & Associates, Chartered Accountants, by way of certificate dated September 28, 2023.

2. Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company and our Subsidiaries, DEE Piping Systems (Thailand) Co. Limited and DEE Fabricom India Private Limited

Our Company has entered into various financing arrangements from time to time, with various lenders. The financing arrangements availed by our Company include inter alia term loans and working capital facilities. For further details, please refer "*Financial Indebtedness*" on page 342. As of March 31, 2023, our total outstanding borrowings amounted to ₹3,526.22 million, on a consolidated basis. Our Company proposes to utilise an estimated amount of up to ₹1,750.00 million from the Net Proceeds towards pre-payment or scheduled repayment of all or a portion of term loans, working capital facilities and other types of facilities availed by our Company and our Subsidiaries, DEE Piping Systems (Thailand) Co. Limited and DEE Fabricom India Private Limited.

We believe that the pre-payment or scheduled repayment will help reduce our existing borrowings, assist us in maintaining a favourable debt-equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion.

The following table provides details of loans and facilities availed by our Company and our Subsidiaries, DEE Piping Systems (Thailand) Co. Limited and DEE Fabricom India Private Limited, as of March 31, 2023, out of which we propose to pre-pay or repay, in part either all or a portion of the below mentioned loans and/or facilities, up to an amount aggregating to ₹1,750.00 million from the Net Proceeds:

S. No	Name of lender	Nature of borrowing	Date of sanction letter	Amount sanctioned as per sanction letter (₹ in million)	Amount outstanding as on March 31, 2023 (₹ in million)	Purpose for which loan was availed	Tenor/ Repayment schedule	Interest rate per annum as of March 31, 2023	Pre-payment penalty, if any
Borrowings by our Company(1)									
1	Bank of India	Term Loan	April 13, 2018*	90.00	22.50	Purchase of fixed assets/ capital expenditure	20 quarterly instalments with a moratorium perod of 12 months from the date of first disbursement.	1 year MCLR of 7.25% + BSS 0.30% +CRP of 0.40%	0.5% of outstanding loan.

S. No	Name of lender	Nature of borrowing	Date of sanction letter	Amount sanctioned as per sanction letter (₹ in million)	Amount outstanding as on March 31, 2023 (₹ in million)	Purpose for which loan was availed	Tenor/ Repayment schedule	Interest rate per annum as of March 31, 2023	Pre-payment penalty, if any
2	Bank of India	Star guaranteed emergency credit line (Star GECL)	September 29, 2021**	150.00	133.48	Working capital expenditure	Repayable after moratorium of 12 months in 48 monthly instalments of ₹.3.125 million.	1 year MCLR of 7.25% as on date + 1%	Nil
3	Bank of India***	Cash credit	August 31, 2022	750.00	308.36	Working capital purposes	Repayable and renewable in 12 Months	1 Y MCLR of 7.25% (on reset date) +BSS of 0.30% + CRP of 1.40%	Nil
		Working capital demand loan			450.00	Working capital purposes	Repayable and renewable in 12 Months	At overnight MCLR if working capital loan is availed upto 7 days and at 1/3/6 M MCLR + spread of 0.50% (BSS + CRP) linked to maturity bucket depending on the availment.	Nil
4	HDFC Bank Limited	Working capital demand loan#	January 17, 2023	220.00	220.00	Working capital	Payable from cash credit account within 90 days, subject to rollover with fresh fixed period	8.80%	Nil
5	IndusInd Bank Limited	Working capital demand loan	February 8, 2022	200.00	125.00	Working capital	Payable from cash credit account within 90 days, subject to rollover with fresh fixed period	8.85%	Nil
6	Punjab National Bank	Cash credit	September 22, 2022##	680.00	187.27	Working capital	Revolving/ reviewed and renewed annually	CC: 1Yr MCLR (7.40% June 2022) + 3.5% - 2.05% (Concession) i.e. 8.85%p.a	Nil
6	Punjab National Bank	Working capital demand loan	September 22, 2022		408.00	Working capital	Repayable and renewable in 12 months	Respective period MCLR+0.5 %	Nil

S. No	Name of lender	Nature of borrowing	Date of sanction letter	Amount sanctioned as per sanction letter (₹ in million)	Amount outstanding as on March 31, 2023 (₹ in million)	Purpose for which loan was availed	Tenor/ Repayment schedule	Interest rate per annum as of March 31, 2023	Pre-payment penalty, if any
7	Union Bank of India	Cash credit	March 1, 2023	20.00	17.73	Working capital	Revolving/ reviewed and renewed annually	1Y MCLR + 1.75%	NIL
8	Yes Bank Limited	Term Loan	February 21, 2023	150.00	134.76	Capital expenditure for new site development/technical upgradation.	To be repaid within 60 months from the date of first disbursement in 20 equal quarterly instalments of ₹7.5 million. Starting from 3 months from the date of first disbursement	1 Year T bill + 2.98% spread	NIL if own source, 2% if loan takeover
9	Yes Bank Limited	Working capital demand loan	February 21, 2023###	240.00	221.00	Working capital	Payable from cash credit account within 95 days, subject to rollover with fresh fixed period	Floating quarterly MCLR plus 0.80% spread per annum	NIL
	Total (A)			**2,430.00**	**2,228.10**				
Borrowings by our Subsidiaries									
(i) DEE Fabricom India Private Limited[(1)]									
1	Yes Bank Limited	Term loan	July 26, 2021	30.00	20.07	The proceeds were used for repayment of Indusind Bank. Earlier Indusind Bank loan was taken and used for capital expenditure.	48 Equal monthly Instalments, post moratorium period of 12 months	9.50%	Nil
2	Yes Bank Limited	Term loan	July 26, 2021	43.20	24.30	The proceeds were used for repayment of Indusind Bank. Earlier Indusind Bank loan was taken and used for capital expenditure.	52 months or balance tenor with Indusind Bank whichever is lesser	9.50%	Nil
3	Yes Bank Limited	Term loan	July 26, 2021	157.21	93.85	The proceeds	52 months or Balance	9.50%	Nil

S. No	Name of lender	Nature of borrowing	Date of sanction letter	Amount sanctioned as per sanction letter (₹ in million)	Amount outstanding as on March 31, 2023 (₹ in million)	Purpose for which loan was availed	Tenor/ Repayment schedule	Interest rate per annum as of March 31, 2023	Pre-payment penalty, if any
						were used for repayment of Indusind Bank. Earlier Indusind Bank loan was taken and used in capital expenditure.	Tenor with Indusind Bank whichever is lesser		
4	Yes Bank Limited	Guaranteed emergency credit line	July 26, 2021	40.00	28.89	The proceeds were used for repayment of Indusind Bank's guaranteed emergency credit line (Covid loan)-,	36 equal monthly instalments post moratorium period of 12 months in line with repayment schedule of Indusind Bank	9.25%	Nil
	Total (B)			**270.41**	**167.11**				
(ii) DEE Piping Systems (Thailand) Co. Limited[(1)(2)]									
1	Siam Commercial Bank, Amata Nakorn Industrial estate branch	Working capital loan	October 25, 2022	167.96	167.96	Short term loan (for working capital)	Repayable and renewable in 3 Months	6.55%	3% of the requested amount in all cases for a period of 5 years from date of setting limit
2	Siam Commercial Bank, Amata Nakorn Industrial estate branch	Long term loan	October 25, 2022	239.94	237.27	For repayment of Axis Bank credit facility	5 Years	6.55%	3% of the debt, only in case of refinancing in first 5 years from date of setting limit
3	Siam Commercial Bank, Amata Nakorn Industrial estate branch	Long term loan	October 25, 2022	12.43	12.24	For life insurance of directors	5 Years	6.55%	Nil
4	Siam Commercial Bank, Amata Nakorn Industrial estate branch	Working capital loan	October 25, 2022	35.99	2.60	Overdraft limit (for working capital)	Repayable and renewable in 3 Months	7.33%	3% of the requested amount in all cases for a period of 5 years from date of setting limit

S. No	Name of lender	Nature of borrowing	Date of sanction letter	Amount sanctioned as per sanction letter (₹ in million)	Amount outstanding as on March 31, 2023 (₹ in million)	Purpose for which loan was availed	Tenor/ Repayment schedule	Interest rate per annum as of March 31, 2023	Pre-payment penalty, if any
	Total (C)			**456.32**	**420.07**				
	Total (A) + (B) + (C)			**3,156.73**	**2,815.28**				

(1) In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations which requires a certificate from the statutory auditor certifying the utilization of loan for the purpose availed, our Company has obtained the requisite certificates from the statutory auditor of the Company dated September 28, 2023 in respect of the Company, from the statutory auditor of DEE Fabricom India Private Limited dated September 23, 2023 in respect of DEE Fabricom India Private Limited and from the statutory auditor of DEE Piping Systems (Thailand) Co., Ltd dated September 9, 2023, in respect of DEE Piping Systems (Thailand) Co. Limited.

(2) Conversion Rate Taken for THB @ 2.39943 where amount is in foreign currency.

Notes

** The loan amount of ₹90 million was availed and utilised by the Company as per original sanction letter dated April 13, 2018, however as per the revised sanction letter dated August 31, 2022, the revised sanctioned amount is ₹36 million.*

*** The Star GECL amount of ₹150 million was availed by our Company as per the original sanction letter dated September 29, 2021, however as per the revised sanction letter dated August 31, 2022, the revised sanctioned amount is ₹149 million.*

**** The fund based limit sanctioned to the Company as per the sanction letter dated August 31, 2022 is ₹750 million, however book balance as on March 31, 2023 is ₹ 758.36 million against the bank balance of ₹ 665.11 million. The book balance is higher than sanction amount due to the reconciliation items of ₹ 93.25 million as at March 31, 2023.*

 # The fund based limit of working capital demand loan sanctioned to our Company as per the sanction letter dated January 17, 2023 is ₹120 million, however there is interchangeability from non-fund based limit to fund based limit amounting to ₹100 million and accordingly total sanction amount for fund based limit is considered as ₹220 million and the same is availed by the Company as at March 31,2023.

The fund based limit of ₹530 million was sanctioned as per the sanction letter dated September 22, 2022, however our Company has received further interchangeability from non-fund based limit to fund based limit amounting to ₹150 million vide sanction letter dated February 14, 2022 and accordingly total sanction amount for fund based limit is increased to ₹680 million.

The facility amount of ₹240 million was sanctioned vide sanction letter dated Jul 26, 2021. The amount has been revised vide renewal letter dated February 21, 2023.

The selection of borrowings proposed to be repaid/pre-paid 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 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. The schedule of prepayment or repayment, in full or part, of all or a portion of certain outstanding borrowings availed by our Subsidiary, DEE Piping Systems (Thailand) Co. Limited is computed basis planned repayments in the respective currency converted to INR based on exchange rate as on March 31, 2023 and may be subject to variation depending on exchange rate fluctuations.

Payment of additional interest, prepayment penalty or premium, if any, and other related costs shall be made by us out of the internal accruals or out of the Net Proceeds as may be decided by our Company. Given the nature of the above-mentioned borrowings and the terms of repayment, the aggregate outstanding borrowing amounts which we propose to repay may vary from time to time. In light of the above, if at the time of filing this Draft Red Herring Prospectus or after that date, any of the above- mentioned loans or facilities may be repaid in part or full or refinanced and our Company may also avail additional borrowings and/or draw down further funds under existing loans from time to time. Accordingly, the table above shall be suitably revised to reflect the revised amounts or loans as the case may be which have been availed by our Company or our Subsidiaries. In addition to the above, we may, from time to time, enter into further financing arrangements and draw down funds thereunder. In such cases or in case any of the above loans are prepaid, repaid, redeemed (earlier or scheduled), refinanced or further drawn down prior to the completion of the Offer, we may utilize Net Proceeds towards prepayment and/or repayment of such additional indebtedness availed by us, details of which shall be provided in the Red Herring Prospectus. The mode of the proposed investment in our Subsidiaries has not been finalised as on the date of this Draft Red Herring Prospectus and shall be finalised on the basis of the financial conditions and business requirements of our Subsidiaries at the time of the actual investment. Our Company may make such investment in our Subsidiaries through infusion of equity, debt or any other instrument, including inter-corporate loans or in any other manner as may be decided by our Board in accordance with applicable laws. The actual mode of such deployment has not been finalised as on the date of this Draft Red Herring Prospectus.

3. General Corporate Purposes

We will have flexibility in utilizing the balance Net Proceeds, if any, for general corporate purposes, subject to such utilisation not exceeding 25% of the Gross Proceeds from the Fresh Issue in accordance with Regulation 7(2) of the SEBI ICDR Regulations, including but not restricted towards strategic initiatives, initiatives, funding growth opportunities, including acquisitions and meeting exigencies, brand building, capital expenditure, meeting expenses incurred by our Company and strengthening of our manufacturing capabilities, research & development expenses, as may be applicable. The quantum of utilisation of funds toward the aforementioned purposes will be determined by our Board based on the amount actually available under the head "General Corporate Purposes" and the corporate requirements of our Company, from time to time.

In case of variations in the actual utilization of funds designated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any which are not applied to the other purposes set out above.

In addition to the above, our Company may utilize the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and approved periodically by our Board. Our Company's management, in accordance with the policies of our Board, shall have flexibility in utilising surplus amounts, if any, and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular Object i.e., the utilization of Net Proceeds.

Interim use of Net Proceeds

The Net Proceeds pending utilisation for the purposes stated in this section, shall be deposited only with scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended. In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge Financing Facilities

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

Offer Expenses

The total Offer related expenses are estimated to be approximately ₹ [●] million. The Offer related expenses consist of listing fees, fees payable to the BRLMs, legal counsels, Registrar to the Offer, Bankers to the Offer processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to the Syndicate, Registered Brokers, SCSBs, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Other than the listing fees, which will be paid by our Company, all costs, fees and expenses relating to the Offer including the underwriting commissions, procurement commissions, if any, and brokerage due to the underwriters and sub-brokers or stock brokers, fees payable to the SCSBs, BRLMs, Syndicate Members, legal advisors, Book Building fees and other charges, fees and expenses of the SEBI, the Stock Exchanges and any other Governmental Authority, registrar fees and broker fees (including fees for procuring of applications), bank charges and any other agreed fees and commissions, as applicable shall be borne by the Company and the Selling Shareholder, in proportion to the number of Equity Shares issued and/or transferred by the Company and the Selling Shareholder in the Offer, respectively, within the time prescribed under the agreements to be entered into with such persons and in accordance with applicable law including section 28(3) of the Companies Act.

The break-down for the estimated Offer expenses are set forth below:

Activity	Estimated expenses# (in ₹ million)	As a % of the total estimated Offer expenses	As a % of the total Offer size
BRLMs' fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Offer. Brokerage, underwriting commission and selling commission and bidding/uploading charges for members of the Syndicate, Registered Brokers, RTAs and CDPs	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]

Activity	Estimated expenses# (in ₹ million)	As a % of the total estimated Offer expenses	As a % of the total Offer size
Others	[●]	[●]	[●]
(i) Listing fees, SEBI filing fees, upload fees, Stock Exchanges 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) Fees payable to the Monitoring Agency	[●]	[●]	[●]
(vi) Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

\# *Amounts will be finalised and incorporated in the Prospectus on determination of Offer Price*

(1) Selling commission payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are directly procured and uploaded by the SCSBs, would be as follows:

*Portion for Retail Individual 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*

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the bid book of BSE or NSE

(2) No processing fees shall be payable by our Company to the SCSBs on the Bid cum Applications Forms directly procured by them.

Processing fees payable to the SCSBs on the portion for Non-Institutional Bidders which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB (including 3-in-1 type accounts – linked online trading, demat and bank account) for blocking, would be as follows:

*Portion for RIBs**	*₹ [●] per valid application (plus applicable taxes)*
Portion for Non-Institutional Bidders	*₹ [●] per valid application (plus applicable taxes)*

* *The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such SCSBs 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 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, 2022Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

(3) The Processing fees for applications made by Retail Individual Bidders using the UPI Mechanism would be as follows:

• *Members of the Syndicate / RTAs / CDPs / Registered Brokers*	*₹ [●] per valid Application (plus applicable taxes)*
• *Sponsor Bank*	*₹ [●] per valid Bid cum Application Form* (plus applicable taxes) The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NCPI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws*

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

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash Escrow and Sponsor Bank Agreement.

(4) Selling commission on the portion for Retail Individual Bidders (using UPI Mechanism)and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs or for using 3-in-1 type accounts-linked online trading, demat and bank account provided by some of the brokers which are members of the Syndicate (including their sub-Syndicate Members) would be as follows:

*Portion for Retail Individual 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*

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

Uploading charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the applications made by Retail Individual Bidders using 3-in-1 accounts and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts, would be as follows: ₹ [●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.

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

Processing fees payable to the SCSBs for Bid cum Application Forms which are procured by the Registered Brokers / RTAs / CDPs and submitted to the SCSB for blocking shall be ₹ [●] per valid Bid cum Application Form (plus applicable taxes). The processing fees for applications made by UPI Bidders may be released to the remitter banks

(SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable).

The Offer expenses shall be payable in accordance with the arrangements or agreements entered into by our Company with the respective Designated Intermediary.

Monitoring of Utilization of Funds

In terms of Regulation 41 of the SEBI ICDR Regulations, prior to filing the Red Herring Prospectus with RoC, we will appoint a SEBI registered credit rating agency as monitoring agency to monitor the utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds and submit the report required under Regulation 41(2) of the SEBI ICDR Regulations. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet until such time as the Net Proceeds remain unutilized, clearly specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Pursuant to the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Our Company shall, on an annual basis, prepare a statement of Net Proceeds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors. Furthermore, in accordance with the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the Objects of the Fresh Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the Objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act, our Company shall not vary the Objects of the Offer unless our Company is authorized to do so by way of a special resolution of its Shareholders. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act. The notice will be published in the newspapers, one in English and one in Hindi (Hindi being the regional language of Haryana, where our Registered Office is located). Pursuant to Sections 13(8) and 27 of the Companies Act, 2013, our Promoter or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the Objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations.

Appraising agency

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

Other confirmations

Except to the extent of any proceeds received pursuant to the sale of the Offered Shares by the Selling Shareholder in the Offer for Sale, none of our Directors, Promoter, Promoter Group, Key Managerial Personnel or Senior Management Personnel, will receive any portion of the Offer Proceeds. There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoter, Promoter Group, Directors, Key Managerial Personnel and/or Senior Management Personnel.

BASIS FOR OFFER PRICE

The Price Band and the Offer Price will be determined by our Company and the Selling Shareholder, 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 of the Equity Shares and the Cap Price is [●] times the face value of the Equity Shares.

Investors should also refer to "*Risk Factors*", "*Our Business*", "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 27, 186, 268 and 344, respectively, to have an informed view before making an investment decision.

Qualitative factors

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

- Leading player in an industry with significant barriers to entry
- Largest player in process piping solutions in India, in terms of installed capacity, providing specialized process piping solutions with strategically located state-of-the-art Manufacturing Facilities
- Long standing customer relationships with a strong order book
- Wide range of specialized product offerings and services making us a comprehensive solution provider for our diversified customers spread across geographies and sectors
- Strong focus on automation and process excellence with an experienced engineering team to drive operational efficiencies
- Experienced and dedicated promoter and professional management team with extensive domain knowledge

For further details, see *"Risk Factors"* and *"Our Business"* on pages 27 and 186, respectively.

Quantitative factors

Some of the information presented below relating to our Company is derived from the Restated Consolidated Summary Statements. For further details, see "*Restated Consolidated Summary Statements*" on page 268.

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 ("EPS") at face value of ₹10 each, as adjusted for changes in capital:**

Financial Year/Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2021	2.44	2.44	1
March 31, 2022	1.53	1.53	2
March 31, 2023	2.45	2.45	3
Weighted Average*	**2.14**	**2.14**	

* *Weighted Average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights.*

Notes:

(i) *Basic EPS (₹) = Restated profit for the year attributable to the equity shareholders of our Company/weighted average number of equity shares outstanding during the year after considering bonus shares which has been issued subsequent to March 31, 2023 for all periods presented in accordance with Ind AS 33. Diluted EPS (₹) = Restated profit for the year attributable to equity shareholders of our Company/weighted average number of equity shares outstanding during the year considered for deriving basic earnings per share and the weighted average number of Equity Shares which could have been issued on the conversion of all dilutive potential Equity Shares after considering bonus shares which has been issued subsequent to March 31, 2023 for all periods presented in accordance with Ind AS 33.*

(ii) *Our Company pursuant to Board resolution dated September 7, 2023 and Shareholders' resolution dated September 7, 2023, has allotted 42,431,312 Equity Shares of ₹ 10 each in the ratio of 4:1. As required under Ind AS 33 "Earning per share", the above Bonus shares are retrospectively considered.*

2. **Price/Earnings ("P/E") ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share:**

Particulars	P/E at the Floor Price (no. of times)*	P/E at the Cap Price (no. of times)*
P/E ratio based on basic EPS for Financial Year 2023	[●]	[●]
P/E ratio based on diluted EPS for Financial Year 2023	[●]	[●]

* *To be populated after finalization of price band*

Industry P/ E ratio

Particulars	P/E ratio
Highest	30.11
Lowest	30.11
Average	30.11

Notes: The industry high and low has been considered from the industry peer set provided later in this section. The industry composite has been calculated as the arithmetic average P/E of the industry peers set disclosed in this section. For further details *"- Comparison of Accounting Ratios with listed industry peers" on page 119.*

3. **Average Return on Net Worth ("RoNW")**

Financial Year	RoNW* (%)	Weight
March 31, 2021	3.17	1
March 31, 2022	2.04	2
March 31, 2023	3.14	3
Weighted Average**	**2.78**	

Notes:

* *"RONW" means return on net-worth, return on net worth is the restated profit for the year divided by the net worth. Net worth shall mean 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. Net worth represents equity attributable to equity holders of the parent and does not include amount attributable to non-controlling interests.*

** *The weighted average is a product of RoNW and respective assigned weight dividing the resultant by total aggregate weight.*

4. **Net Asset Value ("NAV") per Equity Share (face value of ₹10 each)**

Net Asset Value per Equity Share	(₹)
As at March 31, 2023	79.87
After the completion of the Offer	
- At the Floor Price	[●]
- At the Cap Price	[●]
Offer Price	[●]

Notes:

(i) Offer Price per Equity Share will be determined on conclusion of the Book Building Process

(ii) Our Company pursuant to Board resolution dated September 7, 2023 and Shareholders' resolution dated September 7, 2023, has allotted 42,431,312 Equity Shares of ₹ 10 each in the ratio of 4:1.

(iii) Net asset value per Equity Share is the total equity divided by weighted average numbers of Equity Shares outstanding during the year (as adjusted for effect of bonus shares issued subsequent to year end and used in calculating basic earning per share in accordance with principles of Ind AS 33).

5. **Comparison of Accounting Ratios with listed industry peers**

Fiscal 2023	Standalone/ Consolidated	Face Value per equity share (₹)	EPS (₹)		NAV (per share) (₹)	P/E	RoNW (%)	Total Revenue (in ₹ millions)
			Basic	Diluted				
DEE Development Engineers Limited	Consolidated	10	2.45	2.45	79.87	NA	3.14%	6,143.20
Listed peers								
ISGEC Heavy Engineering Limited	Consolidated	1	26.72	26.72	313.39	30.11	8.96%	64,117.13

Notes:

(a) Financial Information for Company has been derived from the Restated Consolidated Summary Statements.

(b) 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/annual results as available of the respective company for the year ended March 31, 2023 submitted to stock exchanges.

(c) Basic EPS (₹) = Restated profit for the year attributable to the equity shareholders of our Company/weighted average number of equity shares outstanding during the year after considering bonus shares which has been issued subsequent to March 31, 2023 for all periods presented in accordance with Ind AS 33. Diluted EPS (₹) = Restated profit for the year attributable to equity shareholders of our Company/weighted average number of equity shares outstanding during the year considered for deriving basic earnings per share and the weighted average number of Equity Shares which could have been issued on the

conversion of all dilutive potential Equity Shares after considering bonus shares which has been issued subsequent to March 31, 2023 for all periods presented in accordance with Ind AS 33.

(d) *Net asset value per Equity Share is the total equity divided by weighted average numbers of Equity Shares outstanding during the year (as adjusted for effect of bonus shares issued subsequent to year end and used in calculating basic earning per share in accordance with principles of Ind AS 33).*

(e) *"RONW" of our Company means return on net-worth, return on net worth is the restated profit for the year divided by the net worth.*

(f) *Basic EPS is sourced from the audited consolidated financial results of the peer for the year ended March 31, 2023.*

(g) *Diluted EPS is sourced from the audited consolidated financial results of the peer for the year ended March 31, 2023.*

(h) *Net asset value per Equity Share is the total equity divided by weighted average numbers of Equity Shares outstanding during the year (as adjusted for effect of bonus shares issued subsequent to year end and used in calculating basis earning per share).(i) P/E Ratio has been computed based on the closing market price of equity shares on BSE on September 11, 2023, divided by the Diluted EPS.*

(j) *Return on net worth is the restated profit for the year divided by the net worth..*

The peer group above has been determined on the basis of listed public companies comparable in size to our Company or whose business portfolio is comparable with that of our business.

6. **The Offer Price is [●] times of the face value of the Equity Shares.**

The Offer Price of ₹[●] has been determined by our Company and the Selling Shareholder, 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. The trading price of the Equity Shares could decline, including due to the factors mentioned in "*Risk Factors*" on page 27, and you may lose all or part of your investments.

7. **Key Performance Indicators ("KPIs")**

The following table highlights our key performance indicators of our financial performance that have a bearing on arriving at the basis for Offer Price and disclosed to our investors during the three years preceding to the date of this Draft Red Herring Prospectus, as at the dates and for the period indicated:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
	(in ₹ million, except percentages and ratios)		
Revenue from contracts with customers	5,954.95	4,609.16	4,952.17
Revenue from contracts with customers Growth (y-o-y)	29.20%	(6.93%)	NA
Total Income	6,143.20	4,708.39	5,130.26
EBITDA	691.76	646.07	536.84
EBITDA Margin (%)	11.62%	14.02%	10.84%
Restated Profit Before Tax	203.72	132.94	89.49
Restated Profit Before Tax Margin (%)	3.42%	2.88%	1.81%
Restated Profit for the year	129.72	81.97	142.05
Restated Profit for the year Margin (%)	2.18%	1.78%	2.87%
ROCE (%)	3.91%	3.99%	2.47%
RONW (%)	3.14%	2.04%	3.17%
Net Debt	3,198.28	2,600.86	2,246.77
Net Debt to Total Equity	0.75	0.63	0.49
Order Book	5,633.53	4,345.70	3,356.78

Notes:
"EBITDA" refers to restated profit for the year, as adjusted to exclude (i) other income, (ii) depreciation and amoritzation expenses, (iii) finance costs, (iv) total tax expense and (v) Share of profit of a Jointly controlled entity .
"EBITDA margin" refers to the percentage margin derived by dividing EBITDA by revenue from contracts with customers .
"Restated Profit before tax margin" (PBT margin) means profit before tax margin, which represents restated profit before tax as a percentage of revenue from contracts with customers.
"Restated Profit after tax margin represents restated profit for the year as a percentage of revenue from contracts with customers. RoCE" means return on capital employed, which represents EBIT (Earnings before Interest and Tax) during the relevant year as a percentage of capital employed. Capital employed is the total of all types of capital, other equity, total borrowings, total lease liabilities and deferred tax liabilities (net) less deferred tax assets (net) as of the end of the relevant year
"RONW" means return on net-worth, return on net worth is the restated profit for the year divided by the net worth
"Net-debt" is calculated as total of non-current borrowings and current borrowings minus total of cash and cash equivalents and bank balances. "Net-debt to Total Equity" is calculated as net debt divided by total equity.
* *As certified by VSD & Associates, Chartered Accountants, through their certificate dated September 28, 2023.*

Explanation for the Key Performance Indicators:

KPI	Remarks/ Definition/ Assumption
Total Income	Total Income includes the total revenue from contracts with customers and other income which helps our Company to assess the scale of the business.
Total Income Growth (%)	Total Income Growth (%) represents year-on-year growth of our business operations in terms of revenue generated by us.
Revenue from Contracts with Customers	Revenue from Contracts with Customers is recognized when control of goods or services is transferred to the customer
EBIT	EBIT refers to the EBIDTA as adjusted for depreciation and amortisation expenses.
EBITDA	EBITDA refers to restated profit for the year, as adjusted to exclude (i) other income, (ii) depreciation and amoritzation expenses,(iii) finance costs, (iv) total tax expense and (v) share of profit of a jointly controlled entity.
EBITDA Margin (%)	EBITDA Margin refers to the percentage margin derived by dividing EBITDA by Revenue from contracts with customers
Restated Profit Before Tax ("**PBT**")	PBT provides information regarding the profitability before taxes of our Company
Restated Profit Before Tax Margin (%)	"PBT margin" means profit before tax margin, which represents restated profit before tax as a percentage of revenue from contracts with customers.
Restated profit for the year	Profit for the year represents the profit / loss that we make for the financial year or during a given period. It provides information regarding the overall profitability of our business.
Restated Profit for the year Margin (%)	"PAT margin" means profit after tax margin, which represents restated profit for the year as a percentage of revenue from contracts with customers.
Return on Capital Employed (RoCE) (%)	RoCE" means return on capital employed, which represents EBIT (Earnings before Interest and Tax) during the relevant year as a percentage of capital employed. Capital employed is the total of all types of capital, other equity, total borrowings, total lease liabilities and deferred tax liabilities (net) less deferred tax assets (net) as of the end of the relevant year.
Return on Net Worth (RoNW) (%)	Return on Net Worth provides how efficiently our Company generates profits from shareholders' funds.
Net Debt	Net Debt is a liquidity metric and it represents the absolute value of borrowings net of cash and cash equivalents, bank balances and other cash and cash equivalents and current investments in the Company.
Net Debt to Total Equity Ratio	Net Debt to total equity is calculated as net debt divided by total equity. Net Debt is calculated as total of non-current borrowings and current borrowings minus total of cash and cash equivalents and bank balances.
Order Book	Order Book is the value of all orders received for the piping division and heavy fabrication division which are yet to be executed as on March 31, 2021, March 31, 2022 and March 31, 2023, as the case may be.

The key performance indicators set forth above, have been approved by the Audit Committee pursuant to its resolution dated September 28, 2023. Further, the Audit Committee has on September 28, 2023 taken on record that other than the key performance indicators set forth above, our Company has not disclosed any other such key performance indicators during the last three years preceding the date of this Draft Red Herring Prospectus to its investors. Further, the aforementioned KPIs have been certified by VSD & Associates, Chartered Accountants, by their certificate dated September 28, 2023.

Our Company shall continue to disclose the KPIs disclosed above, on a periodic basis, at least once in a year (or for any lesser period as determined by our Company), for a duration that is at least the later of (i) one year after the listing date or period specified by SEBI; or (ii) till the utilisation of the Net Proceeds. Any change in these KPIs, during the aforementioned period, will be explained by our Company. The ongoing KPIs will continue to be certified as required under the SEBI ICDR Regulations.

For further details of our other operating metrics, see "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 186 and 344, respectively.

8. **Comparison of our key performance indicators with listed industry peers**

The following tables provides a comparison of our KPI with our listed peers for the last three Fiscals, which have been determined on the basis of companies listed on the Indian stock exchanges of comparable size to our Company, operating in the same industry as our Company and whose business model is similar to our business model.

Particulars	**DEE Development Engineers Limited**			**ISGEC Heavy Engineering Limited**		
	FY21	**FY22**	**FY23**	**FY21**	**FY22**	**FY23**
	(in ₹ million, except percentages and ratios)					
Operational KPI						
Order Book	3,356.78	4,345.70	5,633.53	61,970	73,220	83,210
Financial KPI						
Revenue from Contracts with Customers	4,952.17	4,609.16	5,954.95	54,255.67	54,993.43	63,990.39
Revenue from Contracts with Customers Growth (%)	NA	(6.93%)	29.20%	NA	1.40%	16.40%
Total Income	5,130.26	4,708.39	6,143.20	54,773.33	55,125.78	64,117.13
Total Income Growth (y-o-y)	NA	(8.20%)	30.50%	NA	0.60%	16.30%
EBITDA	536.84	646.07	691.76	4,549.66	3,113.58	4,546.03
EBITDA Margin (%)	10.84%	14.02%	11.62%	8.39%	5.66%	7.10%
Restated Profit before tax	89.49	132.94	203.72	3,558.13	1,581.00	2,900.30
Restated Profit before tax margin (%)	1.81%	2.88%	3.42%	6.56%	2.87%	4.53%
Restated Profit for the year	142.05	81.97	129.72	2,530.72	1,149.85	2,055.41
Restated Profit for the year margin (%)	2.87%	1.78%	2.18%	4.66%	2.09%	3.21%
ROCE (%)	2.47%	3.99%	3.91%	11.73%	6.11%	9.66%
RONW (%)	3.17%	2.04%	3.14%	12.60%	5.44%	8.96%
Net Debt	2,246.77	2,600.86	3,198.28	7,009.86	10,685.86	9,898.89
Net Debt to Total Equity	0.49	0.63	0.75	0.35	0.50	0.43

Notes:

"EBITDA" refers to restated profit for the year, as adjusted to exclude (i) other income, (ii) depreciation and amoritzation expenses, (iii) finance costs, (iv) total tax expenses, and (v) share of profit of a Jointly controlled entity.

"EBITDA margin" refers to the percentage margin derived by dividing EBITDA by revenue from contracts with customers.

"Restated Profit before tax margin" (PBT margin) means profit before tax margin, which represents restated profit before tax as a percentage of revenue from contracts with customers.

"Restated Profit after tax margin represents restated profit for the year as a percentage of revenue from contracts with customers.

RoCE" means return on capital employed, which represents EBIT (Earnings before Interest and Tax) during the relevant year as a percentage of capital employed. Capital employed is the total of all types of capital, other equity, total borrowings, total lease liabilities and deferred tax liabilities (net) less deferred tax assets (net) as of the end of the relevant year

"RONW" means return on net-worth, return on net worth is the restated profit for the year divided by the net worth

"Net-debt" is calculated as total of non-current borrowings and current borrowings minus total of cash and cash equivalents and bank balances. "Net-debt to Total Equity" is calculated as net debt divided by total equity.

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis and is sourced from the financial results of the respective company for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 submitted to Stock Exchanges.
All the financial information for our Company mentioned above is on a consolidated basis.

9. **Past transfer(s)/ allotment(s)**

Our Company confirms that there has been no:

(a) primary/new issue of shares (Equity Shares/convertible securities), excluding grants of any options and issuance of bonus shares, equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated on the pre-issue capital before such transaction 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) during 18 months preceding the date of filing of this Draft Red Herring Prospectus, in a single transaction or multiple transactions combined together over a span of rolling 30 days; and

(b) secondary sale/acquisition of shares (Equity Share/convertible securities) by Promoter, Promoter Group entities, Shareholders having the right to nominate directors to the Board, excluding gifts, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated on the pre-issue capital before such transaction 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) during 18 months preceding the date of filing of this Draft Red Herring Prospectus, in a single transaction or multiple transactions combined together over a span of rolling 30 days.

Since there are no such transactions to report to under (a) and (b), the following are the details of the last five secondary transactions (where Promoter or members of the Promoter Group, are a party to the transaction), not older than three years prior to the date of filing of this Draft Red Herring Prospectus irrespective of the size of transactions:

S. No.	Name of Allottee	No. of Equity Shares allotted	Face value per equity share (in ₹)	Offer price per Equity Share (in ₹)	Nature of allotment	Nature of consideration	Total Consideration
Secondary Transactions*							
1.	Shruti Aggarwal	10	10	450.00	Transfer	Cash	4,500
2.	DEE Group Trust	100	10	500.00	Transfer	Cash	50,000
3.	DDE Piping Components Private Limited	12,744	10	99.00	Transfer	Cash	1,261,656

* *The transactions do not include transmission of shares.*

10. **The Floor Price and Cap Price vis-à-vis Weighted Average Cost of Acquisition based on past allotment(s)/ secondary transaction(s)**

Floor Price and Cap Price as compared to the weighted average cost of acquisition of Equity Shares based on primary/ secondary transaction(s), as disclosed in paragraph 9 above, are set out below:

Past allotment/ secondary transactions**	Weighted average cost of acquisition (in ₹)	Floor Price (*i.e.*, ₹ [●])#	Cap Price (*i.e.*, ₹ [●])#
Weighted average cost of acquisition of primary transactions in last three years	NA	NA	NA
Weighted average cost of acquisition of secondary transactions in last three years*	102.39	[●] times	[●] times

* *Secondary transactions where Promoter, Promoter Group entities are a party to the transaction.*
*** Transmission and bonus issue have not been considered for the calculation of weighted average cost of acquisition.*
\# *To be included at the Prospectus stage.*

Explanation for Offer Price/ Cap Price

Set forth below is an explanation for the Offer Price/ Cap Price being (i) [●] times of secondary transactions in last three years; along with our Company's KPIs and financial ratios for Fiscal 2021, Fiscal 2022 and Fiscal 2023, and in view of the external factors which may have influenced the pricing of the Offer:

[●]*
* *To be included at the Prospectus stage*

The Offer Price will be [●] 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 above information along with '*Risk Factors'*, '*Our Business*', '*Restated Consolidated Summary Statements*' and '*Management's Discussion and Analysis of Financial Conditions and Results of Operations*' on pages 27, 186, 268 and 344. The trading price of the Equity Shares could decline due to the factors mentioned in '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

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

Date: September 28, 2023

The Board of Directors
DEE Development Engineers Limited
Unit 1, Prithla-Tatarpur Road,
Village Tatarpur, Dist. Palwal,
Haryana- 121102, India

Dear Sirs/Madams,

Sub: Statement of Special Tax Benefits available to DEE Development Engineers Limited and its shareholders under the Indian tax laws

1. We refer to the proposed issue of equity shares of DEE Development Engineers Limited (the "Company"). We hereby confirm that the enclosed Annexures 1 and 2 (together, the "Annexures"), prepared by the Company which provide the special tax benefits available to the Company and to the shareholders of the Company, under:

   - the Income-tax Act, 1961 (the "Act") as amended by the Finance Act 2023, i.e. applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25, presently in force in India;

   - the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 / respective State Goods and Services Tax Act (SGST) read with rules, circulars, and notifications ("GST law"), the Customs Act, 1962 and the Customs Tariff Act, 1975 as amended by the Finance Act 2023 applicable for the Financial Year 2023-24 ("Customs law") and Foreign Trade (Development and Regulation) Act, 1992 (read with the Foreign Trade Policy 2015-20 and Foreign Trade Policy 2023 (FTP) and Handbook of Procedures issued thereof, notifications and circulars, each as amended and presently in force in India;

   The Act, the GST Act, Customs Act, Tariff Act and Foreign Trade (Development and Regulation) Act, 1992 as defined above, are collectively referred to as the "Relevant Acts".

2. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Relevant Laws. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

3. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated in the Annexures is the responsibility of the Company's management. We are informed that these Annexures are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offer through a fresh issue of equity shares of Rs. 10 each by the Company and an offer for sale of equity shares of Rs. 10 each of the Company by certain existing shareholders of the Company (the "Proposed IPO").

4. We do not express any opinion or provide any assurance as to whether:

   i) the Company or its shareholders will continue to obtain these benefits in future;

   ii) the conditions prescribed for availing the benefits have been / would be met with; and

   iii) the revenue authorities/courts will concur with the views expressed herein.

   The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

5. This Statement is issued solely in connection with the Proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Amit Yadav
Partner
Membership Number: 501753
UDIN: 23501753BGXRZZ5287

Place of Signature: New Delhi
Date: September 28, 2023

ANNEXURE 1

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA – INCOME TAX ACT, 1961

Outlined below are the special tax benefits available to Dee Development Engineers Limited ("the Company") and its Shareholders under the Income-tax Act, 1961 (the "Act") as amended by the Finance Act, 2023 applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, presently in force in India.

This Annexure covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

1. Special tax benefits available to the Company

Deductions from Gross Total Income - Section 80JJAA of the Act - Deduction in respect of employment of new Employee

Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction, under the provisions of Section 80JJAA of the Act, of an amount equal to thirty per cent 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.

Lower corporate tax rate under Section 115BAA of the Act

Section 115BAA of the Act has been inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. assessment year April 1, 2020 granting an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail the following deductions/exemptions:

i) Deduction under the provisions of section 10AA; (deductions in respect of newly established Units in Special Economic Zones);

ii) Deduction under clause (iia) of sub-section (1) of section 32 (Additional Depreciation);

iii) Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in notified backward areas in certain states, Investment deposit account, site restoration fund);

iv) Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or subsection (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research);

v) Deduction under section 35AD or section 35CCC (Deduction in respect of expenditure on specified business, expenditure on agricultural extension project);

vi) Deduction under section 35CCD (Expenditure on skill development project)

vii) Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or section 80M";

viii) without set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred from clause i) to vii) above; and

ix) without set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred from clause i) to vii) above.

In case a company opts for section 115BAA of the Act, provisions of Minimum Alternate Tax ["MAT"] under section 115JB of the Act would not be applicable and MAT credit of the earlier year(s) will not be available for set-off as clarified by the Central Board of Direct Taxes, through its circular no. 29/2019 dated 2 October 2019.

The option needs to be exercised on or before the due date of filing the tax return in prescribed manner. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company has adopted the said tax rate with effect from Financial Year 2019-20 (i.e. Assessment Year 2020-21). Such option once exercised shall apply to subsequent assessment years.

2. **Special tax benefits available to the Shareholders of the Company**

2.1. Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under Section 80M of the Act would be available on fulfilling the conditions (as discussed above).

Section 80M eliminates the cascading tax effect in case of inter-corporate dividends by providing a deduction in respect of dividends received by a domestic company, to the extent such dividend is distributed by it on or before one month before the due date of filing return of income for such year. The Company shall continue to be entitled for this deduction even if it opts for the benefit of lower rate of tax under section 115BAA of the Act as discussed at para 1 above.

Further, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not and every artificial juridical person, surcharge on such tax would be restricted to 15%, irrespective of the amount of total income.

2.2. As per section 2(42A) of the Act, if the period of holding of a security (other than a unit) listed on a recognised stock exchange in India or a unit of the Unit Trust of India or a unit of an equity-oriented fund or a zero-coupon bond is more than 12 months, it will be considered a long-term capital asset. With respect to immovable property (being land or building or both) and shares of a company not being listed on a recognized stock exchange, the determinative period of holding shall be more than 24 months for it to be regarded as long-term capital asset. With respect to other assets including a unit of a mutual fund other than equity oriented mutual fund or unit of a business trust, the determinative period of holding is more than 36 months for it to be regarded as long-term capital asset. Asset not considered as long-term capital asset shall be regarded as short-term capital assets.

Income arising from transfer of shares of the Company held for more than 12 months and subject to securities transaction tax, shall be considered as long-term capital assets. The shares which are not considered as long- term capital assets shall be considered as short-term capital assets.

2.3. Section 112A of the Act provides for concessional tax rate of 10% (plus applicable surcharge and cess) on long- term capital gains (exceeding Rs. 1,00,000) arising from the transfer of equity shares or units of an equity- oriented fund or units of a business trust, if Security Transaction Tax ('STT') has been paid on both acquisition and transfer of such shares / units and subject to fulfilment of other prescribed conditions (including Notification No.60/2018/F.No.370142/9/2017-TPL dated 1 October 2018). The benefit of foreign currency exchange difference and indexation, as provided under the first and second proviso to section 48 of the Act, shall not be applicable for computing long-term capital gains taxable under section 112A of the Act.

2.4. Section 112 of the Act provides for taxation of long-term capital gains, resulting on transfer of inter-alia, listed shares of the company (other than those covered under section 112A), which shall be lower of the following:

a) 20% (plus applicable surcharge and cess) with indexation benefit; or

b) 10% (plus applicable surcharge and cess) without indexation benefit

2.5. As per the provisions of section 111A of the Act, short-term capital gains arising from transfer of equity shares in the Company through a recognized stock exchange and subject to STT shall be taxable at a concessional rate of 15% (plus applicable surcharge and cess, if any).

In accordance with, and subject to the conditions including ownership of not more than one residential house on the date of transfer (other than the new residential house referred hereinafter) and to the extent specified in section 54F of the Act, long term capital gains arising on transfer of the shares of the company shall be exempt from capital gains under section 54F, if the net sale consideration is utilised, within a period of one year before, or two years after the date of transfer, for the purchase of a new residential house, or is utilised for construction of a residential house within three years. If the whole of the net sale consideration is not so utilized, the exemption shall be allowed on a pro rata basis.

2.6. In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to benefits, if any, available under the applicable Double Taxation Avoidance Agreement read with the provisions of Multilateral Instruments, if any, between India and the country in which the non-resident has fiscal domicile.

As per the CBDT Notification No. 03/2022 dated 16 July 2022, every non-resident holding a PAN in India who desires to obtain the benefit of treaty is required to furnish Form 10F electronically.

2.7. Where the gains arising on transfer of shares of the Company are included in the business income of a shareholder and assessable under the head "Profits and Gains of Business or Profession" and such transfer is subjected to STT, then such STT shall be a deductible expense from the business income as per the provisions of section 36(1)(xv) of the Act.

2.8. As regards the shareholders that are Mutual Funds, under section 10(23D) of the Act, any income earned by a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992, or a Mutual Fund set up by a public sector bank or a public financial institution, or a Mutual Fund authorised by the Reserve Bank of India would be exempt from income-tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

Except for the above, the Shareholders of the Company are not entitled to any other special tax benefits under the Act.

NOTES:

1. This Annexure sets out the only the special tax benefits available to the Company, and its shareholders under the Income-tax Act, 1961 (the "Act") as amended by the Finance Act, 2023 applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, presently in force in India.

2. This Annexure covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

3. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.

4. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax arising out of their participation in the Proposed IPO.

5. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Tax Avoidance Agreement(s), if any, between India and the country in which the non-resident has fiscal domicile.

6. No assurance is provided that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For Dee Development Engineers Limited

Chairman and Managing Director

Place: Palwal
Date: September 28, 2023

ANNEXURE 2

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE LAWS IN INDIA – OTHERS

Outlined below are the possible special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 / respective State Goods and Services Tax Act (SGST) read with rules, circulars, and notifications ("GST law"), the Customs Act, 1962 and the Customs Tariff Act, 1975 as amended by the Finance Act 2023 applicable for the Financial Year 2023-24 ("Customs law") and Foreign Trade (Development and Regulation) Act, 1992 (read with the Foreign Trade Policy 2015-20 and Foreign Trade Policy 2023 (FTP) and Handbook of Procedures issued thereof, notifications and circulars, each as amended and presently in force in India (herein collectively referred as "Indirect Tax Laws")

1 Special tax benefits available to the Company

a) **Benefits under the GST Law**- Under the GST regime, supplies of goods or services which qualify as 'export' of goods or services are zero-rated which can be supplied either with or without payment of Integrated Goods and Services Tax (IGST) subject to fulfilment of conditions prescribed. The exporter has the option to either undertake exports under cover of a Bond/ Letter of Undertaking (LUT) without payment of IGST and claim refund of accumulated input tax credit subject to fulfilment of conditions prescribed for export or the exporter may export with payment of IGST and claim refund of IGST paid on such exports as per the provisions of Section 54 of Central Goods and Services Tax Act, 2017. Thus, the Integrated Goods and Service Tax Act, 2017 permits a supplier undertaking zero rated supplies (which will include the supplier making supplies to SEZ) to claim refund of tax paid on exports as IGST (by undertaking exports on payment of tax using ITC) or export without payment of tax by executing a Bond/ LUT and claim refund of related ITC of taxes paid on inputs and input services used in making zero rated supplies.

b) **Benefits of Duty Drawback scheme under Section 75 of Customs Act,1962**-As per Section 75 of the Customs Act, the Central Government is empowered to allow duty drawback on export of goods, where the imported materials are used in the manufacture of such goods. The Company avails duty drawback benefit equal to or less than the duty paid, as applicable, on imported material when it undertakes export of goods.

c) **Benefit under Export Promotion Capital Goods Scheme (EPCG)**-The objective of the Export Promotion Capital Goods (EPCG) Scheme is to facilitate import of capital goods for producing quality goods and services and enhance manufacturing competitiveness. EPCG Scheme allows import of capital goods that are used in pre-production, production and post-production without the payment of customs duty. The benefit under the scheme is subject to an export value equivalent to 6 times of duty saved on the importation of such capital goods within 6 years from the date of issuance of the authorization. EPCG scheme covers manufacturer exporters with or without supporting manufacturer(s), merchant exporters tied to supporting manufacturer(s) and service providers.

d) **Benefits under Asia Pacific Trade Agreement (APTA)-** Currently, APTA is a goods only agreement. Therefore, the goods covered under APTA can be imported under tariff preferences provided the rules of origin are satisfied. The APTA is based on margin of preference (MOP) which means that the customs duty is reduced by a specific percentage and company is taking benefit of this.

e) **Benefits of Remission of Duties and Taxes on Export Products ("RoDTEP") Scheme under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-** The Government of India by making amendment in the Foreign Trade Policy 2015-20 vide DGFT Notification No. 19/2015-20 dated 17.08.2021 introduced this scheme with the objective of refunding the un-refunded duties/taxes/levies at the Central, State, and Local level borne on the exported goods including prior stage cumulative indirect taxes on goods and services used in the production and distribution of the exported product. The Company avails RoDTEP benefit as notified, on exported products

2 Special tax benefits available to the Shareholders of the Company

Shareholders of the Company are not eligible to special tax benefits under the provisions of the Central Goods and Services Act, 2017 (read with Central Goods and Services Tax Rules, circulars, notifications), respective State Goods and Services Tax Act, 2017 (read with respective State Goods and Services Tax Rules, circulars, notifications), Integrated Goods and Services Tax Act, 2017 (read with Integrated Goods and Services Tax Rules, circulars, notifications), The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20), Customs Act, 1962 (read with Custom Rules, circulars, notifications), Customs Tariff Act, 1975 (read with Custom Tariff Rules, circulars, notifications)

Notes:

a) These special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Indirect Tax Regulations. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

b) The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for a professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications.

c) The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing equity shares.

d) The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:

    i. The Company or its shareholders will continue to obtain these benefits in future.

    ii. The conditions prescribed for availing the benefits have been/ would be met with.

    iii. The revenue authorities / courts will concur with the view expressed herein.

e) The above views are basis the provisions of law, their interpretation and applicability as on date, which may be subject to change from time to time.

For Dee Development Engineers Limited

Chairman and Managing Director

Place: Palwal
Date: September 28, 2023

Date: 06.09.2023

The Board of Directors

DEE DEVELOPMENT ENGINEERS LIMITED

Unit 1, Prithla-Tatarpur Road,
Village Tatarpur, Dist. Palwal
Haryana – 121102, India

DEE PIPING SYSTEMS (THAILAND) CO., LTD.

59, 59/8 Moo.6, Thakham sub - district,
Bangpakong district, Chachoengsao province.
Thailand.

Dear Sirs/Madams,

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO DEE PIPING SYSTEMS (THAILAND) CO., LTD ("COMPANY") AND IT'S SHAREHOLDERS UNDER THE THAILAND TAX LAWS

BACKGROUND

M/s DEE Development Engineers Limited a company registered in India under the Companies Act, 1956 hereinafter referred as "**Holding Company"**.

M/s DEE Piping Systems (Thailand) Co., Ltd is a company incorporated under the Thai Commercial Code, Thailand hereinafter referred as "**Subsidiary Company"**. The entire shareholding of the "**Subsidiary Company"** is being held by its Holding Company.

Whereas the "**Subsidiary Company"** acquired a running business in 2016 by making an investment through the Board of Investment, Thailand (hereinafter referred to as "Promoted Business"). And by virtue of that acquisition, Board of Investment, Thailand which is the regulatory authority regulating Investment Promotion Act, 1977 (hereinafter referred to as the "Act") has allowed the "**Subsidiary Company"** certain privileges in terms of its business.

Whereas the Holding Company is willing to issue shares to the Public at large through an Initial Public Offer under the various laws applicable in India in this regard.

Now the Undersigned who is a Certified Public Accountant and certify the Annual Accounts of the "**Subsidiary Company"** under the Thailand Laws has been requested to issue a certificate in respect of various special tax benefits available to the "**Subsidiary Company"** and its shareholders.

We Hereby certify in respect of various Special Tax Benefits available to the "Subsidiary Company" and its Shareholders as under :

I. SPECIAL TAX BENEFITS AVAILABLE TO THE "SUBSIDIARY COMPANY"

Pursuant to the promotion certificate No. 59-1507-1-00-1-0 dated 11 November 2016 and effective from 2 February 2016, the "**Subsidiary Company"** has been granted promotional privileges from the Board of Investment for the investment in fabrication industry or platform for industry with engineering design. The promotion privileges included, among other things, the following tax benefits:

1. Section 28 of the Act, grants exemption of import duty on machinery as approved by the Board of Investment, Thailand.

2. Paragraph One of section 31 of the Act, grants exemption of corporate income tax on profit derived from the Promoted Business which is not over 100% of its investment that excluded cost of land and working capital for the period of 7 years from the date income is first derived from the Promoted Business.

3. Paragraph Three of section 31 of the Act, grants the income to be taken into computation of net profit derived from the activity as referred in paragraph One shall include incomes from the sale of byproducts i.e. scrap or waste from production process.

4. Paragraph Four of section 31 of the Act, in case a loss shall be incurred during the period of receiving corporate income tax exemption as referred in paragraph One, the Promoted Business is allowed to carry over

the loss to deduct from net profit derived after tax holidays period for 5 years after the end of the exempted period. The Promoted Business may deduct the loss from net profit of one year or several years.

5. Section 35 (1) of the Act, grants 50% reduction of corporate income tax on net profit derived from the investment for 5 years after the end of the period as referred in section 31 Paragraph One.

6. Section 36 (1) of the Act, grants an exemption of import duty on raw and essential materials needed to be imported for specifically use in producing products for export.

7. Section 36 (2) of the Act, grants an exemption of import duty on item imported for export.

The "**Subsidiary Company"** must comply with certain conditions and restrictions provided in the promotional certificates for such special tax benefits to be availed. The "**Subsidiary Company"** will only receive income tax exemptions for the income specified in the promotional certificates (fabrication industry or platform for industry with engineering design).

II. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDRES OF THE "SUBSIDIARY COMPANY"

1. Section 34 of the Act, states that the dividends derived from the promoted activity granted an exemption on corporate income tax under Section 31 shall be exempted from tax computation throughout the period of corporate income tax exemption.

This statement is issued solely in connection with the Proposed Initial Public Offer of the Holding Company. The statement is intended solely for your information and for inclusion in the Draft Red Herring Prospectus (DRHP) to be filed with the Securities and Exchange Board of India (SEBI) and the Stock Exchanges and the Red Herring Prospectus (RHP) and the Prospectus (Prospectus and together with DRHP and RHP, the "**Offer Documents**") and any other material in connection with the Initial Public Offer. We hereby give our consent to submit this certificate as may be necessary to SEBI, the Registrar of Companies, N.C.T of Delhi and Haryana at New Delhi ("**RoC**"), the relevant stock exchanges or any other regulatory authority and/or for the records to be maintained by the Book Running Lead Managers appointed by the Holding Company in relation to the Offer ("BRLMs") and in accordance with applicable laws in India.

We confirm that we will immediately inform the Holding Company and the BRLMs of any changes to the above information in writing until the date when the equity shares of the Holding Company commence trading on the stock exchange(s) where the Equity Shares are proposed to be listed (the "Stock Exchanges"). In the absence of any such communication from us, the BRLMs, and the legal counsel to each of the Holding Company and Lead Managers can assume that there is no change to the above information until the date when the Equity Shares are listed and commence trading on the Stock Exchanges pursuant to the Offer.

DISCLAIMERS

1. The benefits discussed as above are not exhaustive. We are informed that the information written above are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offer.

2. We do not express any opinion or provide any assurance as to whether:

   i) the "**Subsidiary Company"** or its shareholders will continue to obtain these benefits in future;

   ii) the conditions prescribed for availing the benefits have been / would be met with; and

   iii) the revenue authorities/courts will concur with the views expressed herein.

   The contents of the above certificate are based on information, explanations and representations obtained from the "**Subsidiary Company"** and on the basis of their understanding of the business activities and operations of the "**Subsidiary Company"**.

3. This Statement is issued solely in connection with the proposed Initial Public Offer of the Holding Company and is not to be used, referred to or distributed for any other purpose.

METEE SANGMANEE
Certified Public Accountant (Thailand) No. 5061
Bangkok International Audit Co., Ltd

06.09.2023

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

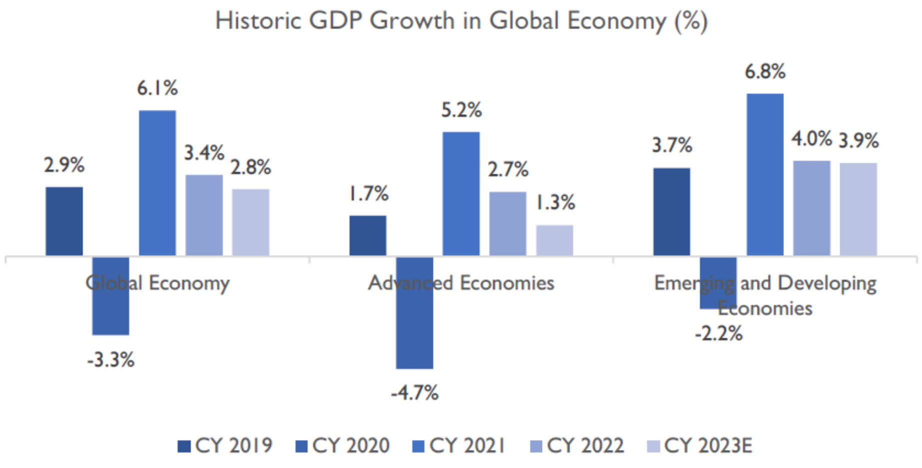
*Unless otherwise indicated, the information in this section is obtained or extracted from the independent report titled "Industry Report on Pipe Fabrication & Process Piping Solutions" dated September 2023 (the "**D&B Report**", and the date of the D&B Report, the "**Report Date**") which is exclusively prepared for the purpose of the Offer and issued by Dun & Bradstreet ("**D&B**") and is exclusively commissioned for an agreed fee and paid for by the Company in connection with the Offer. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient 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. References to 'segment' in this section refer to the presentation, analysis and categorisation included in the D&B Report, and shall not refer to segment reporting included in the Restated Consolidated Summary Statements, which is based on the criteria set out in Ind AS 108. For further information in relation to the D&B Report, see "Certain Conventions, Currency of Presentation, Use of Financial Information and Market Data - Industry and Market Data" and "Risk Factors - Certain sections of this Draft Red Herring Prospectus contain information from the D&B Report which we commissioned and purchased and any reliance on such information for making an investment decision in the Offer is subject to inherent risks." on page 23 and page 60. A copy of the D&B Report will be available on the website of our Company from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date. For details, see "Material Contracts and Documents for Inspection" on page 454."*

Global GDP Growth Scenario

The global economy started to rise from its lowest levels after countries started to lift the lockdown. The pandemic lockdown was a key factor as it affected economic activities resulting in a recession in the year CY 2020, as the GDP growth touched - 3.3%.

In CY 2021 disruption in the supply chain affected most of the advanced economies as well as low-income developing economies. The rapid spread of Delta and the threat of new variants in mid of CY 2021 further increased uncertainty in the global economic environment.

Global economic activities experienced a sharper-than-expected slowdown in CY 2022. One of the highest inflations in decades forced most of the central banks to tighten their fiscal policies. Russia's invasion of Ukraine affected the global food supply resulting in a further increment in the cost of living. As a result, global growth declined from 6.1% in CY 2021 to 3.4% in CY 2022.

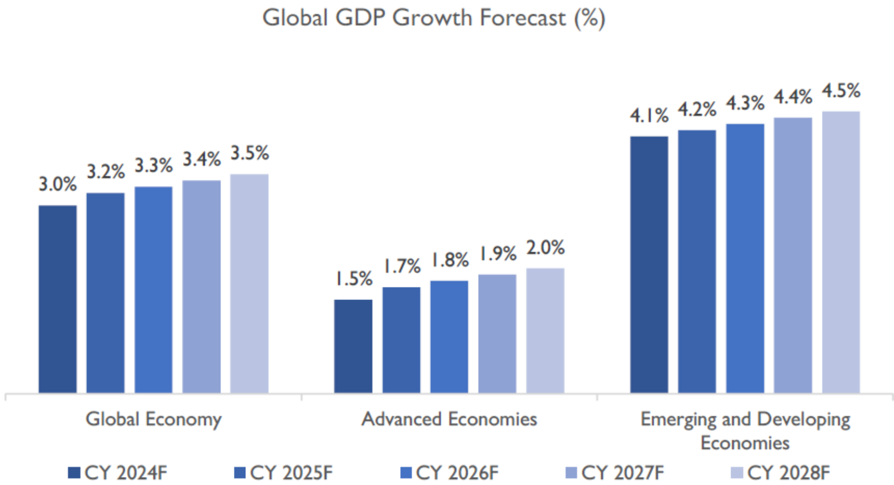


Source – IMF Global GDP Forecast Release 2023

Note: Advanced Economies and Emerging & Developing Economies are as per the classification of the World Economic Outlook (WEO). This classification is not based on strict criteria, economic or otherwise, and it has evolved over time. It comprises of 40 countries under the Advanced Economies including the G7 (the United States, Japan, Germany, France, Italy, the United Kingdom, and Canada) and selected countries from the Euro Zone (Germany, Italy, France etc.). The group of emerging market and developing economies (156) includes all those that are not classified as Advanced Economies (India, China, Brazil, Malaysia etc.)

In the current scenario, global GDP growth is forecasted to record a moderate growth of 2.8% in CY 2023 as compared to 3.4 % growth in CY 2022. While high inflation and rising borrowing costs are affecting private consumption, on the other hand, fiscal consolidation is affecting government consumption.

Flat growth in developed economies will affect the GDP growth in CY 2024 and global GDP is expected to record marginal growth of 3.0% in CY 2024. The current crisis in the housing sector, bank lending, and industrial sectors are affecting the growth of global GDP. Inflation forced central banks to adopt tight monetary policies. After touching the peak, inflationary pressures are slowly easing out. This environment weighs against interest rate cuts by many monetary authorities. The expectation is therefore still for slowing growth in the second half of CY 2023 and the first half of CY 2024.

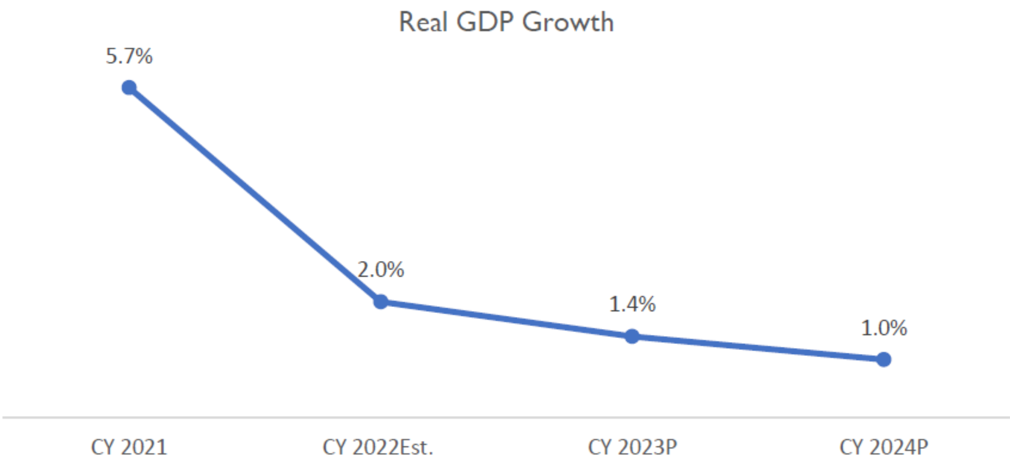


Source – IMF Global GDP Forecast Release 2023, D&B Estimates

US Macroeconomic Scenario

Economic Growth Scenario

The real GDP growth for the US is exhibiting notable variations over the period from CY 2021 to CY 2024, reflecting the economy's response to internal and external factors. In CY 2021, the US economy demonstrated remarkable resilience, rebounding at an impressive rate of 5.7%. This robust growth was primarily attributed to the nation's concerted efforts in overcoming the challenges posed by the COVID-19 pandemic in the preceding year. Swift deployment of fiscal stimulus measures and accommodative monetary policies played a pivotal role in restoring business activities and reigniting consumer confidence. As a result, various sectors experienced substantial recoveries, contributing to the overall economic expansion.

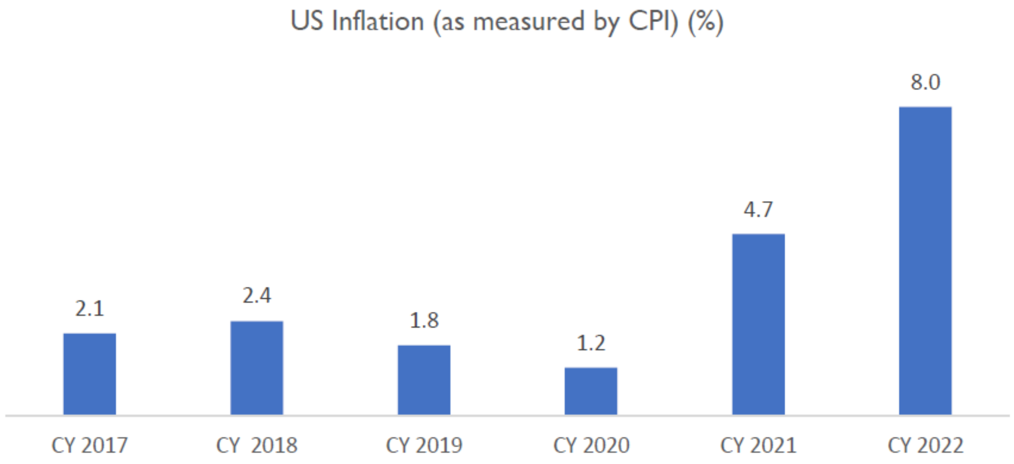


Source: International Monetary Fund, January 2023 Outlook

However, moving into CY 2022, the pace of economic growth began to moderate. The estimate for real GDP growth in CY 2022 stands at 2.00%. Although the economy continued its recovery trajectory, uncertainty related to food and energy supply emerged as major risk to stable governance, debt sustainability and business continuity. Additionally, supply chain disruptions, labour market complexities, and escalating input costs weighed on several industries, restraining their growth potential.

Inflation Rate

From CY 2017 to CY 2019, the inflation rate in the US remained relatively moderate and stable. However, in CY 2020, the COVID-19 pandemic struck, causing a severe economic downturn and disrupting global supply chains. As a result, economic activity contracted sharply, leading to reduced consumer demand and lower prices for many goods and services.

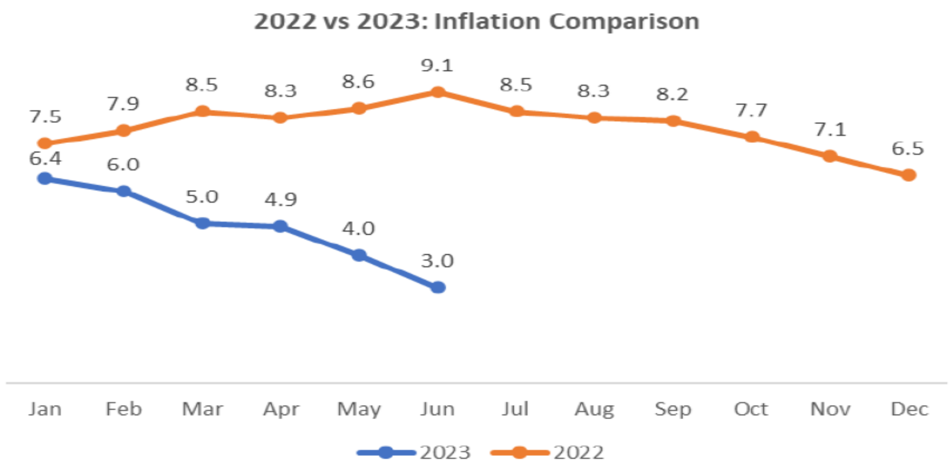


Source: World Bank

In CY 2021, as vaccination efforts ramped up and economic restrictions eased, the economy began its path to recovery. However, this recovery was accompanied by surging inflation. The inflation rate surged to 4.7% in CY 2021, marking a significant jump from the previous year. Multiple factors contributed to this spike in inflation. Pandemic-related economic dislocation and supply chain disruptions caused goods shortages, especially in sectors such as automotive and electronics. Furthermore, the fiscal and monetary stimuli provided by governments and central banks worldwide in response to the pandemic increased liquidity and consumer spending, further fuelling inflationary pressures.

By CY 2022, inflationary pressures continued to intensify, reaching 8.0%. The Russian invasion of Ukraine in early 2022 further exacerbated the situation, causing a surge in global oil and gas prices.

Despite the Federal Reserve's efforts to curb inflation, including raising interest rates, inflation remained persistently high throughout CY 2022. However, still high, the inflation rates started falling mid-year in 2022.



Source: U.S. Bureau Of Labor Statistics

As of June 2023, inflation reached 3%, compared to 9.1% a year earlier, in 2022. This shows a meaningful decline in inflation and the high prices associated with it in the US. Of particular significance is the lower growth in the price of services, including medical services and air travel, which has been a key due to its slower rate of decline. In May, the "core" services category, excluding housing costs, saw a decrease from 5.1% to 4.6% year over year.

Interest Rate

In response to rising inflationary pressures, the Federal Reserve embarked on a series of interest rate hikes over the last two years. The interest rate increases aimed to control inflation and stabilize the economy. Starting from March 2022, the Federal

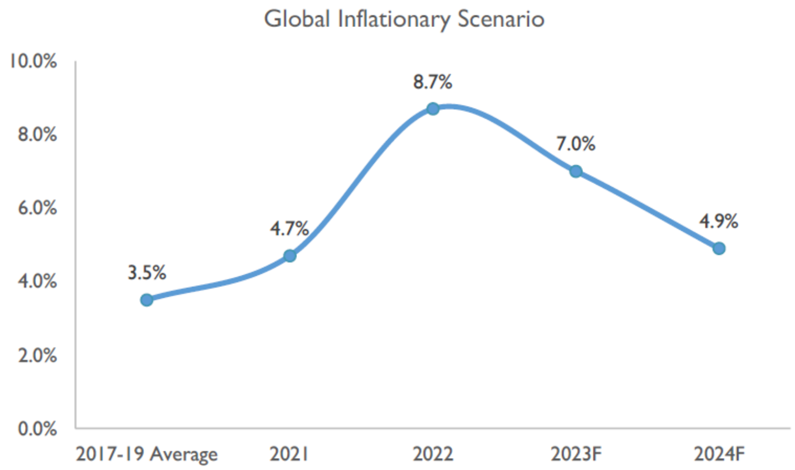
Reserve gradually raised its benchmark interest rate, the Federal Funds Rate, in increments of 25 to 75 basis points at each FOMC (Federal Open Market Committee) meeting.

Global Inflationary Scenario

Inflation has become a major concern to the global economy, which is emerging from two years of pandemic induced disruptions. This time around inflation has been much broader based with no major economy immune to the impact. In major economies in North America and Europe, inflation has already breached decadal high levels.

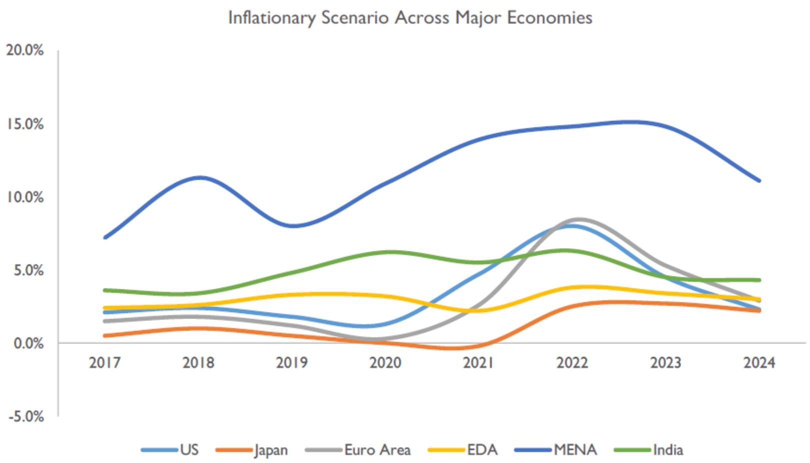
Although the factors that are driving inflation vary widely with economy, supply disruption is one factor that is common to all economies. Global supply chains had become extremely complex, thanks to the advancement of globalization. Supply chain linkages between different regions were stronger than ever, and this dependency was tested when a global level disruption occurred. Although the world has emerged out of the pandemic, the supply chains are taking time to normalize.

This is not the first time when a global scale event has triggered inflation - with 1970s oil shock being the prime example. However, unlike earlier events, the cure for moderating inflation might not be linear. In scenarios like 1970s oil shock, there was a specific event which when resolved led to softening of inflation. Although Covid-19 is the primary cause, the way it unfolded and how it was tackled by different economies differed. Thus, there exists multiple variables that are contributing to supply chain disruptions, making it difficult to arrive at one common solution. Ultimately, addressing inflation caused by supply shocks would depend on the strategies adopted by the major central banks.



Source: World Economic Outlook, International Monetary Fund

Average inflation level during pre-pandemic period of 2017-19 was at 3.5%, which creeped up to 4.7% in CY 2021. However, the aftermath of Covid-19 pandemic has stoked inflation across the globe, which was further accelerated by the escalations in Russia-Ukraine conflict. From 4.7% in CY 2021 the headline inflation surged to 8.7% in CY 2022. This surge in inflation coincided with the waning of fiscal support that was offered by governments to tide over the impact caused by the pandemic. As a result, household budgets across the globe saw a squeeze while central banks responded by tightening of monetary supply.



Source: World Economic Outlook, International Monetary Fund

Since the mid of CY 2022, inflation has been softening, but this was more on the back of drop in energy and commodity prices due to lower demand from major advanced economies. Moreover, the monetary tightening strategies adopted by major central banks since CY 2021 too have contributed to this softening. The current forecast points to headline inflation of 7.0% for CY

2023, which is expected to further decline to 4.9% in CY 2024. Although the current forecast points to a softening of inflation, it is still expected to remain above pre-pandemic level, and far above the comfort level of all major central banks.

India's advantage over lower inflationary pressure

Annual Average Consumer Price Inflation (%)			
Country	**CY 2020**	**CY 2021**	**CY 2022**
Canada	0.7	3.4	6.8
France	0.5	1.6	5.2
Germany	0.5	3.1	6.9
Italy	-0.1	1.9	8.2
Japan	0.0	-0.2	2.5
United Kingdom	1.0	2.5	7.9
United States	1.2	4.7	8.0
India	6.6	4.9	5.9

Source: World Bank
Largest Developed Economies have been selected (except for India)
Companies are mentioned in alphabetical order (except for India)

In the recent years, inflation in Advanced Economies (Aes), which accounted for most of the global fiscal expansion and monetary easing, breached historical highs crossing the threshold limits set by the central banks. However, India fared better compared to the developed economies as a balanced approach was adopted by the RBI by withdrawing accommodative monetary policy settings in a measured approach while continuing to support economic growth at the same time. Further, fiscal policy supported the central bank's rate actions by cutting excise duty and other taxes on fuel to moderate the impact of higher global oil prices on inflation. All such factors ensured that India's inflation rate did not creep too far above its tolerance range compared to several advanced nations and regions.

Going forward, India is poised to remain in a competitive position as the average core inflation in the EU is forecasted to remain at 6.9% (exceeding that of 2022) whereas the RBI has lowered its inflation forecast to 5.1% for India for FY24.

With prudent monetary and fiscal policies in place, India is better placed to rein the inflationary pressures as compared to developing economies thus having a direct positive impact on lowering of direct costs related to raw materials, energy, labor and transportation. Consequently, lower production costs could expand the export opportunities to developed countries which could be in a challenging position due to higher inflation.

Also, it has to be noted that our dependence on major markets such as the US is comparatively lower than other emerging economies. According to a World Bank report, India's economy is relatively insulated from global spillovers compared to other emerging markets. This is partly because India has a large domestic market and is relatively less exposed to international trade flows. The findings reveal that while a 1% decline in growth in the US is associated with a 0.4% decline in India's growth, the effect is around 1.5 times larger for other emerging economies.

European Union: Impact of Russia – Ukraine Conflict

The Russia-Ukraine escalation led to energy price shock, with the European economies being impacted the most owing to their high dependency on natural gas flowing from Russia. However, the Eurozone has shown remarkable resilience in overcoming this shock, partly due to fiscal support measure as well as strategic adjustments in sourcing energy. The European central bank deployed budgetary support to households and firms in CY 2022 – to the tune of 1.3% of the region's GDP – to tide over the energy cost hike. Moreover, governments across the region took quick steps to increase gas flow from non-Russian pipelines. These measures, together with a mild winter in the region which saw a lower than anticipated demand for natural gas helped the region to display a high level of resiliency.

Impact on gas prices because of Russia – Ukraine conflict

The Russia-Ukraine War, which was triggered by the 2022 Russian invasion of Ukraine, had a profound and far-reaching impact on global gas prices. As one of the major producers and exporters of oil and natural gas, Russia's actions significantly disrupted energy markets worldwide. The ensuing economic sanctions and geopolitical tensions further exacerbated the situation, leading to significant fluctuations in gas prices and greatly affecting economies, industries, and consumers around the globe.

In response to the invasion, the U.S. government took decisive action by signing an executive order which banned imports of Russian oil, natural gas, and coal. The United Kingdom followed suit, announcing its intention to ban hydrocarbon products from Russia. Additionally, the European Union declared its intention to cut Russian oil imports by two-thirds. These collective actions by Western countries were met with a sharp surge in the prices of both oil and gas.

European gas prices witnessed an astonishing increase of over 450%, while electricity prices surged by 230% within just a year. These dramatic price hikes posed significant challenges to consumers, industries, and economies worldwide.

Global Capital Spending Trends

Global capital spending soared in CY 2021, after a muted period in CY 2020 marred by Covid-19 pandemic led disruptions. This surge in spending came amidst the monetary tightening strategy adopted by all major central banks to rein in on the inflationary scenario. The renewed vigour in capital spending was fuelled by two major factors, both of which were the aftereffects of the pandemic. The first was the pent-up consumer demand while the second was the supply deficit caused by global supply chain disruptions. This combination of strong demand and supply bottlenecks forced companies to expand their capacities – to build everything from consumer durables to industrial equipment. To put this growth into perspective, the global corporate capex surged by nearly 13% in CY 2021, over the previous year[1]. The optimism in capital spending spilled over to the next year too, as CY 2022 too witnessed a spike in capital expenditure.

The resurgence in capital spending (after a brief lull during covid-19 pandemic) is broad based and spread across regions and sectors. From a regional perspective, the US and Europe led from the front while Asia too witnessed strong growth. However, the sectors that saw revival in capital expenditure varied across regions. In the US and Europe, there was a higher focus on technology, renewable energy, and sustainable development. Sectors like semi-conductor, clean energy, and electric mobility attracted high investments. Meanwhile, traditional sectors (mainly energy, traditional manufacturing, and infrastructure) drove the capital expenditure in Asian regions.

However, the longer-term outlook on capital spending is promising. Investments in building infrastructure that support sustainable development and climate change technologies are expected to headline the capital expenditure projects in the coming years. This optimistic forecast is backed by the strong commitment by both public and private sector towards these two themes. Investments worth approximately USD 130 trillion are expected to flow into capital spending projects between CY 2022 and CY 2027[1].

China Plus One Strategy

Over the past few decades, China has emerged as a global manufacturing hub accounting for approximately 30% of global manufacturing, due to a strong logistic system, excellent infrastructure, knowledge base, supply chain network, and low labour cost. As a result, many companies relocated their manufacturing facilities to China during the 1990s and 2000s.

The term "China Plus One" was coined in 2013, when the world witnessed geopolitical and trade tensions between major economies resulting in a shift in the global economic landscape. Global economies started to seek options to reduce dependence on China by diversifying their investments to other developing economies.

Multiple factors such as the trade tensions between China and US (especially during the Trump administration), rising wages and labour costs in China, a growing aging population in China, structural reforms by the Chinese government, and China's zero covid policy further catalysed the China Plus One strategy.

Rising labor costs in China also played a major role in the formation of the strategy. Minimum wages in China increased by more than 30% from 2010 to 2020, and markets like Vietnam, Indonesia, and India with lower minimum wages became attractive opportunities for an alternative manufacturing hub during the global economic downturn. Further, the one-child policy of China has resulted in an uneven labour pool, with a shrinking number of qualified workers available for the manufacturing industries.

With the adoption of the 'China Plus One' strategy countries like Malaysia, Vietnam, Thailand, and India are emerging as alternatives for China and these countries are launching production-linked incentives schemes to boost local manufacturing.

Japanese companies are shifting their production to countries like Vietnam, India, Bangladesh, and Thailand. China is no longer seen as a cost-effective solution provider. For example, according to the Japan External Trade Organization, the average monthly salary of a factory worker in Guangzhou, China, is about USD 670, as compared to the USD 270 monthly salary in Vietnam's Ho Chi Minh City and USD 120 in Dhaka, Bangladesh. Nearly 249 Japanese companies have left China between 2016 and May 2019, followed by135 companies in 2022 which were either completely leaving or verge of partially relocating owing to the ongoing efforts by Japanese companies to locate their manufacturing capacities outside China.

India is also in the run-up of becoming one of the key manufacturing partners for global companies around the world. For example, Japan had allocated 23.5 billion yen in 2020 supplemental budget for the subsidy to encourage companies to disperse their manufacturing sites across ASEAN region and added India and Bangladesh to the list of relocation destinations for companies to shift their manufacturing sites from China to ASEAN countries. There are an estimated 30,000 Japanese companies that have production bases in China compared with 5,100 in India thus indicating the vast opportunity that India can tap as Japan looks towards China + 1 strategy. The Japanese government offering financial assistance to two companies Toyota-Tsusho and Sumida for relocating from China for setting up of rare earth metal facility and auto components, respectively, could be perceived as a positive indication about India as a lucrative alternative to China. Further, Southeast Asian economies

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[1] *S&P Global Rating, Global Corporate Capex Survey 2021, non-financial capex growth*

[2] *Mckinsey & Company*

like Vietnam, Thailand, Malaysia, and India are signing free trade agreements to strengthen their position as a contender for the "China Plus One" strategy.

Opportunity for India

The China Plus One strategy is an approach adopted by companies and countries to diversify their supply chains away from excessive reliance on China as a manufacturing and sourcing hub. The strategy emerged as a response to various factors, including rising labour costs in China, geopolitical tensions, trade uncertainties, and the need to mitigate risks associated with being overly dependent on a single country for production and sourcing.

India, being one of the largest economies in the world and home to a vast workforce and diverse manufacturing capabilities, has been actively leveraging the China Plus One strategy to attract investments and businesses looking to diversify their supply chains away from China.

India's vision of becoming 'Atmanirbhar' (self-reliant) and enhancing its manufacturing capabilities and exports has led to significant efforts and investment in the form of Production Linked Incentives (PLI) schemes. An outlay of INR 1.97 lakh crore (over US$ 26 billion) has been announced in Union Budget 2021-22 for these schemes across 14 key manufacturing sectors from FY 2021-22. These PLI schemes are aimed at attracting companies looking to diversify their supply chains away from China. The incentives offered by the government, such as tax breaks and regulatory reforms, make India an attractive destination for businesses seeking to move their production from China to India. This proactive approach has further strengthened India's position as a preferred manufacturing base under the China Plus One strategy.

Additionally, The Indian government's commitment to creating a business-friendly environment has resulted in increased foreign direct investment (FDI) inflows in the country over the years. Since 2014-2015, when FDI inflows stood at US $ 45.15 billion, now have shown consistent growth reaching a record high of US$ 84.84 billion in the financial year 2021-22. The government's pro-business reforms, coupled with investment incentives offered under the PLI schemes, have played a vital role in attracting foreign investments and businesses seeking alternatives to China. Moreover, India has signed 13 Free Trade Agreements (FTAs) and six Preferential Trade Agreements (PTAs) so far, with ongoing FTA negotiations with the U.K, Canada, and the European Union expected to conclude, potentially opening up further opportunities for businesses exploring the China Plus One strategy. However, global uncertainties in FY 2023 resulted in a temporary drop in FDI inflows to US$ 70.97 billion. Nevertheless, India's proactive measures, investment incentives, and access to FTAs remain valuable drivers for businesses considering the China Plus One strategy.

Other factors that India leverages include it's access to domestic market, where India's large and diverse consumer base provides significant opportunities for companies exploring the China Plus One strategy. By establishing a presence in India, companies can access and serve this vast market, offering a compelling reason for incorporating India in their diversification plans. The 'Atmanirbhar' vision also emphasizes boosting domestic manufacturing to cater to local demand, making India an appealing market for businesses aiming to tap into the country's consumption potential.

Another factor adding to this is India's location in South Asia, which makes it a strategic hub for companies looking to expand their operations beyond China. Its proximity to both the Indian subcontinent and Southeast Asian markets provides a unique advantage for businesses seeking to serve a wide geographical area. In addition to the geographical advantage and manufacturing capabilities, India's growing technology and innovation sectors are another significant draw for businesses diversifying their supply chains. With India increasingly investing in research and development (R&D) and innovation-oriented operations, companies have access to high-value opportunities to establish a presence in India and access its pool of skilled talent and cutting-edge research facilities.

Lastly, recognizing the importance of ease of doing business in attracting foreign investments, the Indian government has taken numerous steps to simplify regulations, reduce bureaucracy, and streamline approval processes. These efforts are aimed at creating a more business-friendly environment, making it easier for companies to set up and operate in India.

Emerging Alternative Energy Scenario

The global energy landscape is undergoing a significant transformation as the world seeks to reduce dependence on other countries, as well as its carbon footprint and transition towards cleaner and more sustainable energy sources. In this context, the exploration of alternative fuels has gained momentum, with ammonia and hydrogen emerging as promising options.

Ammonia is emerging as a promising alternative fuel that has the potential to play a significant role in the transition to a more sustainable and low-carbon energy system. Ammonia ($NH3$) is a compound made up of hydrogen and nitrogen, and it has several characteristics that make it an attractive option for energy production.

Hydrogen is another fuel gaining significant attention as a versatile and sustainable alternative that has the potential to revolutionize the energy landscape. It is the most abundant element in the universe and can be produced from various sources, including water, natural gas, biomass, and renewable energy.

One of the key advantages of hydrogen as a fuel is its high energy content. When combusted or used in fuel cells, hydrogen releases energy and produces only water vapor as a by-product, making it a clean and emissions-free fuel.

Opportunity for Piping Industry

- India's National Green Hydrogen Mission is aimed at developing green hydrogen production capacity of at least 5 MMT (Million Metric Tonne) annually with an associated renewable energy capacity addition of about 125 GW in the country. Over Rs. 8 trillion in total investments is envisaged for this initiative. The government has approved an outlay of Rs 19,744 crore from FY 2023-24 to FY 2029-30 to make India a global hub for production, usage and export of green hydrogen and its derivatives.

- Companies have so far announced plans for 48 renewable hydrogen projects in India that could produce a combined 3.5mn t/yr. If these announced projects are completed by 2030, they could provide 70% of India's target to establish 5mn t/yr of renewable hydrogen capacity by 2030. India's oil & gas PSUs (public sector organizations), such as Hindustan Petroleum Corporation Ltd, are targeting to build a combined green hydrogen generation capacity of 38,000 tonnes per annum by the next financial year which would require setting up a combined electrolyzer capacity of 279 MW by 2024-25. Companies have also expressed interest in setting set up electrolyser manufacturing facilities and have announced plans for 19 factories so far.

- The government is planning consultation to create five large renewable hydrogen hubs that could be collectively worth USD 5 billion by 2030 through public-private partnerships. To reduce the transportation costs for making the project more financially viable, the production and consumption will have to be located closely.

- With such initiatives related to players announcing plans for alternate energy, this would lead to further capex and open up more opportunities for the process piping players.

India Macroeconomic Analysis

GDP Growth Scenario

India's economy is showing signs of resilience with GDP growing by 7.2% in FY 2023. Although this translates into a moderation in demand (compared to FY 2022), the GDP growth in FY 2023 represents a return to pre pandemic era growth path. Despite this moderation in growth, India continues to remain one of the fastest growing economies in the world.

Country GDP	Growth (2022)
India	7.2%
United Kingdom	4.1%
Italy	3.7%
Canada	3.4%
China	3.0%
Brazil	2.9%
France	2.6%
United States	2.1%
South Africa	2.0%
Germany	1.8%
Japan	1.0%
Russia	-2.1%

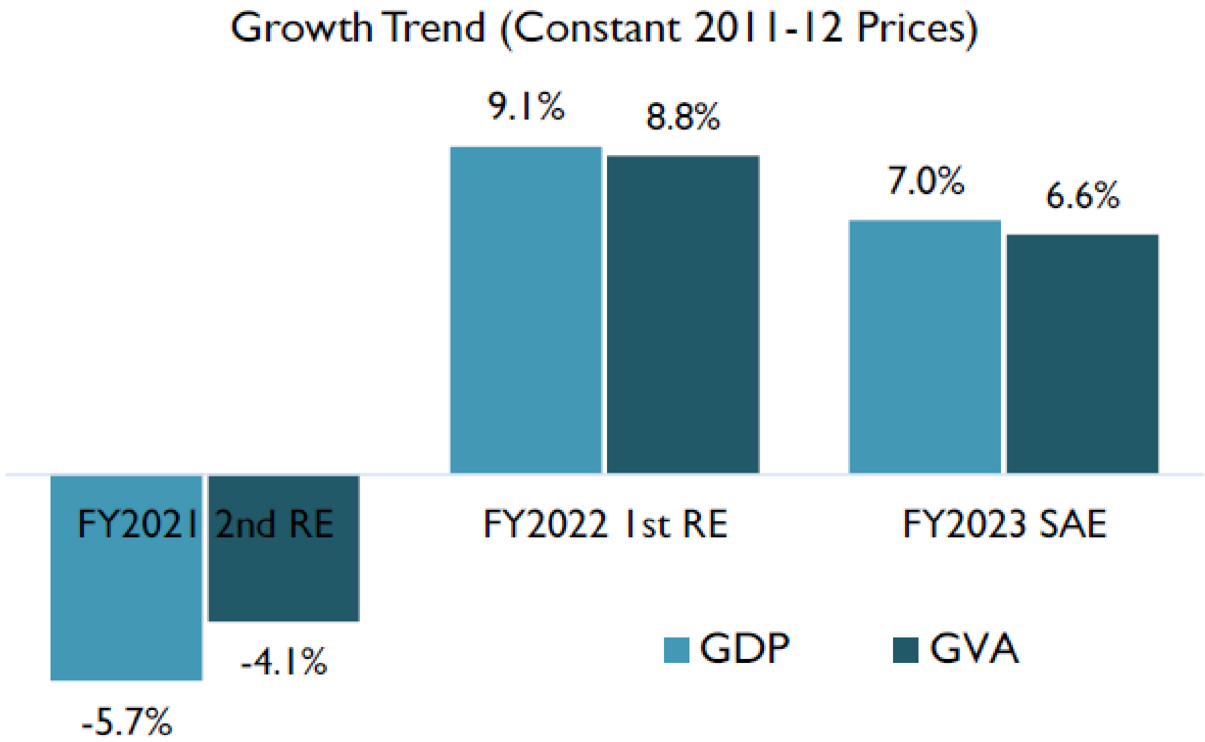
Source: World Bank
GDP growth for India refers to FY 2023 as per MOSPI
Countries considered include - Largest Developed Economies and BRICS (Brazil, Russia, India, China, and South)
Countries have been arranged in descending order of GDP growth

There are quite a few factors aiding India's economic recovery – notably its resilience to external shocks (ongoing Russia – Ukraine conflict) and rebound in private consumption. This rebound in private consumption is bringing back the focus on improvements in domestic demand, which together with revival in export demand is a precursor to higher industrial activity. Already the capacity utilization rates in Indian manufacturing sector are recovering as industries have stepped up their production volumes. As this momentum sustains, the country may enter a new capex cycle. The universal vaccination program by the Government has played a big part in reinstating confidence among the population, in turn helping to revive private consumption.

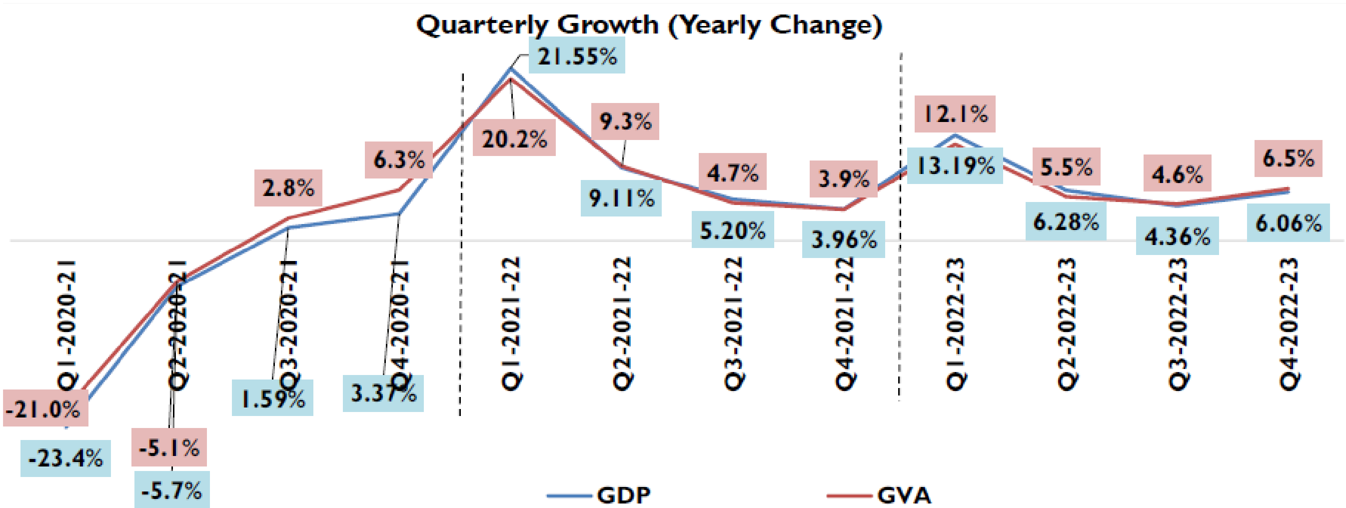
Realizing the need to impart external stimuli, the Government stepped up its spending on infrastructure projects which in turn had a positive impact on economic growth. The capital expenditure of central government increased by nearly 24.5% during FY 2023 as compared to the previous fiscal. The improvement was accentuated further as the Union Budget 2023-2024 announced 37.4% increase in capital expenditure (budget estimates), to the tune of Rs 10 trillion. The announcement also included 30% increase in financial assistance to states at Rs 1.3 trillion for capex. This has provided the much-needed confidence to private sector, and in turn attracted private investment.

On the lending side, the financial health of major banks has witnessed an improvement which has helped in improving the credit supply. With capacity utilization improving, there would be demand for credit from corporate sector to fund the next round of expansion plans.

India's GDP in FY 2023 grew by 7.2% compared to 9.1% in the previous fiscal on the back of slowing domestic as well as external demand owing to series of interest rate hikes globally to tackle high inflation. The year-on-year moderation in growth rate is also partly due to a fading impact of pandemic-induced base effects which had contributed towards higher growth in FY 2022. On quarterly basis, the country growth moderated in Q2 and Q3 of FY 2023 which highlights impact of slowing economy on the back of monetary tightening. During Q3 FY 2023, the country's GDP grew by 4.36% against 6.28% y-o-y increase in the corresponding quarter last fiscal. However, the fourth quarter of FY 2023 saw a rebound in growth rate, indicating an optimistic scenario.



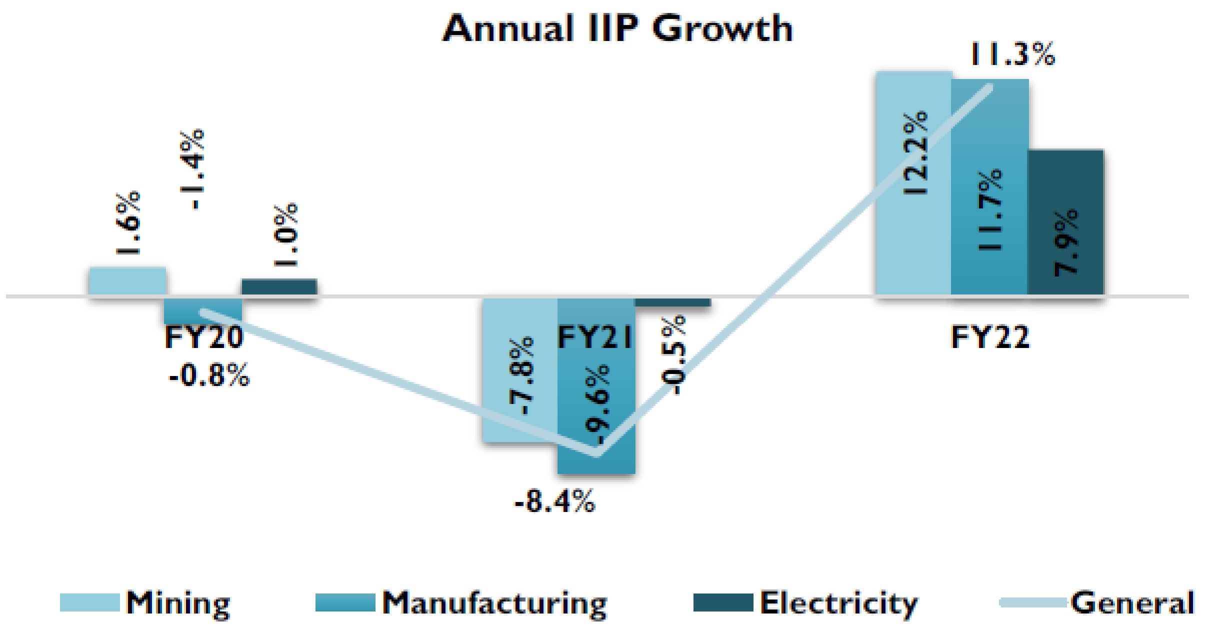
Source: Ministry of Statistics & Programme Implementation (MOSPI)
RE stands for Revised Estimates, SAE stands for Second Advance Estimates



Source: Ministry of Statistics & Programme Implementation (MOSPI)

Index of Industrial Production

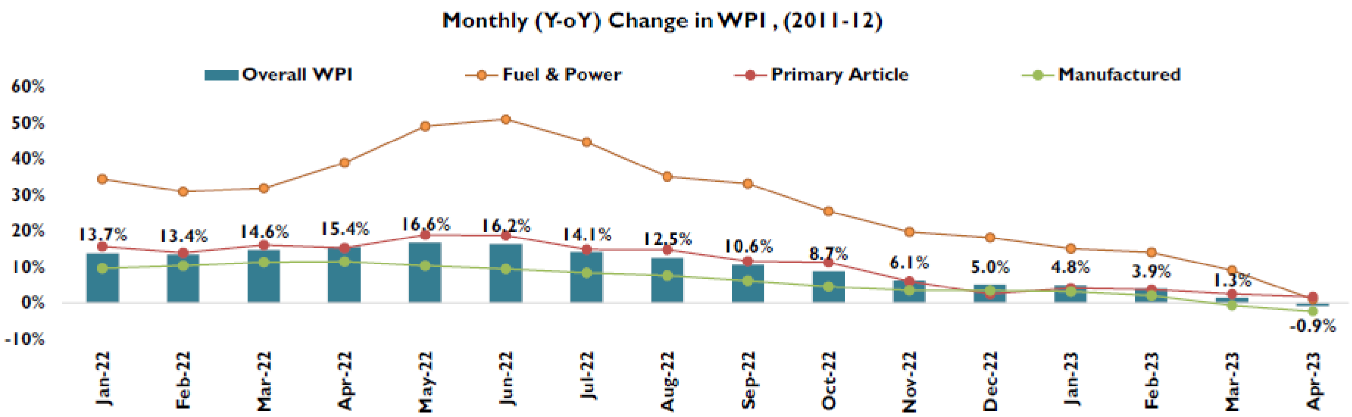
After experiencing three years of deteriorating industry growth, the country's Index of Industrial Production (IIP) index registered 11.3% y-o-y growth where growth was evenly spread across all sub-segments. Manufacturing index, with 77.6% weightage in overall index, registered 11.7% y-o-y growth in FY 2022 while mining sector index registered the highest growth. Classified based on usage i.e., infrastructure/construction goods, capital good, intermediate good and consumer durable outperformed over the other sector and registered healthy double-digit growth.



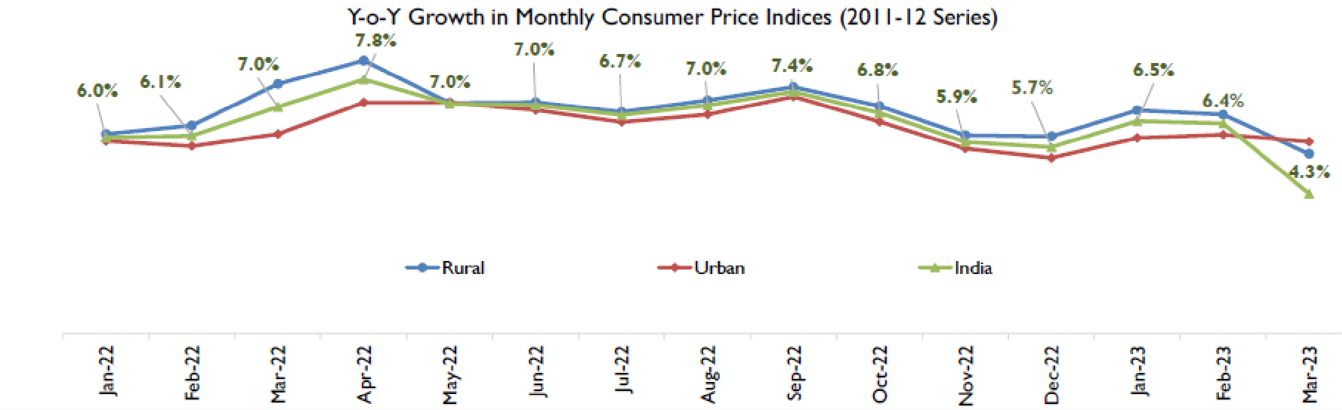
Source: Ministry of Statistics & Programme Implementation (MOSPI)

Inflation Scenario

Wholesale Price Index (WPI) is moderating on the back of softening of prices. Compared to April 22, WPI in April 2023 dropped by -0.9%. This is primary on the back of softening of fuel & power prices. Monthly y-o-y change (April 2023 v/s April 2022) for manufactured products was -2.9%, and this too contributed to the moderation in WPI. Softening prices of mineral oils, chemicals & chemical products, textiles, crude petroleum & natural gas, textiles, and food products. Contributed towards moderation in WPI inflation.



Source: MOSPI, Office of Economic Advisor



Source: CMIE Economic Outlook

Retail inflation rate (as measured by Consumer Price Index) again jumped above 6% tolerance limit of the central bank in January 2023 after observing mild moderation in the previous two month. The overall CPI grew by 6.5% in January 2023 due to spike in food inflation and CPI food index grew by 5.9% during FY 2023 against 4.2% y-o-y growth in the previous year. Within food index, Cereals and product-led food inflation reached 16.1 per cent in January 2023 from 13.8 per cent in December 2022. As a part of anti-inflationary measure, the RBI has hiked the repo rate by 225 bps since May 2022 to current 6.5% (May 2023), with latest fourth round hike announced on 8 Feb 2023. The Reserve Bank of India has estimated an average inflation rate of 6.5% for FY 2023. Since then, retail inflation appears to be softening, as it grew by 6.4% and 4.3% respectively in February and March of 2023.

Growth Outlook

Amidst the difficult and uncertain external economic environment, the Indian government has delivered a balanced Union Budget which focuses on achieving an inclusive and sustainable growth while adhering to the fiscal glide path. Notwithstanding the external risk, there is a sustained momentum in economic activity supported by domestic drivers.

Capacity utilization in the manufacturing sector has surpassed its long period average. Thus, the stance taken by the government to not only emphasize on the top-down approach to growth i.e focusing on substantial capital outlay, but also to place focus on the bottom of the pyramid by trying to unleash the potential of the primary sector in the Union Budget should support India's growth momentum in 2023.

Some of the key factors that would propel India's economic growth in the coming years

Government focus on infrastructure development

Infrastructure development has remained recurring theme in India's economic development. The launch of flagship policies like National Infrastructure Pipeline (NIP), and PM Gati Shakti plan have provided the coordination & collaboration that was lacking earlier.

These projects are expected to improve freight movement, debottleneck the logistics sector, and improve the industrial production landscape, which would provide the incremental growth in GDP. In its Union Budget FY 2023, the Government has increased the capital expenditure by 35% to nearly INR 7.5 lakh crore – which indicates the strong Government focus on improving the overall infrastructure landscape in India.

Development of Domestic Manufacturing Capability

The Government launched Production Linked Incentive (PLI) scheme in early 2020, initially aimed at improving domestic manufacturing capability in large scale electronic manufacturing and gradually extended to other sectors. At present it covers 14 sectors, ranging from medical devices to solar PV modules. The PLI scheme provides incentives to companies on incremental sales of products manufactured in India.

The overall incentives earmarked for PLI scheme is estimated to be INR 2 lakh crore. If fully realizing the PLI scheme would have the ability to add nearly 4% to annual GDP growth, by way of incremental revenue generated from the newly formed manufacturing units.

Strong Domestic Demand

Domestic demand has traditionally been one of the strong drivers of Indian economy. After a brief lull caused by Covid-19 pandemic, the domestic demand is recovering.

India has a strong middle-class segment which has been the major driver of domestic demand. Factors like fast paced urbanization and improving income scenario in rural markets are expected to accelerate domestic demand further. This revival is perfectly captured by the private final consumption expenditure (PFCE) metric. PFCE as a percentage of GDP increased to nearly 59.2 during the first half of FY 2023[2], which is the highest level it has achieved during the past few years. Although pent-up demand has played a part in this surge, this is an indication of normalization of demand.

There are two factors that are driving this domestic demand: One the large pool of consumers and second the improvement in purchasing power.

- The share of middle class increased from nearly 14% in 2005 to nearly 30% in 2021 and is expected to cross 60% by 2047 (Placeholder1)[3]. This expanding middle class household segment is fuelling India's growth story and would continue to play a key role in propelling India's economic growth.

- As per National Statistics Office (NSO) India's per capita income (in current prices) stood at INR 1.72 lakhs in FY 2023 which is nearly double of what it was in FY 2015. This increase in per capita income has impacted the purchasing pattern as well as disposable spending pattern in the country. Consumer driven domestic demand is majorly fuelled by this growth in per capita income.

Policy Environment in India: Major Flagship Policies

The ongoing policy moves by the Government is aimed at improving the overall manufacturing base in the country and increase its contribution to 25% of GDP by FY 2025, up from the current 15% (FY 2022). The measures to achieve this has accelerated post Covid-19, as the pandemic exposed the risks that India faces in case of sudden trade disruptions.

Make in India Initiative

Make in India initiative was one of the first of such policies that was outlined by the Government. The broader objective of the policy is to create a landscape that would promote investment and in turn help in modernizing the manufacturing infrastructure.

The role of process industries in making India a manufacturing hub is significant and consequently will lead to increased demand for the piping industry.

Production Linked Incentive Scheme

The Production-Linked Incentives (PLI) plan is the most recent reform to be implemented under the umbrella of the 'AatmaNirbhar Bharat Abhiyan' (Self-Reliant India) project.

They have been specifically developed to increase domestic manufacturing in the sunrise and strategic industries, lower import bills and curb cheaper imports, improve the cost competitiveness of locally created goods, and expand domestic capacity and exports.

In the Union Budget 2021-22 The finance minister announced an allocation of INR 1.97 lakh crores for the PLI programmes for 14 major industries that were identified based on their potential for income and employment development. The strategy also aims to create large-scale jobs by incentivizing the development of traditional, labour-intensive industries like food processing and textiles.

Process Piping System

Overview

A piping system comprise of multitude of pipes as well as in-line components like industrial pipe fittings and flanges. In an industrial setting, often equipments like pumps, heat exchangers, and valves are considered as part of the broader piping system.

A process piping system is a specialized piping system that is exclusively used in an industrial plant for transporting input materials that goes into the actual production process. Process piping carries the raw materials or finished products to the desired location i.e., either into the reaction vessel or other containers or to the storage tanks or other equipment for further treatment or next stage reaction.

The process piping system typically consists of a network of interlinked piping system comprising different components such as pipes, tubes, pressure hoses, valves, separators, traps, flanges, fittings, gaskets, strainers, and control instruments among others which are required to regulate the movement of liquids and gases in various industries. Process piping systems are widely

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[2] *India Economic Survey FY 2023, Full year data is yet to be released*

[3] *As per the survey conducted by People Research on India's Consumer Economy. Households with annual income in the range of INR 5 – 30 lakh is considered as middle class households*

used across diverse industries such as chemical and pharmaceutical, oil & gas, semiconductor, paper, textiles etc. Depending on their application process piping systems may be simple and limited in scope, or extensive and complex.

This core usage separates process piping system from other types of piping systems found in an industrial plant. Hence, piping systems used for heating and cooling processes of liquids and gases, or power processing or pipework that leads to plumbing fixtures or waste-water systems, are considered as part of plumbing system, and not process piping systems.

Manufacturing Process & Installing

The pipes in a process piping system are made from material that meets the requirement of the medium transported. Stainless steel is the most commonly used piping material, although other variants of steel are also used. The process piping system used in a manufacturing plant can either be fabricated on-site or at a factory and then installed at the construction site. The process of fabrication at factory floor is referred to as shop fabrication. Herein the pipes are fabricated into spools which is then transported into construction sites. Each spool will be marked with an indicator to identify its position in the piping system. This position will be as per the design drawings.

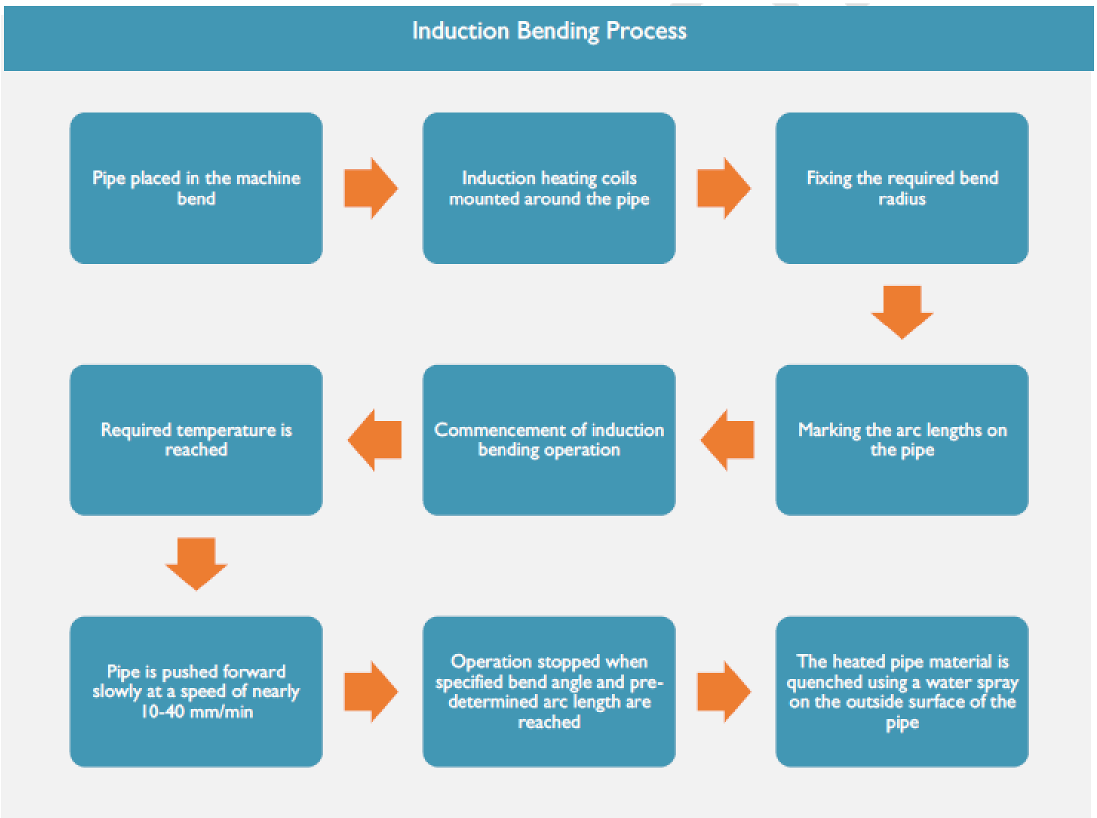
Given the long network of pipes used in a process piping system, often pipes are situated outside the main plant and mounted in a rack or frame. This rack is used if the piping system cannot be accommodated inside the plant, or it is required to be placed outside the building.

Earlier, pipes used to be fabricated and then shipped to installation site where it is assembled as per design drawings. However, the introduction of modular skid piping system is changing that. Modular skids are self-contained piping system wherein machinery, piping system and instrumentation are all enclosed in a frame or module. It is mainly like a machine in a box. Depending on the side, modular skid can be either parts of the manufacturing infrastructure or (in case of a small plant) the entire manufacturing infrastructure. If the plant is huge then multiple modular skids are combined.

Process piping system cannot be only straight and depending on the function there would be bends. Bending of process piping is done by a technique called induction bending wherein outer surface of the pipe is heated through an induction coil and then bend to the desired curvature.

<u>Induction Bending Process</u>

The principle of induction bending is based on locally heating of a pipe. It is a precisely controlled and efficient pipe bending technique for local heating using high frequency induced electrical power which is applied during the induction bending process. The process involves placing an induction coil around the pipe to be bent that heats the pipe circumference in the range of 850 – 1,100 degrees Celsius. Hot induction bending is generally preferred for bigger diameter pipes when cold bending methods are limited.



Type of Materials Used

The selection of materials for construction of the process piping system mainly depends on three factors namely –

- **Type of fluid** - For corrosive fluids such as crude oil, sea water, acids etc., higher corrosion resistance material is required as compared to non-corrosive material such as lube oil, nitrogen etc.

- **Service temperature of fluid** - An increase or decrease in the service fluid temperature (cryogenic, low temperature, medium temperature, and high temperature) will greatly impact the pipe material's mechanical properties related to impact resistance, elongation, tensile strength etc.

- **Operating pressure of fluid** - High strength material or higher thickness material is required for high-pressure services compared to normal pressure services.

Addition factors considered during selection of the material for process piping include the material's tensile strength, elasticity, hardness, toughness etc.

Metal		**Non-Metallic**	
Ferrous	**Non-Ferrous**	**Non-Metal**	**Lined/Clad**
Stainless Steel	Copper Alloy	Polyvinyl chloride (PVC) / chlorinated polyvinyl chloride (CPVC)	Rubber Lined
Carbon Steel	Nickel Alloy	High Density Polyethylene (HDPE)	Polytetrafluoroethylene (PTFE) Lined
Alloy Steel	Aluminium Alloy	Fiber Reinforced Plastics (FRP)/ Glass-reinforced plastics (GRE)	Fiber Reinforced Plastics (FRP) Lined
Cast Iron	Other Alloys	Cement	Glass Lined

Components & Systems

Piping Skids: A modular process skid is a process system that is built within a pre-defined frame and specifically allows the entire system to be easily transported. Individual process piping skids can contain complete process systems whereas multiple process skids can be placed together to create larger process systems and can also create an entire portable plant. Such type of multi skid systems often include individual systems such as a raw materials skid, a utilities skid, and a processing unit which all work in tandem with each other. Some common examples of process piping skid applications include batch processing, distillation, flavour mixing, food & beverage processing, blending etc. Some of the common advantages include its portable design, which is easier to transport, built in controlled conditions offsite do not affect on current plant operations during expansion/modification and ease of FAT (factory acceptance test) as it can be completed before its transported to the plant site among others.

<u>Pipe Spools</u>

Pipe spools are the prefabricated components of a piping system and include pipes, flanges and fittings. They connect long pipes with flanges at the tips so that they can be bolted to another pipe with similar type of flanges. They are usually fabricated offsite wherein the raw pipes are pre-cut to the desired sizes and temporarily fitted together with industrial pipe fittings and other components and finally the partially finished sub-assembly is welded with other spool components. They are mounted during the fabrication process and delivered pre-mounted which makes it easier to for assembly and is especially useful for industries which operate with limited space and shorter turnaround time for construction.

The pipe spooling process consists of -

- **Spool roll fitting and welding** - the main pipe is turned using a rolling machine as a result of which the fitter can perform the task without changing his position

- **Spool permanent position fitting and welding** - a portion of the main pipe exceeds the clearance limit which forces the fitter to move around the main pipe to complete the fitting and welding process owing to which it takes longer time compared to spool roll fitting and welding.

The various types of spools namely pipes, flanges and fittings include -

Pipes: Pipes are generally of two types namely - welded pipes or seamless pipes. For manufacturing of both types of pipes, raw material is first cast into ingots and then made into a pipe by stretching the steel out into a seamless tube or forcing the edges together and sealing them with a weld.

- **Seamless Pipes and Tubes**: These are without a seam or a weld-joint and made from a solid round steel billet which is heated and pushed or pulled over a form until the steel is shaped into a hollow pipe. The common methods of manufacturing include the Mandrel Mill process and the Mannesmann Plug Mill Process. In both the methods, raw steel is first cast into a more workable starting form such as hot billet or flat strip. It is then made into a pipe by stretching the hot steel billet out into a seamless pipe or forcing the edges of flat steel strip together.

- **Welded Pipes and Tubes**: Welded pipes are manufactured by rolling metal sheet and then welding it longitudinally across its length. To manufacture a welded pipe, the first plate or coil is rolled in the circular section with the help of a plate bending machine or a roller. Once the circular section is rolled from the plate, the pipe can be welded with or without filler material. Welded pipes are relatively cheaper and weaker than the seamless pipes. Some of the most common welding methods include ERW- Electric Resistance Welding, EFW- Electric Fusion Welding, HFW- High-frequency welding and SAW- Submerged Arc Welding (Long seam & Spiral Seam).

- **Fittings**: They are used in piping systems to connect straight pipes or tubing sections, helping to adapt to different sizes or shapes or re-direct the piping system and wherever required to provide a jointing method if 2 dissimilar piping materials are used in the same system. Different types of fittings include

  - ***Elbow*** – It is a pipe fitting installed between two lengths of pipe or tube allowing a change of direction, usually 90° or 45°

  - ***Tee***: Generally used to either combine or split a fluid flow

  - ***Cross***: Generally, has one inlet and three outlets or vice versa

  - ***Reducer***: Used to join 2 different pipe sizes together and can be either concentric or eccentric which refers to the relative position of the centre lines of the outlet and inlet

  - ***Cap or Plug***: It is liquid or gas tight and used to cover the end of a pipe

- **Flanges**: Flanges are components which are used to connect pipes, valves, pumps and other equipment together. Using flanges adds flexibility and convenience by allowing for easier disassembly and improved access to system components in the piping system. Some of the common types of flanges comprise –

  - ***Weld Neck Flange***: It is circumferentially welded onto the system and used in critical applications

  - ***Socket Flange***: It is counter-bored to accept the pipe, which is then fillet welded

  - ***Slip-on Flange***: It is counter-bored to accept the pipe, which is then fillet welded

  - ***Screwed Flange***: It does not require any welding and is used to connect other threaded components in low pressure non-critical applications

  - ***Lap Flange***: It is used with a stub end which is butt-welded to the pipe with the lap flange acting as a loose collar behind it

  - ***Blind Flange***: Also called a blanking flange, it is used for blanking off pipelines, valves and pumps and as an inspection cover

Process Equipments

<u>Pressure Vessels</u>

A pressure vessel is a container designed to hold gases or liquids at a pressure which is significantly different from the ambient pressure, either internally or externally.

Depending on the application, pressure vessels could have different internals. For example, two phase separators may have a wave breaker, vortex breaker, mist eliminator and splash plate whereas three phase separators will typically contain the same components with the addition of a weir to help ensure separation.

Pressure vessel classification, as per end use application:

Pressure Vessel Classification: As per end use application	
Boiler	A closed vessel in which water or other fluid are heated under pressure for generating steam or other hot fluids

Pressure Vessel Classification: As per end use application	
Heat Exchanger	Used to transfer heat from one medium to another at different temperatures for air or a liquid such as water or oil.
Storage Pressure Vessel	Used temporarily to hold liquids, vapours, and gases.
Process Pressure Vessels	Some common examples include separators, drums, distillation tower, fractioning tower etc. which are used to perform various activities such as breaking down a process, combining/mixing of products, removing various elements or aspects of a product and more.

Heat Exchangers

Heat exchanger are devices that are used to transfer heat from one fluid (liquid/gas) to another and various types of heat exchangers are used in process piping. One of the key benefits of shell and tube heat exchangers is their ease of maintenance. Further, due to the cylindrical design of the housing, they are capable of withstanding high pressure, making them suitable for a wide range of pressure piping application systems.

Type of Heat Exchangers	
Shell and Tube Heat Exchangers	made up of a large cylindrical enclosure, or shell, that has bundles of perfectly spaced tubing compacted in its interior. Three types of commonly used shell and tube heat exchangers are- • Fixed Tube Sheet Heat Exchanger: The tube sheet is welded to the shell leading to a simple and economical structure, and the cleaning of tube bores can be performed mechanically or chemically. • U- Tube Heat Exchanger: Any type of front header may be used, and the rear header is typically M-Type. U-tubes allow unlimited thermal expansion. • Floating Head Heat Exchanger: The tube sheet is not welded to the shell at the rear header end but is permitted to move or float. Several types of rear headers can be utilized, but the S-Type Rear Head is the most common.
Plate Heat Exchangers	They facilitate the transfer of heat between two fluids that are separated by a thin metal plate and are typically used for liquid-liquid exchange at low to medium pressures. Four types of commonly used PHEs are- • Gasketed plate heat exchangers – Use high-quality gaskets and designs to seal plates together and prevent fluid from leaking out. • Brazed plate heat exchangers – Use a process called brazing to bond the plates together which creates a more durable and compact heat exchanger that can withstand higher pressures and temperatures than gasketed plate heat exchangers. • Welded plate heat exchangers – Similar to gasketed heat exchangers but the difference is the Welded plates can be attached together. • Semi-Welded plate heat exchangers –Combination of welded and gasket plates which are great for transferring expensive materials due to their low risk of fluid loss.
Spiral Tube Heat Exchanger	They possess excellent heat exchanger properties because of far compact and high heat transfer efficiency. They consist of one or more spirally wound coils which are, in circular pattern, connected to header from which fluid is flowed. The heat transfer rate associated with a spiral tube is higher than that for a straight tube and they are generally used for pasteurization, heat recovery, digester heating, effluent cooling, and pre-heating.
Air Cooled Heat Exchanger	They transfer heat from a fluid to the surrounding air without the use of a secondary fluid such as water. These types of exchangers are commonly used in applications where water is limited, expensive, or not available, or where it is not feasible to use water for cooling, such as in remote locations or in arid environments. Some of the common types include:

Type of Heat Exchangers	
	• Forced Draft Air Cooled Heat Exchanger: A mechanical draft fan is used to force air over the heat transfer surface of the exchanger. These types of ACHEs need less structural support, can have a longer mechanical life and it can lower the capital costs. • Induced Draft Air-Cooled Heat Exchanger: The air is drawn through the exchanger by an induced draft fan placed on the outlet side of the heat exchanger. This arrangement provides a more even distribution of air due to lower air velocity. • Natural Draft Air Cooled Heat Exchanger: Relies on the natural buoyancy of hot air to move it upwards, creating a natural draft to draw cooler air in at the bottom of the exchanger.

Pilot Plants

Pilot plants are small-scale process plants which act as a pre-commercial production system to evaluate the feasibility of certain processes before the start of full-scale production. There are numerous differentiations between pilot plant piping and process plant pipping. For example, pilot plants are smaller in size with a more compact shape, modified more frequently and subjected to more cleaning and inspection. Pilot plants are also likely to handle a more wider spectrum of, known/unknown, materials which could result in higher corrosion, unexpected clogging, higher pressure drops etc.

Key Technical Attributes

Pipe Fabrication

Pipe Fabrication is the manufacture of metallic pipe and piping components, which include wrought or forged elbows, tee and reducer fittings, forged flanges, and the pipe itself, to provide a simple or complex piping systems as dictated by the design documents, to safely transport or process liquids, gases, and solids.

The fabrication of piping requires a high degree of precision and typically includes processes such as cutting, bevelling, welding, and bending.

Pipe Fabrication Process

1) Planning and Design: This initial phase involves understanding the requirements of the project, such as the type of fluid or gas to be transported, the pressure and temperature conditions, the layout of the piping system, and any specific regulations or codes that must be followed. Engineers and designers work together to create detailed blueprints and technical drawings that serve as a guide throughout the fabrication process.

2) Material Selection: Choosing the right material is critical for the success of the piping system. Factors like the operating conditions, environmental exposure, and the properties of the material (e.g., strength, corrosion resistance, and thermal conductivity) are considered. Commonly used materials include carbon steel, stainless steel, copper, PVC, and high-density polyethylene (HDPE).

3) Cutting: After the material is selected, the pipes are cut to the required lengths using specialized equipment like pipe cutters, band saws, or oxy-acetylene torches. The precision of the cuts is crucial to ensure accurate alignment during assembly.

4) Bevelling: To prepare the pipe ends for welding, bevelling is performed. Bevelling creates a sloped edge on the pipe's end, facilitating a smooth weld joint. The bevel angle and type depend on the welding process and material being used.

5) Welding: Welding is the process of joining two or more pipe sections together. Various welding techniques can be used, including:

    a) Arc Welding: This is a common method where an electric arc is created between an electrode and the base metal, melting both materials, and forming a weld bead as they solidify.

    b) MIG (Metal Inert Gas) Welding: Also known as Gas Metal Arc Welding (GMAW), MIG welding uses a continuously fed wire electrode and an inert gas to shield the weld from atmospheric contamination.

    c) TIG (Tungsten Inert Gas) Welding: TIG welding utilizes a non-consumable tungsten electrode and an inert gas for shielding. This process is suitable for thinner materials and produces high-quality welds.

6) Fitting and Assembly: Industrial Pipe fittings, such as elbows, tees, reducers, and flanges, are added to create the desired piping configuration. These fittings are carefully aligned and welded into place. Precise alignment is crucial to maintain the integrity and flow efficiency of the piping system.

7) Non-Destructive Testing (NDT): After welding, NDT techniques are employed to inspect the welds for any flaws, defects, or inconsistencies. Common NDT methods include ultrasonic testing, X-ray inspection, magnetic particle testing, and dye penetrant testing.

8) Surface Treatment: Depending on the material and application, the pipes might undergo surface treatments, such as painting or coating. These treatments protect the pipes from corrosion, UV exposure, or chemical reactions.

9) Pressure Testing: Once the fabrication is complete, the pipes undergo pressure testing to verify their integrity and ability to withstand the specified operating pressures. The pipes are pressurized with water or another appropriate medium and monitored for any leakage or failure.

10) Quality Control and Inspection: Throughout the fabrication process, quality control measures are implemented to ensure that the pipes meet the required standards and specifications. Inspections are performed at various stages to identify and rectify any potential issues.

11) Shipping and Installation: After passing all inspections and testing, the fabricated pipes are ready for shipping to the project site. On-site, skilled technicians or welders install the pipes according to the layout and design specifications.

Types of Pipe Fabrication (according to construction and assembly location)

Shop pipe fabrication and field pipe fabrication are two different approaches to the construction and assembly of piping systems, each taking place in distinct locations.

Shop Pipe Fabrication:

Shop pipe fabrication refers to the process of constructing and assembling piping systems in a controlled, off-site facility known as the fabrication shop. This controlled environment allows for precise and efficient fabrication, as it is equipped with specialized tools, equipment, and skilled personnel dedicated to the fabrication process. Shop fabrication is commonly used for projects that involve complex piping systems or those with high precision requirements.

Features:

- Controlled Environment: The fabrication shop provides a controlled environment, which ensures consistent quality, and reduces the risk of environmental factors affecting the fabrication process.
- Specialized Equipment: Fabrication shops are equipped with specialized machinery and tools, enabling efficient cutting, welding, and other fabrication processes.
- Improved Efficiency: Dedicated teams in the fabrication shop can focus solely on fabrication, leading to increased efficiency and faster turnaround times.
- Quality Control: Fabrication shops often have strict quality control measures in place, ensuring that the fabricated pipes meet specified standards and requirements.

Field Pipe Fabrication:

Field pipe fabrication involves assembling piping systems directly at the project site where the pipes will be installed. This approach is suitable for projects where transporting prefabricated components to the site is not feasible or when on-site customization is required due to the project's unique layout or space constraints. Field fabrication may involve welding, cutting, fitting, and assembling pipes and fittings directly on-site.

Features:

- On-site Customization: Field fabrication allows adjustments to be made on-site to accommodate specific project requirements and site conditions.
- Installation Flexibility: Assembled components can be installed directly into the system, minimizing the need for additional transportation and handling.
- Reduced Transportation Costs: For projects in remote locations or with limited access, on-site fabrication can reduce transportation costs.

Types of Pipe Fabrication (according to material, fitting, and application)

There are different types of piping fabrication processes based on the material, size, and intended application of the pipes.

Welded Piping Fabrication: This is one of the most common methods of pipe fabrication, where pipes are joined together by welding. The welding techniques used may include arc welding (e.g., Shielded Metal Arc Welding - SMAW), MIG (Metal Inert Gas) welding, or TIG (Tungsten Inert Gas) welding. Welded piping fabrication is preferred for its strength and integrity in high-pressure and critical applications.

Seamless Piping Fabrication: Seamless pipes are manufactured through a process where a solid cylindrical billet is heated and pierced to create a hollow tube. Seamless piping fabrication involves cutting and fitting these seamless pipes into the required configuration, often using fittings for specific bends or connections.

Brazed Piping Fabrication: In this process, pipes and fittings are joined together using a filler metal with a lower melting point than the base materials. The parts to be joined are heated, and the filler metal is added, creating a strong bond upon cooling. Brazed piping fabrication is commonly used for joining copper pipes and fittings.

Threaded Piping Fabrication: In threaded piping fabrication, pipes and fittings have male and female threads that allow them to be screwed together. This method is common for small-diameter pipes and is often used in low-pressure applications or for connecting pipes temporarily.

Grooved Piping Fabrication: Grooved piping fabrication involves using grooved mechanical couplings to join pipes and fittings together. The pipes are cut and grooved at specific points, and the couplings are used to create secure connections. This process is often used in fire protection systems and industrial applications.

Compression Fitting Piping Fabrication: Compression fittings are used to connect pipes without the need for welding or threading. The fittings consist of two parts, and the joint is made by compressing the fitting onto the pipe, forming a tight seal.

Flanged Piping Fabrication: Flanged joints use flanges with bolt holes to connect pipes. The flanges are welded or bolted to the pipes, creating a robust and easy-to-assemble connection. Flanged piping fabrication is common in large-diameter pipes and high-pressure applications.

Electrofusion Piping Fabrication: Electrofusion is a method that uses specialized fittings with built-in resistive heating elements. When an electric current is applied, the fitting and the pipe's material melt and fuse together, forming a strong joint.

Key Application Areas

Process piping is an integral part of all process plant industry, and hence is used across the manufacturing sector from chemical plants to facilities manufacturing food & beverages. Only the complexity of fabrication process, and the material of pipes & piping components will vary.

Chemicals & Petrochemical Plants

Stainless steel is considered as one of the best options for process piping plants in the chemical industry (liquids and gases) as the material is strong, durable and can resist corrosion well due to its oxide surface layer. Galvanized steel pipes are also strong and developed to resist corrosion. Copper process pipes are also resistant to corrosion but can suffer corrosion in some cases wherein the acid chemicals are very potent.

In pharmaceutical manufacturing plants, the type of process piping systems installed is critical because of the nature of the end product. Tighter regulatory landscape in pharmaceutical manufacturing – where manufacturing facility has to be compliant with US FDA standards to enable it to export to US markets – makes all aspect of plant subject to high level of quality standards & scrutiny. Stainless steel is one of the commonly used materials it is not affected by heat or corrosive elements and could prevent excessive metallic contamination of pharmaceutical products. Hence high grade of stainless steel (like 316L) is preferred in pharmaceutical plants.

Apart from specifications of materials used, the process of fabricating piping system too has to be compliant with tighter quality standards (when compared to commodity chemicals / other industrial chemicals).

Energy: Oil & Gas

In Oil & Gas industry, complex pipeline network is used in oil rigs to transport oil from wells to storage tanks as well as in downstream refineries wherein distillation to petroleum products happen. The nature of material carried as well as harsh external environment (marine environment in the case of offshore rigs) makes stainless based piping the most suitable process piping material in this industry. Depending on their role in the value chain of processing natural gas and petroleum-derived hydrocarbons, different types of piping include seamless pipes/tubes, steel tubes, steel pipes are used.

Food & Beverage Plants

There is no greater reliance in any industry on the safety and hygiene of the products that are supplied by the food & beverage industry.

The common piping materials used in the food and beverage industry include stainless steel, PVC and polypropylene as they exhibit properties such as resistance to corrosion and high-temperature and ease of cleaning and maintenance. Further, these materials are also non-toxic and non-reactive, which helps to prevent product contamination.

Paper Mills

In paper mills, process piping systems are used for the transportation of bleaching agents, chemicals, and steam to the digester, where raw materials are treated to separate fibers and remove impurities.

Power Plants

Process piping plays a major role in the movement of gases, steam, and fluids important for power generation. An extensive process piping system enables steam to drive turbines and generate electricity by transporting high-pressure steam from boilers to turbines. Process piping is also used to dissipate heat generated during electricity production by circulating large quantities of water from external sources such as cooling towers or rivers to absorb heat from condensers and other equipment used.

Process Piping Manufacturing: Pipe Fabrication

Steel Fabrication

Steel fabrication industry in India has evolved over the years, graduating from traditional welding of parts to an industry which is capable of designing & executing complex steel structures with diverse applications in the industrial sector. Steel fabrication has strong backwards and forward linkage, and the success / failure of the industry is dependent on numerous factors across the value chain.

Easy access to quality raw materials at competitive prices, presence of skilled labour pool, and a robust end use demand landscape are some of the key factors that have a direct impact on steel fabrication industry. From a raw material perspective, India is the second largest producer of both crude steel and finished steel – which ensures a steady supply of steel at competitive price to domestic fabrication industry.

On the manufacturing ecosystem front, the country has a well-developed fabrication infrastructure, comprising of small- and large-scale enterprises with a strong pool of technically skilled labour to support it. Meanwhile, the stable industrial activity, rapid expansion in industrial / manufacturing capacity and construction have ensured a steady demand for fabricated steel products. Thus, all three factors that are critical for the success of steel fabrication industry is currently aligned in India's favour, which in turn has helped in fuelling the growth of domestic steel fabrication industry.

Pipe Fabrication

Metal fabrication is a broad term to define activities & processes that are used to cut, shape and mold metals into finished products. In fabrication, raw materials / semi-finished materials are converted into finished products, unlike other process where finished products are assembled from readymade components. This integral difference makes fabrication a highly specialized and precision metal working process. Metal fabrication is used to make both stock and customized products, and the common input materials used include sheet metal, metal rods, billets, and bars.

Pipe fabrication is a sub-segment of the wider metal fabrication industry. It involves cutting, bevelling of pipe components include pipes, tees, elbows, flanges, and reducers etc to create a piping system. It involves precision manufacturing processes with a multitude of components and steps.

Significance, Process and Types

In an industrial facility, a piping system / pipelines transport multiple types of liquids, vapours/ gases, slurries, and powders between equipments during the process of manufacturing a finished product. These materials are often transported at varying pressure and temperature which puts immense strain on the piping system. Given the critical nature of piping system it should be able to maintain its integrity under testing conditions. Among all metal working process, fabrication is the preferred process that can ensure the high level of resilience that is demanded by a piping system.

Depending upon the location of fabrication process, pipe fabrication is segmented into two: **Shop Fabrication** and **Field Fabrication**. As the name implies, Shop Fabrication is where the fabrication process is carried out in a fabricators facility / factory floor. On the other hand, field fabrication happens at the construction site.

Normally field fabrication is deployed in the fabrication of small-bore pipes, threaded & socket welded pipes while shop fabrication is preferred for butt welded pipes, pipe bending and modular items.

In shop fabrication, spool assemblies are fabricated which is then transported to project sit for final installation. For large projects, using shop fabrication to create spool assemblies has turned out to be cost effective because of the savings achieved in installation process.

Manufacturing Process

In terms of manufacturing process, steel pipe used in piping industry is segmented into two; seamless steel pipes and welded pipes. Seamless steel pipe is made from high quality carbo steel or alloy steel through hot rolling & cold rolling. On the other hand, a welded pipe is manufactured by welding a steel plate rolled into a tubular form by a seam.

- **Welded Steel Pipes**: Galvanized steel pipes, Longitudinally Submerged Arc Welding (LSAW) Pipe, Electric Arc Welding (ERW) pipes

- **Seamless Steel Pipes**: General seamless pipes, seamless tubes (for low & medium pressure boilers)

Fabrication Techniques / Processes

Welding: Traditionally manual welding was the default welding process deployed. With the growth in scale of welding, manual welding became uneconomical (due to cost & time constraints) leading to the development of automatic welding technology. Today all large-scale fabricators use automatic welding, with varying levels of automation / technology sophistication.

- **Automatic Welding Process**: Welding process using an automatic welding machine, primarily used for repeated welding in a factory assembly line. Depending upon the specific application and welding method, automatic welding can be segmented into automatic fusion welding, automatic pressure welding, and automatic brazing/ soldering.

- **Robotic Welding**: Robotic welding is the advanced form of automatic welding; wherein robotic technology is used to carry out the welding process. Typically, a robotic welding arm with multiple axes is used.

Pipe Bending: In pipe fabrication, bending is deployed to create angles in pipes. Induction bending/ hot bending & cold bending are the two notable bending techniques used in pipe fabrication.

- **Induction Bending**: This process uses electrical coils to generate extreme heat in the area of pipe which needs to be bend. It is one of the common method used in pipe fabrication industry to create long steel bents. In this process, the section of pipe where bent is desired moves through a heating coil which is then manipulated by a fixed arm bent to get the desired angle.

- **Cold Bending**: In cold bending, the bent is achieved through physical force while the metal being bent remains at room temperature. Compared to induction / hot bending, the bending radius achieved through cold bending is lower – primarily due to the absence of heating medium.

Key Challenges

Deviations to broader economic growth

Pipe fabrication finds application across all economic segments, thus any deviation in macroeconomic growth pattern tends to have a direct impact on the fortunes of the industry. In addition to general macroeconomic scenario, events like Covid-19 pandemic and external factors like ongoing Russia- Ukraine conflict too have an impact on the domestic industry.

Demand for pipe fabrication services rests on the pace at which new projects – across all segments of economy – progress.

Nevertheless, these two events – slowdown in economic growth and a large-scale disruption in economic activity – has highlighted the risks that the industry faces.

At present India is yet to get impacted, but given its integration with global economy, a spill over of recessionary condition developing in developed markets is unavoidable.

Being a net energy importer, this evolving inflationary situation has a direct impact on domestic inflation levels. In addition, increase in energy prices also puts pressure on energy cost across residential, commercial & industrial segments. Indirectly, the impact of this external factor is being felt – but the extend of the impact has so far remained minimal.

Raw Material Price Fluctuations

Metals like steel, copper, aluminium, and other alloys are the main components used in the production of pipes & industrial pipe fittings. Subsequently the pipe fabrication industry is directly impacted by the changes in the prices of these metals and alloys.

The continuation of Russia – Ukraine further accelerated the price of base metals as well as steel at global level. Although India has a well-developed mineral & metal industry, the domestic market is not immune to global price movement. Hence Indian metal & mineral prices too moved in sync with global sentiments.

Complexities Involved in Manufacturing Process

Pipe fabrication involves precision manufacturing and assembly process involving several critical components. In addition, working condition involves the usage of hazardous gases & liquids at high temperature and pressure. Such a complex manufacturing process require careful planning, designing and execution. Moreover, the nature of fabrication also differs with the end user as well as nature of projects. Depending upon the complexity it could be field or shop fabrication.

Emerging Trends in Pipe Fabrication

Segment	Details
Technology	By the most disruptive changes that could redefine pipe fabrication process is emerging in the technology front[4]. This include shifting to fully automatic welding process to the impact of process automation by the integration of digital technologies like digital twins as well as hardware components like sensors which forms part of the evolving Industrial Internet of Things (IioT). Factory 4.0 which is expected to usher in a new era of digitization in manufacturing is expected to have an impact on pipe fabrication industry too. The introduction of new technologies which enables intelligence welding (by improving efficiency, reducing time taken and enabling unsupervised welding of complex pieces), superior bending techniques, and automated testing & monitoring process are all part of the industry's initiatives to fit into the emerging Factory 4.0 landscape.
Materials	Steel will remain the key material used for pipe fabrication – given the superior capabilities. However, there could be a new influx of alloying material, to suit specific end users. Unlike technology advances, the trends in materials would not be disruptive, but a gradual / incremental process that would help in fine tuning the final solution offered to end consumers. One such example is the development of large diameter – heavy wall thickness welded high strength titanium alloy pipes for usage as casing pipes in geothermal power plants. There are also few advances made in non-metallic materials, but its application would be limited to niche segments.
Process	Similar to materials, the improvement in processes too is gradual / incremental. The focus of pipe fabrication players is on improving efficiency -which is done by optimizing raw material usage, and energy usage. The first phase of processes improvement tends to cost saving, but in later stages it shifts to ensuring consistent quality of fabrication. In addition, the evolving sustainable development theme in manufacturing sector is expected to have an impact on this industry sooner or later. With clean development taking centre space, manufacturing industry as a whole would

[4] *Technology here refers to manufacturing technology & equipment used in fabrication process*

Segment	Details
	relook at their processes to reduce their carbon footprint. This macro development will also impact pipe fabrication industry.

Technology Trends

<u>Welding</u>

Welding is a key activity in the pipe fabrication process, and it has a major bearing on the final cost as well as the time taken. Subsequently when it comes to technology upgradation welding receives the highest attention. The manufacturing sector in India as such lags behind developed economies, and relevance is higher on semi-automatic to manual techniques. This is a generic scenario across manufacturing landscape, with level of technology adoption differing from industry to industry.

In pipe fabrication industry, Indian players are mostly in semi-automatic space with few limited players graduating to automatic welding. The higher capital cost involved in procuring the automatic welding machine, and the resultant changes required to be made in the entire production process is something which only larger players can afford.

<u>Automatic Welding</u>

In automatic welding, the entire welding process is done by a machine. If a welding machine is used to do the welding, the process is labelled as automatic welding. However, if a robot / robotic arm is used then the process is labelled as robotic welding. Robotic welding is the next stage of automatic welding and ranks higher in terms of process sophistication. Automatic welding emerged in developed economies due to two factors – a dearth of skilled welders capable of meeting the complex requirement as well as increasing competition that forced the industry to improve their efficiency drastically. In addition, upgrading to automatic welding also enabled the industry to take advantages of the digital technology emerging. A pipe fabricator with automatic welding is far more equipped to integrate with the emerging Factory 4.0 landscape.

Rotoweld 3.0 Automatic rotary type welding cell from Tecnar, Spool welding robot + Hyperfill technology by Novar Technologies are two of the examples of innovations that is happening in automatic welding space. In robotic welding space, General Electric in 2023 introduced carbon-cutting-pipe-building robot PLUTO to inspect and repair natural gas pipelines.

However, from an adoption perspective, welding technology in Indian pipe fabrication industry is lags behind. Given the substantial effort (in terms of capital and process re-engineering), only a handful of pipe fabricators will be able to upgrade their manufacturing technology. With fabrication demands from end user consumers becoming more complex, these firms which can afford to make the leap would stand to gain while smaller firms would be left to serve generic, low value fabrication jobs.

<u>New Welding Techniques</u>

While automatic & robotic welding is redefining the overall welding process, there are also innovations happening in the actual welding techniques. Development of power beam process for pipeline welding which involves usage of high-power fiber delivered hybrid laser arc and electron beam welding for girth welding of pipelines is one prominent example. Other innovations include activated fluxes, underwater welding techniques, radial friction welding, and other friction related welding process.

Advances in Welding Techniques	
Laser Welding	A non-contact welding process wherein laser serves as the concentrated energy source to heat the metal. It is ideal for materials that require high welding speed, low thermal distortions, and small weld seams. Laser welding can be used to execute three types of welding – conduction, conduction penetration and keyhole.
Friction Stir Welding	Involves the usage of a rotating welding tool that presses into the materials joint and moves along the weld path. The heat generated by the friction generated by the passage of rotating tool is used as heat source for welding. Friction stir welding is capable of drastically reducing distortions and does not produce fumes. It is also one of the most energy efficient welding processes.

<u>Induction Bending</u>

High Frequency Bending: A modern induction bending technique which uses high frequency heat to process pipes, and other materials. Developed by Dai-Ichi High Frequency Co Ltd, this technique has been found ideal manufacturing small radius bends with reduced wall thickness. Other innovations that are expected to redefine induction bending in the coming years include streamlined spool bending, 3-D induction bending, and spiralling.

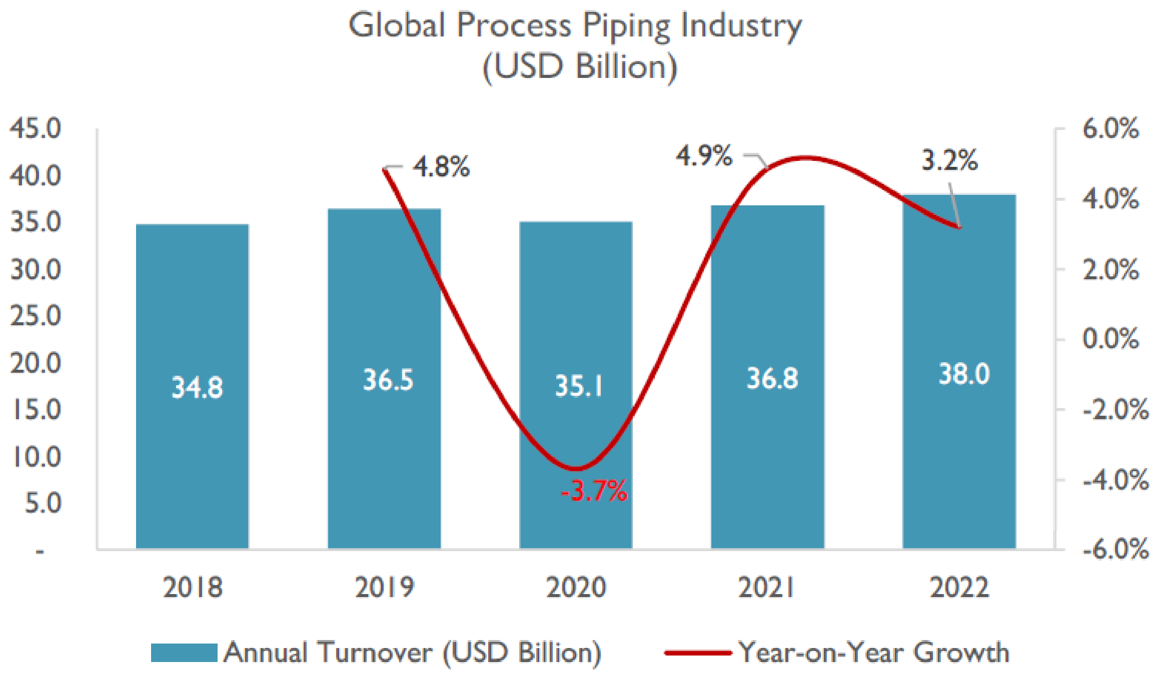
Global Process Piping Industry[5]

The global market for process piping system is valued at approximately USD 38 billion per annum in 2022 and is expected to reach USD 54.5 billion by 2030, registering a compounded growth rate of 4.6% between 2022 and 2030. The demand would be driven by Asia Pacific region, which is the largest and fastest growing region. An upswing in capital expenditure projects, across all industrial segments is a precursor to the strong demand potential for process piping solutions.

Current Market Size and Historical Growth Trend

The global demand for process piping solution contracted in 2020, as the world grappled with the spread of Covid-19 pandemic. Lockdowns imposed by countries around the world led to a drop in demand while supply side was impacted by disruptions in manufacturing operations, and product availability. As a result, the industry turnover dropped by nearly 3.7% in 2020.

Since then, the industry has recovered gradually, in line with the slow but steady improvement in general economic scenario. The global process piping industry recouped the losses suffered in 2020 the very next year itself, growing by nearly 4.9% in 2020 – 21 period. Although the annual growth rate slowed down in 2022, the overall growth trend in the industry remained positive.



Source: Primary Research, D&B Analysis

Typically, demand for process piping solutions is triggered by capacity expansion projects happening in the industrial sector. Consequently, capital expenditure trends serve as a proxy for demand. Globally, consolidated capital expenditure declined by 6% in 2020, on the back of covid-19 pandemic related slump in spending. However, the overall sentiment improved in the next couple of years as annual CapEx came back to growth track. Although lifting of pandemic induced uncertainty played a part, this improvement is not purely a reversal of pandemic induced slump in spending.

CapEx decisions was part of long-term strategies and thus has proven resilient to any sudden distress / disturbances. Although the pandemic proved to be a major global disruptor, there was always a perception that it will be contained sooner or later. It is because of this perception that no major capex reversal happened, and growth returned to its normal path. Subsequently, the spending on process piping solution – which accompanies capex plans – revived quickly, after a single year of adverse growth.

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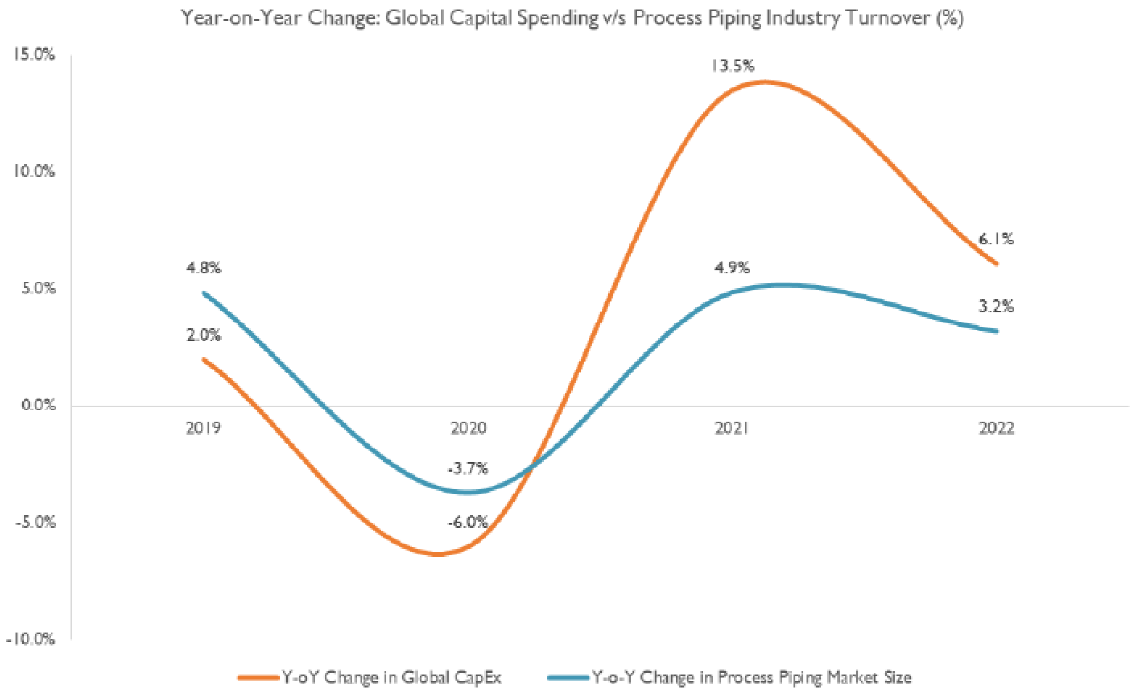
5 *Market size data given in this section refers to calendar year (CY) period. The absence of any prefix in front of a year / period to be treated as calendar year.*



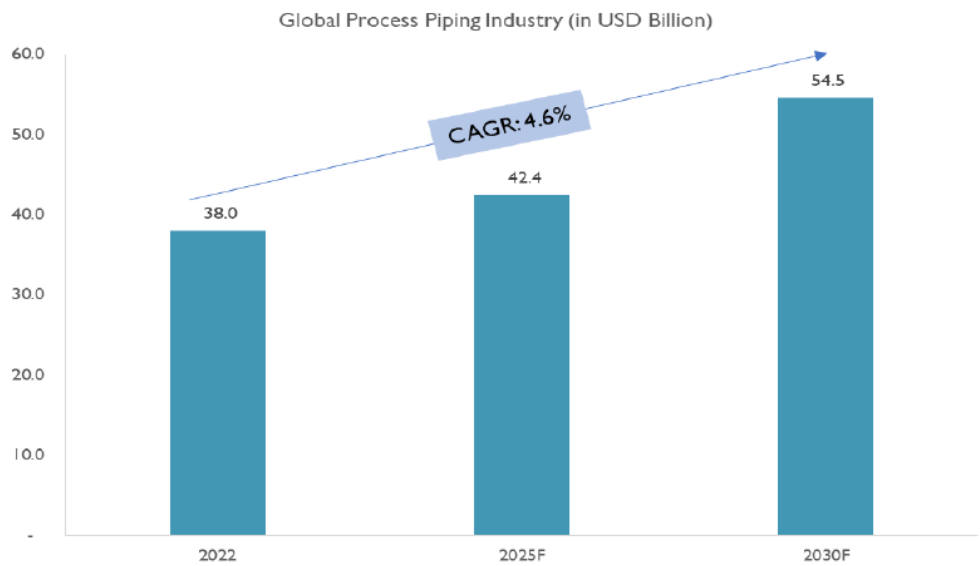
D&B Analysis

Growth Forecast

The global market for process piping solutions is expected to reach USD 54.5 billion by the end of this decade, growing by a CAGR of 4.6% during 2022-30 period.

Asia Pacific would maintain its dominance, on the back of strong growth in capital expenditure in manufacturing sector across China and India. Indian Government is targeting to increase the manufacturing sector share in GDP from the current 15 – 16% to 25% by 2025. To make this happen, the Country has implemented a wide range of programs – including Make in India, and Production Linked Incentive Scheme.

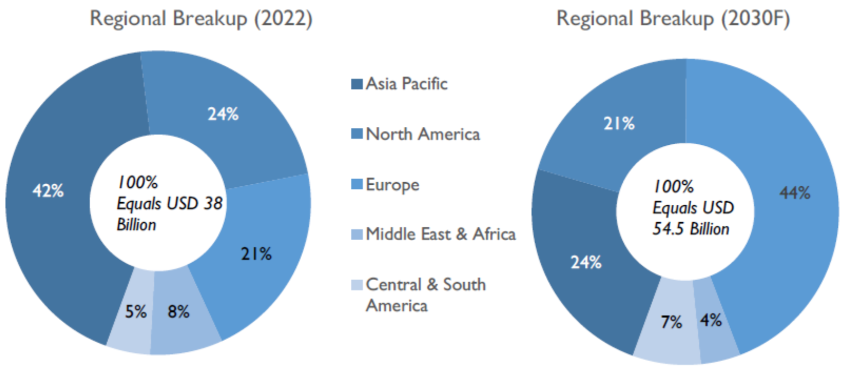
Chemical and petroleum refining is expected to drive the demand, across Asia Pacific as well as global market. In refining sector, the strong demand for petrochemical feedstock from developed and developing economies are expected to trigger the next wave of capital spending. Meanwhile chemical manufacturing has always seen strong investment, due to the sheer variety of chemicals as well as its usage across all industrial segments. Together, capital expenditure in these two sectors would be a key demand driver for process piping solution in the coming years.



Source: Primary Research, D&B Analysis

Regional Markets[6]

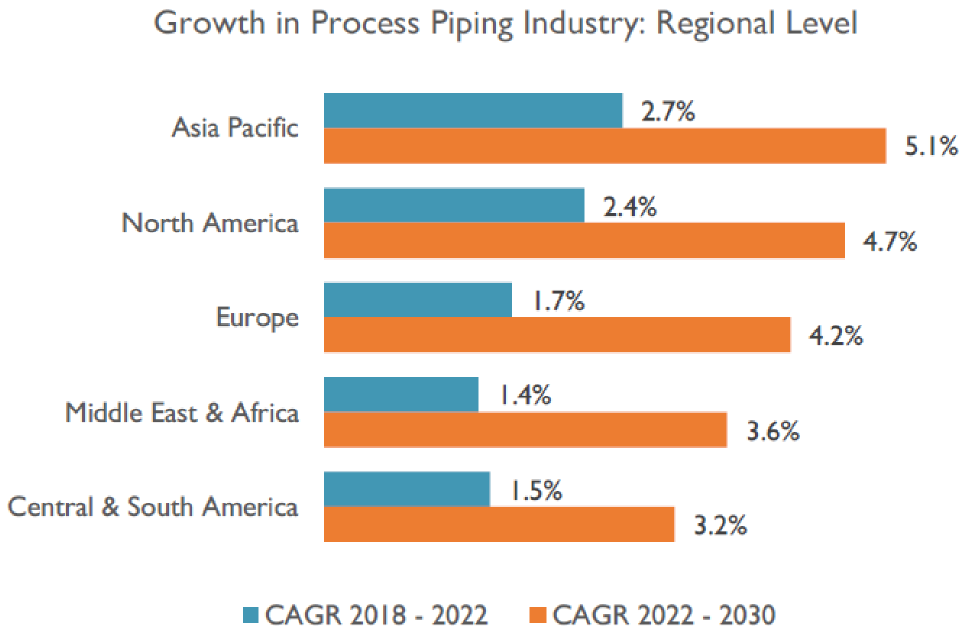
Asia Pacific leads the global process piping market, accounting for 42% of global market size in 2022. This dominance is a result of the shift that has happened in capital investment trend, which moved from North America and Western Europe to Asia Pacific region. The region is estimated to account for nearly 50% of the total global capex, underlining the shift in capital expenditure pattern that has happened[7]. Countries in Asia Pacific region – like China and India – are increasing their manufacturing capabilities across segments, and this has resulted in higher demand for process piping solutions.



Source: Primary Research, D&B Analysis

Apart from being the largest region for process piping industry, Asia Pacific has also emerged as the fastest growing. Once again, this can be attributed to the concentration of capital spending in the region. During 2018 and 2022, the process piping market in Asia Pacific region witnessed a CAGR of 2.7%, which was 30 basis points higher than the growth recorded in North America (the second fastest growing region) during the same period.

Asia Pacific region is expected to continue its dominance in global process piping industry, increasing its share from 42% in 2022 to nearly 44% in 2030 by the end of this decade. Once again, strong demand from China and India would play a key role in the region retaining its leadership position. In addition, other smaller economies in Southeast Asian region have stepped up their production capacity. Factors like increasing wage rate in China, move by global economies to diversify their supply chains, and increasing trade barriers against China is creating opportunities for other economies in South East Asia.



D&B Analysis

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6 *Market size data given in this section refers to calendar year (CY) period. The absence of any prefix in front of a year / period to be treated as calendar year.*

7 *As per S&P Global Ratings Global Corporate Capital Expenditure Survey 2019 & 2021. The 2019 survey puts share of Asia Pacific at 50% and 2021 puts it at 54% of total global capex. Latest data is not available, hence considered the 50% estimate*

Asia Pacific

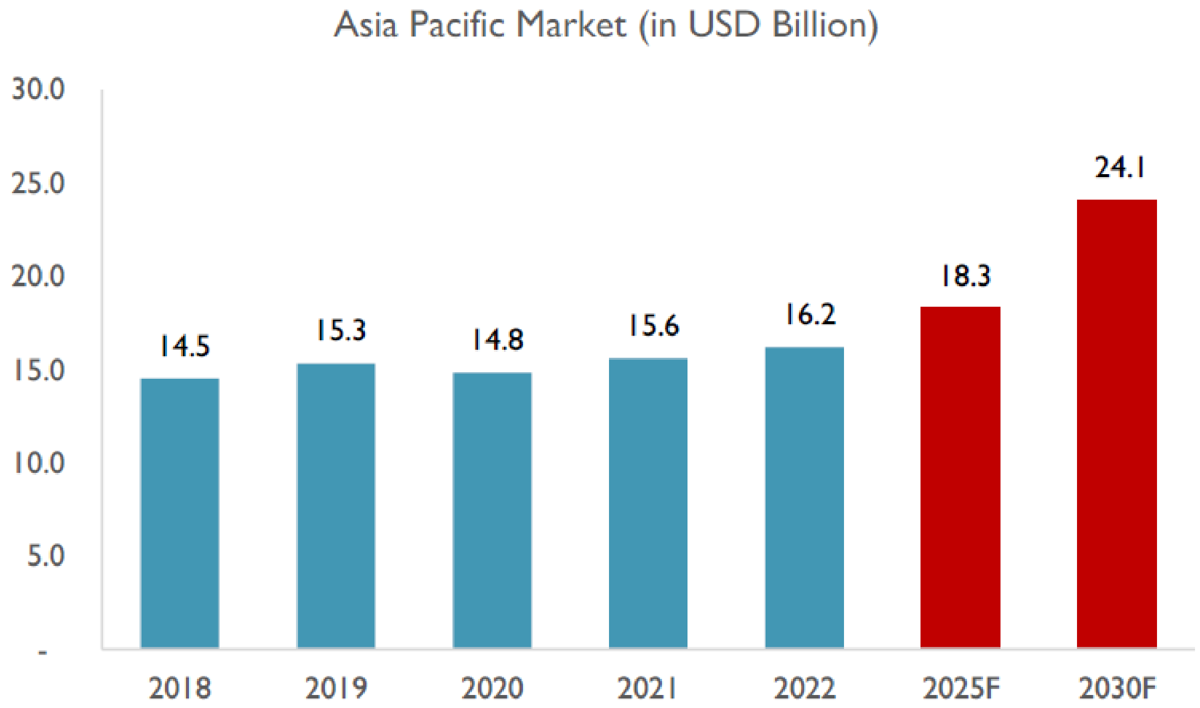
The last couple of decades has witnessed a gradual shift in global manufacturing landscape, which moved from developed western economies to Asia Pacific region. Manufacturing a wide range of commodities, from petroleum products to steel to cement shifted from North America and Europe to low-cost destinations like India and China. This transition, triggered by changes in global economic landscape, led to a drastic growth in manufacturing infrastructure in the region.

In addition, the last couple of decades also witnessed strong growth in domestic consumption – especially in large economies like China and India, as well as some of the fast-growing economies in Southeast Asia. Demand for consumer products, ranging from automobiles to healthcare products to processed food, witnessed a significant increase. This triggered a Capex cycle in the region, as billions of dollars' worth investment flowed into the manufacturing sector across Asian economies.

By 2022, the annual turnover in Asia Pacific process piping market reached USD 16.2 billion, increasing by a CAGR of nearly 2.7% between 2018 and 2022. China has been the leading market, single handily driving the demand forward and leading Asia Pacific to become the largest process piping market.

Till now India has been a smaller market (compared to China), however the country is expected to play a leading role in the coming years. The recent initiatives by the Indian Government to develop the Country's manufacturing infrastructure would be fuelling the demand for process piping in the coming years.

By 2030, the process piping solution market in Asia Pacific is expected to clock an annual revenue of approximately USD 24.1 Bn, accounting for 44% of global market share.

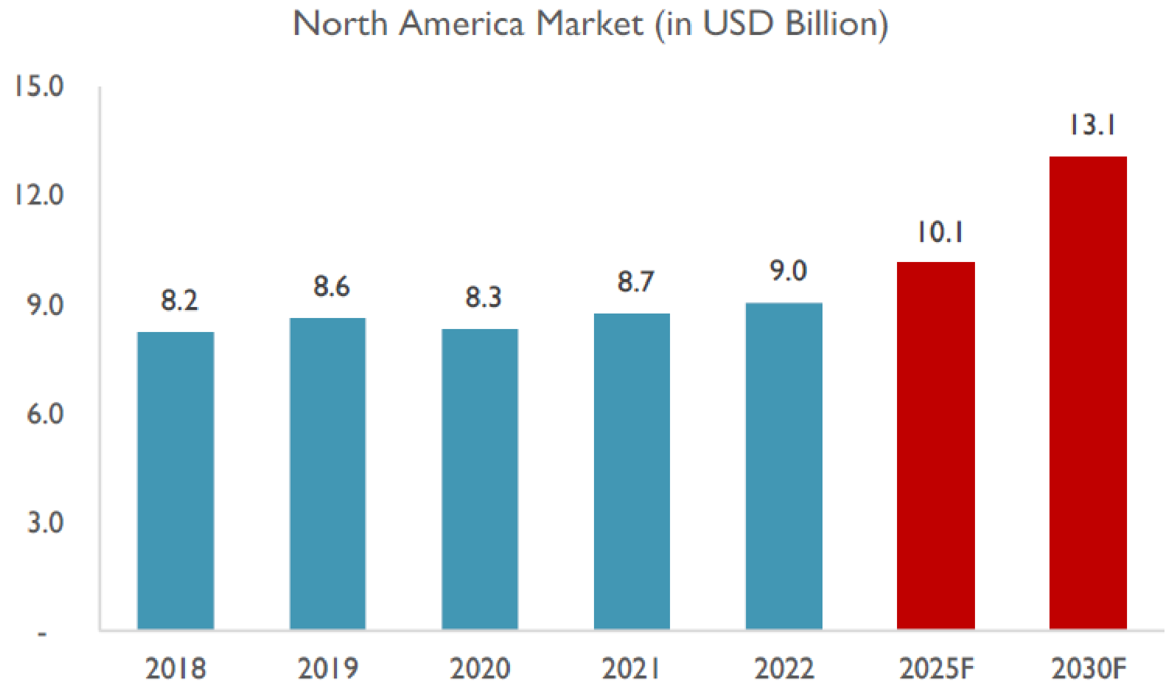


Source: Primary Research, D&B Analysis

North America

North America ranks as the second largest process piping market in the world, accounting for nearly 24% of the total global market in 2022. During the period 2018 – 2022, the process piping market in the region grew by a CAGR of 2.4%, to reach approximately USD 9 billion. US dominates the North American process piping market and strong growth in energy infrastructure, and food & beverages are two of the bright points in US market that has ensured steady demand for process piping equipments. Despite the increasing focus on clean energy, investment in oil & gas infrastructure in the US market was high in 2022, increasing by nearly 26% over previous year. This elevated capex spending by US oil & gas companies has played a major role in ensuring steady demand for process piping solutions in North America as a whole.

Between 2022 and 2030, the North American market for process piping solutions is expected to increase by a CAGR of 4.7%, to reach USD 13.1 billion.

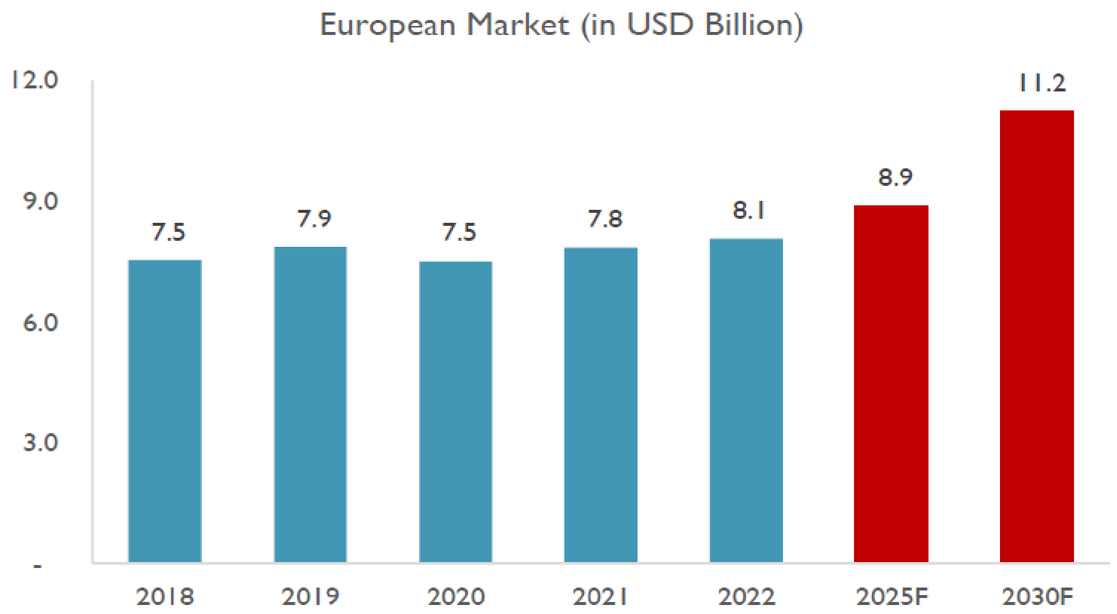


Source: Primary Research, D&B Analysis

Europe

The demand growth for process piping solutions in Europe, during 2018 – 2022 period was muted, increasing by a CAGR of only 1.7%, as against global growth rate of 2.2%. European demand is led by western Europe with industrial economies like Germany, France, and UK the leading markets.

By 2022, the annual turnover in European process piping industry reached nearly USD 8 billion, accounting for nearly 21% of global market. By 2030, the European market is expected to reach USD 11.2 billion. Although the European market is expected to grow at a rate higher than historical growth, its share in global market is expected to remain more or in less stagnant.

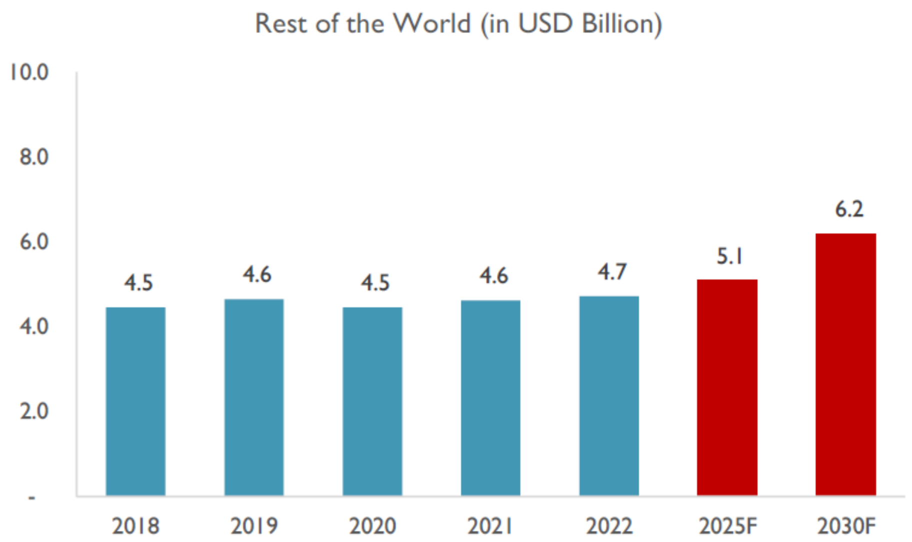


Source: Primary Research, D&B Analysis

Rest of the World

Compared to other regions, the process piping markets in geographies like South & Central America, as well as Middle East & Africa is poorly developed. These regions accounted for only 12.5% of the total global process piping market in 2022. Oil & Gas industry remains the major demand driver for process piping industry in these regions.

In addition, most of these economies currently do not have supportive policy measures / political climate that would attract investments. Unless drastic changes happen in their political climate, and economic growth strategies, the demand for process piping systems from these markets would continue to remain low. By 2030, the combined market for process piping system from these regions is expected to be worth USD 6.2 billion, growing by a CAGR of nearly 3.5% between 2022 and 2030.

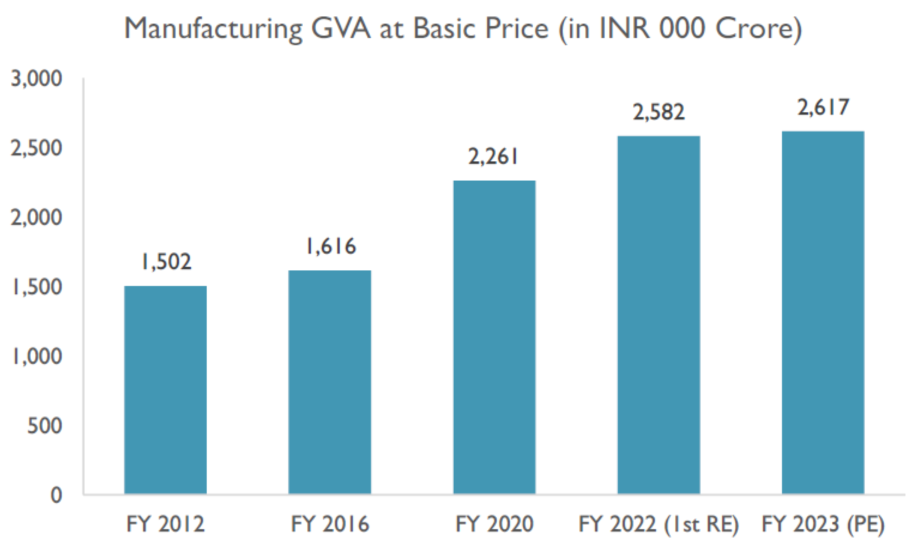


Source: Primary Research, D&B Analysis

Indian Process Piping Industry[8]

India's manufacturing sector witnessed rapid growth in the past couple of decades, due to a combination of supportive policy measures, market friendly reform measures, as well as changes in global economic landscape (particularly the rise in outsourcing which saw a shift in manufacturing from developed to developing economies).

These factors have translated into strong growth in manufacturing output. Subsequently the Gross Value Added (GVA) from manufacturing sector surged from approximately INR 1,502 thousand crores in FY 2012 to nearly INR 2,617 thousand crores in FY 2023.



Source: Ministry of Statistics and Programme Implementation, RE – Revised Estimate, PE – Provisional Estimate

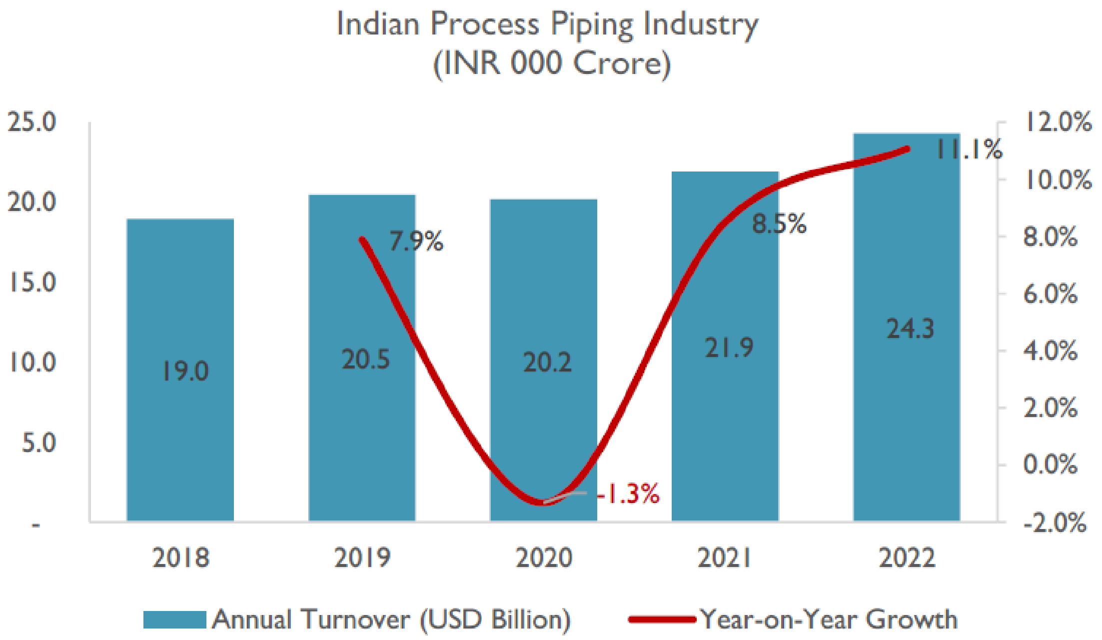
8 *Market size data given in this section refers to calendar year (CY) period. The absence of any prefix in front of a year / period to be treated as calendar year.*

During this period, India became the leading manufacturer of products ranging from pharmaceuticals, textiles, cement, steel while adding substantial capacity in sectors like petroleum refining, chemical, and power generation. The strong growth in capacity addition across these manufacturing sectors generated steady demand for process piping solutions.

Riding on the back of this strong growth in manufacturing capacity across industries, the process piping solutions market in India has managed to generate an annual turnover of approximately INR 25.8 thousand crores in FY 2022. By FY 2030, the annual turnover in Indian process piping solution market is expected to reach INR 38.4 thousand crores, increasing by a CAGR of nearly 6% between FY 2022 and FY 2030.

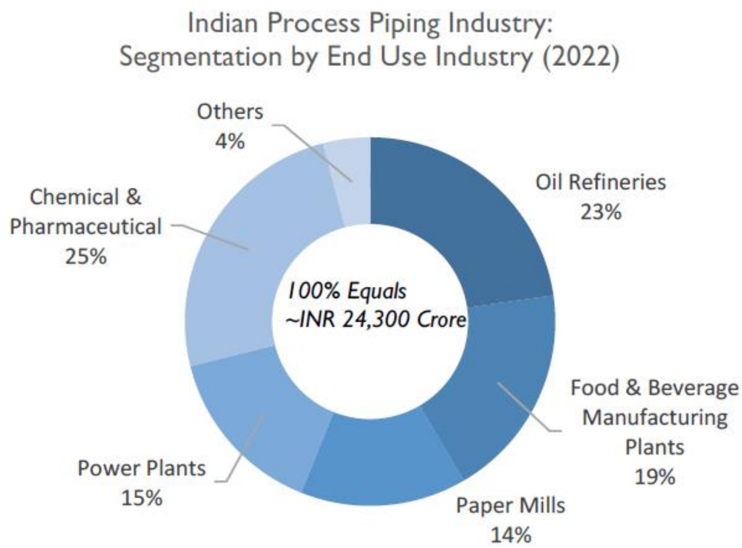
Current Market Size and Historical Growth Trend

Indian market for process piping reached INR 25.8 thousand crore per annum in FY 2022, increasing by a CAGR of 6.4% during FY 2018-22 period. Like all economic sector, the demand for process piping too dipped in FY 2020 on account of covid-19 pandemic. However, the rebound in demand in the succeeding years has been phenomenal. The strong rebound in economic activity due to pent up demand and improvement in capital spending landscape have supported this revival in demand in process piping industry.



Source: Primary Research, D&B Analysis

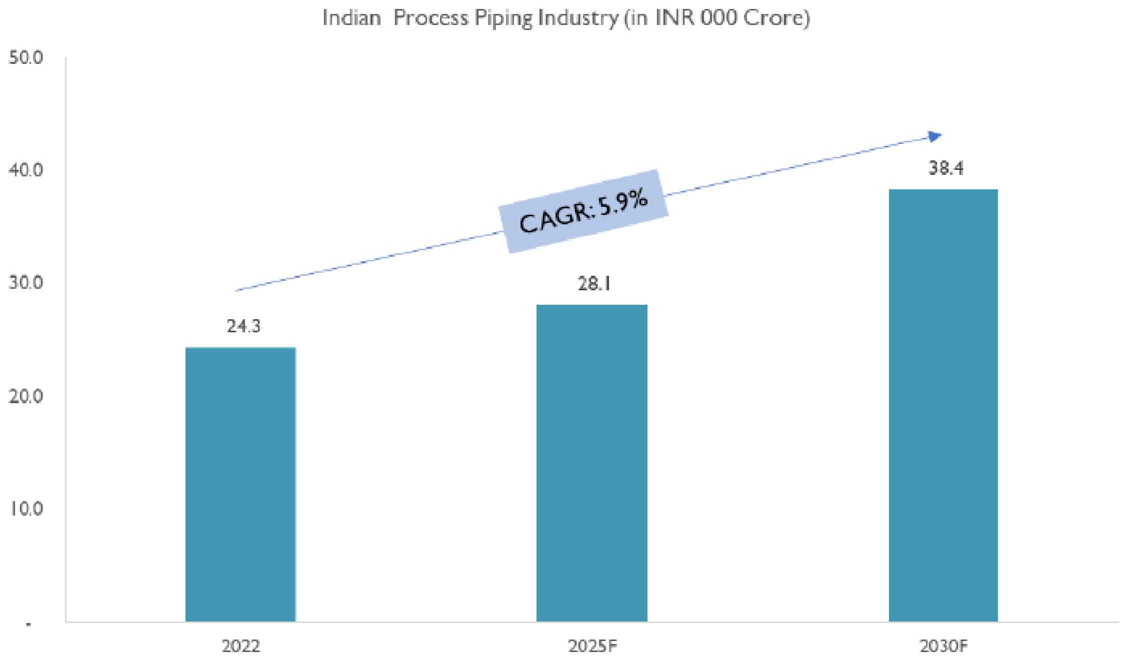
Chemical & pharmaceutical sector followed by petroleum / crude oil refining are the two largest end users of process piping solutions in India, reflecting the trend that is visible at a global level. Together these sectors accounted for nearly 48% of the total process piping market in India in 2022.



Source: Primary Research, D&B Analysis

Growth Forecast

By 2030, Indian market for process piping is expected to reach INR 38.4 thousand crores, increasing by a CAGR of nearly 6% between 2022 and 2030. Demand from all user segments, except power plants is expected to display strong growth. The ongoing energy transition – from coal to renewable power – is expected to moderate demand from power plant segment. However, opportunities emerging in alternative energy generation like ethanol and green hydrogen is expected to make up for this slower growth. Chemicals and petroleum refining is expected to retain its dominance. Both these sectors are expected to witness strong capital inflows, to fund the capacity expansion plans. In chemical sector, specialty chemicals is one segment which could emerge as a key demand driver. In petroleum refining, initiatives by refineries to change their product mix (in favour of petrochemical feedstock) would be the key demand driver.



Source: Primary Research, D&B Analysis

Key Demand Drivers

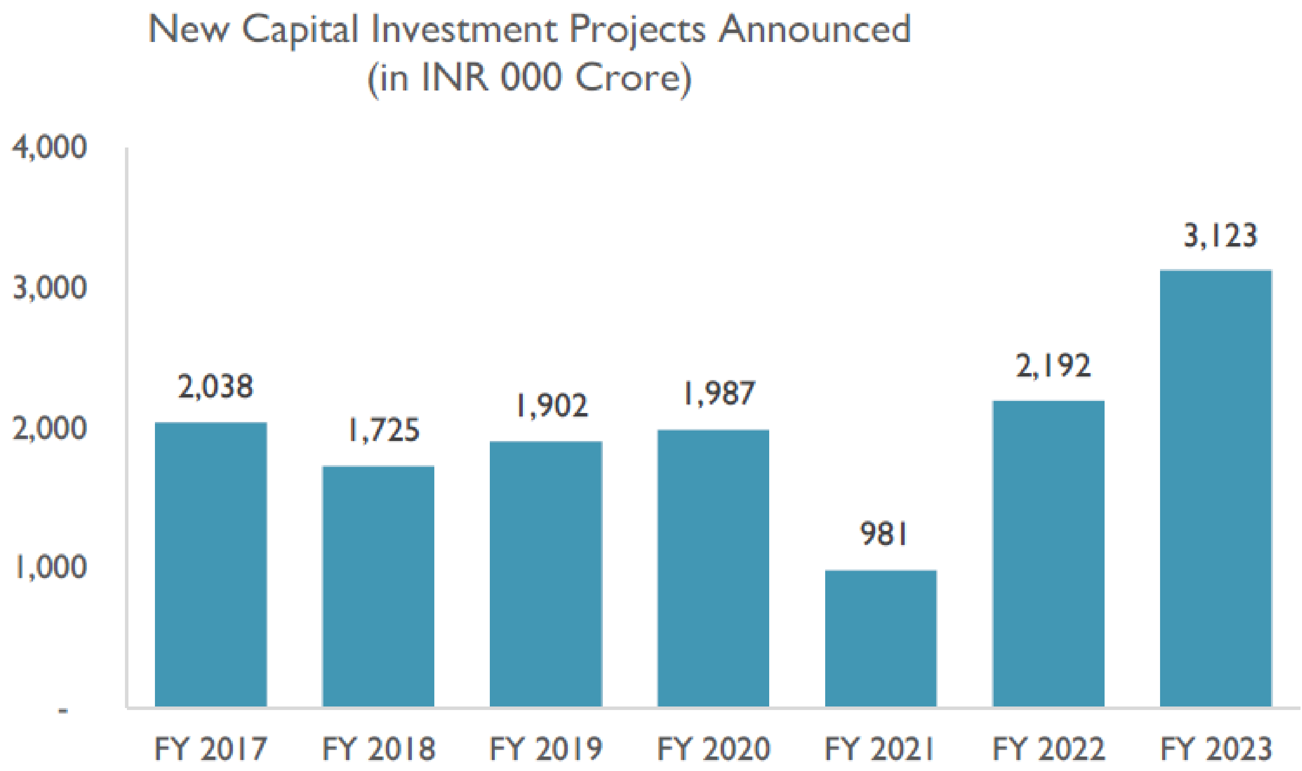
The demand for process piping solution is directly tied to the capital expenditure pattern happening in industrial segment. Regardless of the nature of industry, process piping solutions is a key part of any manufacturing infrastructure. Thus, construction of any sort that involves creation / expansion of an industrial facility will almost always result in demand for process piping hardware and services. Given this direct correlation, capital expenditure spending serves as a proxy demand indicator for process piping solution.

Capital Expenditure Scenario in India: Post Pandemic Revival

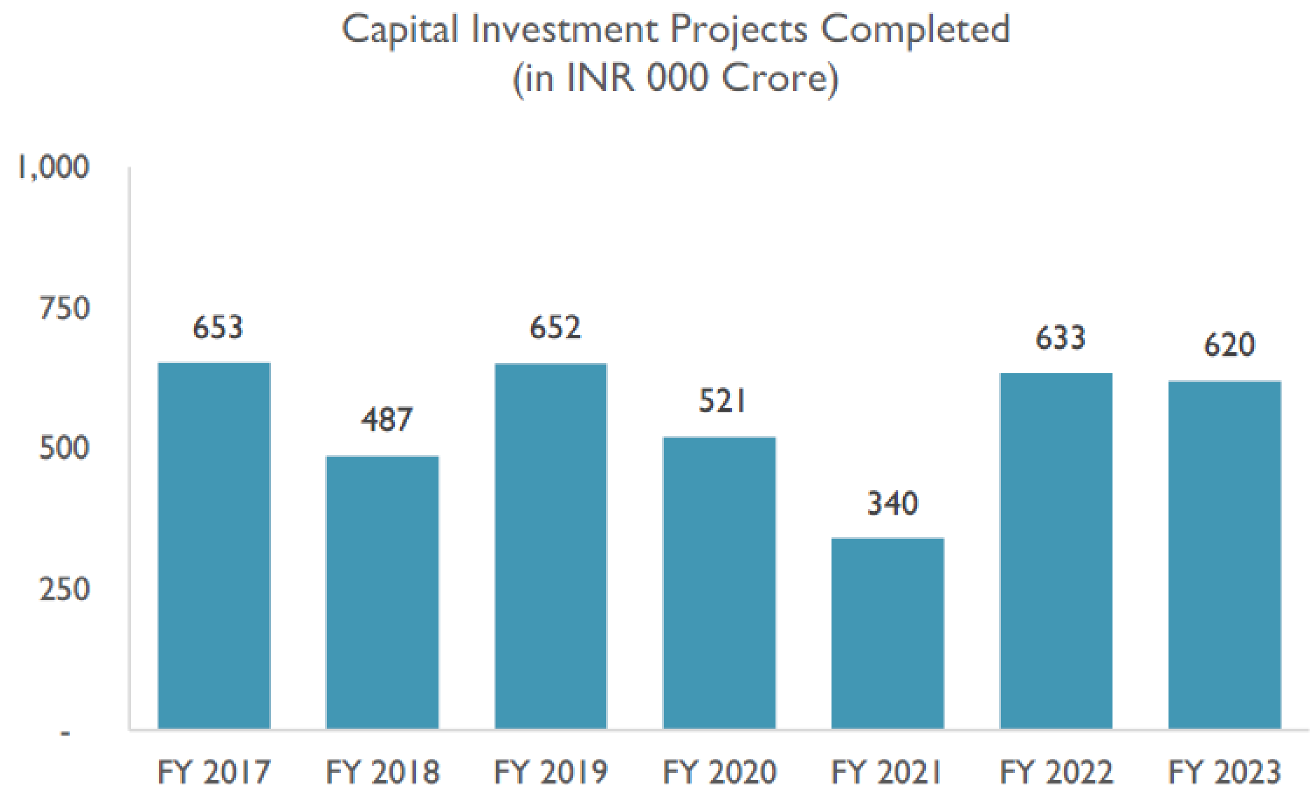
Capital spending contracted in FY 2021, as a fall out of the impact of the Covid-19 pandemic which severally impacted the broader economic landscape. The post pandemic revival in India was steered by elevated Government spending while private investment followed with a lag. Although the pandemic was largely contained by the second half of FY 2022, the business sentiment remained uncertain. The situation has improved in FY 2023, as the Government's initiatives to encourage private investments (through implementation of supportive policies as well as aggressive investment in infrastructure) seems to be paying off.

After falling below INR 1,000 thousand crore in FY 2021, the new investments announced on an annual basis reached a high of INR 3,000 thousand crore in FY 2023. The optimism is evident in project execution front too, with nearly INR 620 thousand crore worth of projects completed in FY 2023, as against INR 340 thousand crore in FY 2021. After a dip in FY 2021, the projects under implementation too have improved – which is another indicator of the improving demand landscape.

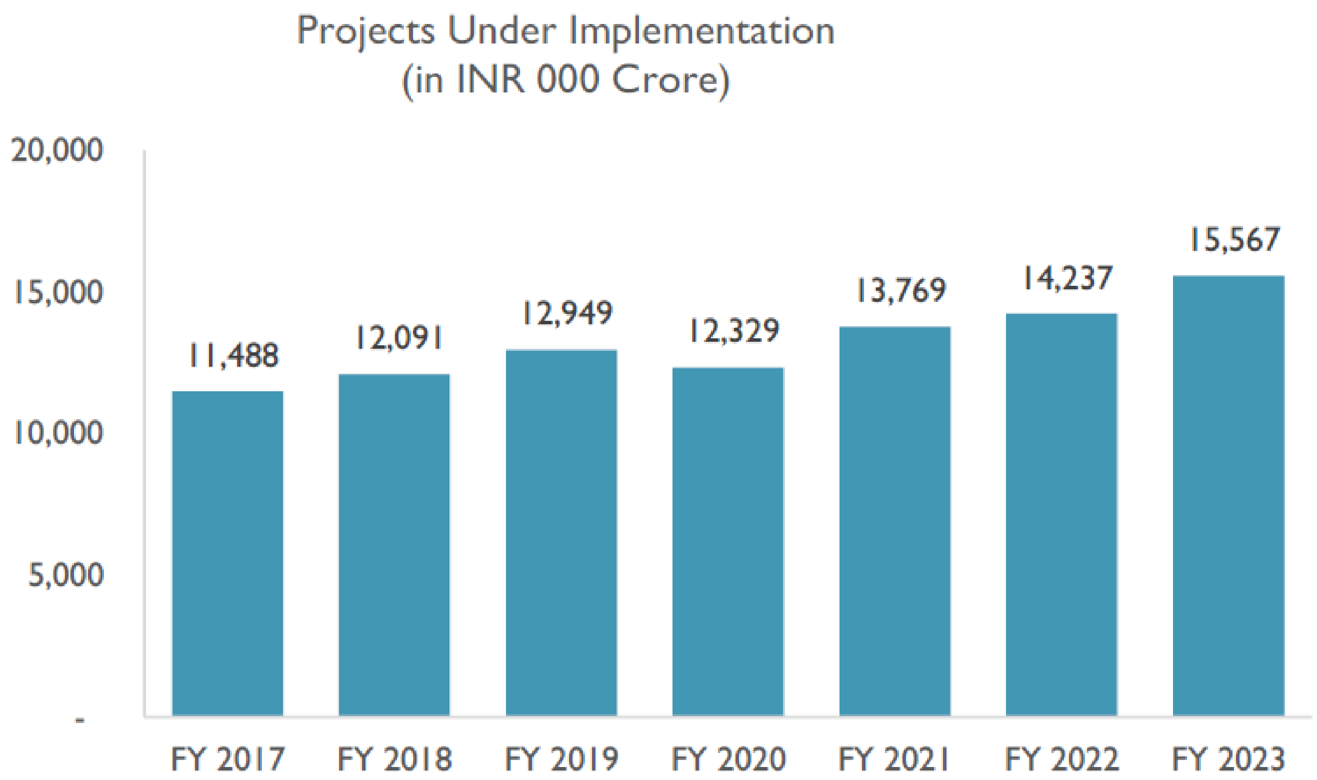
Improving Capital Expenditure Landscape in India



Source: CMIE

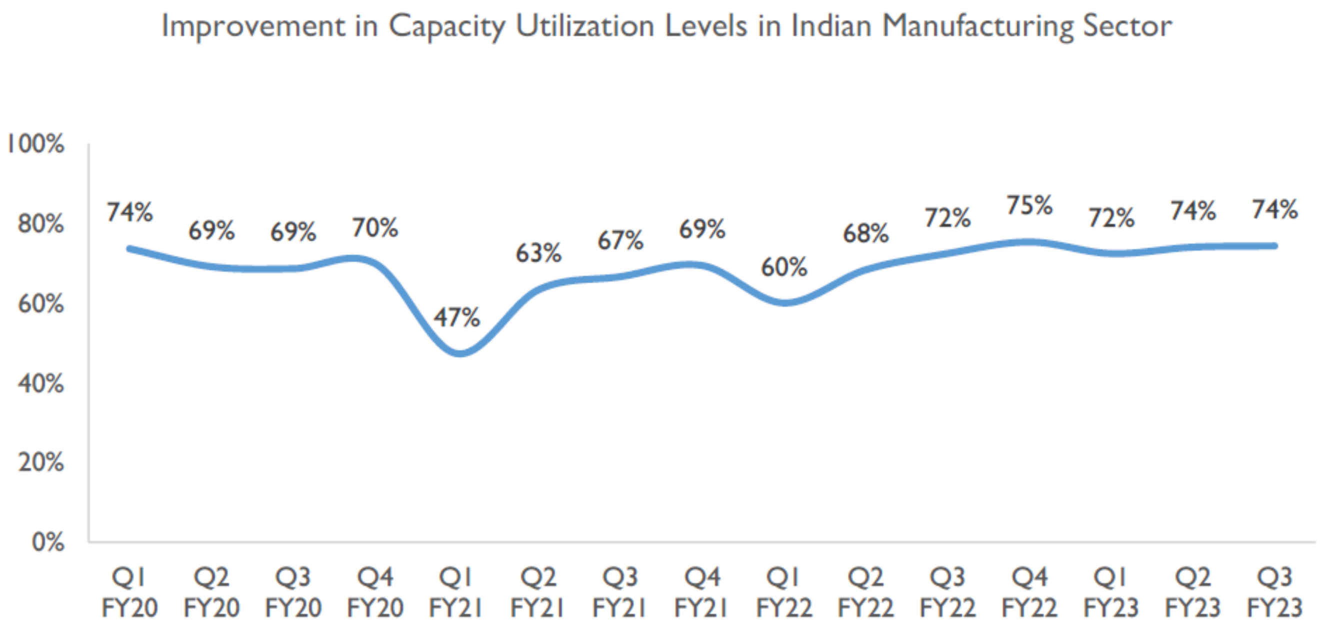


Source: CMIE



Source: CMIE

Demand landscape in India improved towards the second half of FY 2022 and continued to remain upbeat in FY 2023. This is evident in the manner in which capacity utilization in the manufacturing sector improved, from a low of 47% in Q1 FY 2021 to reaching pre-pandemic level by the second half of FY 2022. Normally, a fresh wave of capital investment is triggered when the capacity utilization in the industry remains at 75 – 80% level.



Source: Reserve Bank of India

This improvement in demand landscape and the consistently higher capacity utilization level is expected to trigger the next wave of capital expenditure cycle in Indian economy. While the overall improvement in capital expenditure is a broad proxy for reviving demand for process piping solutions, the capital expenditure in scenario in key sectors represent a much more refined demand scenario. A capacity expansion project in a sector like chemical or petroleum refining those results in a greenfield or a brownfield expansion is a direct proxy to the demand for process piping emerging from that sector. Hence, to decode the demand scenario in key usage sectors, the following sections will look closely at the demand dynamics and capacity expansion in those sectors.

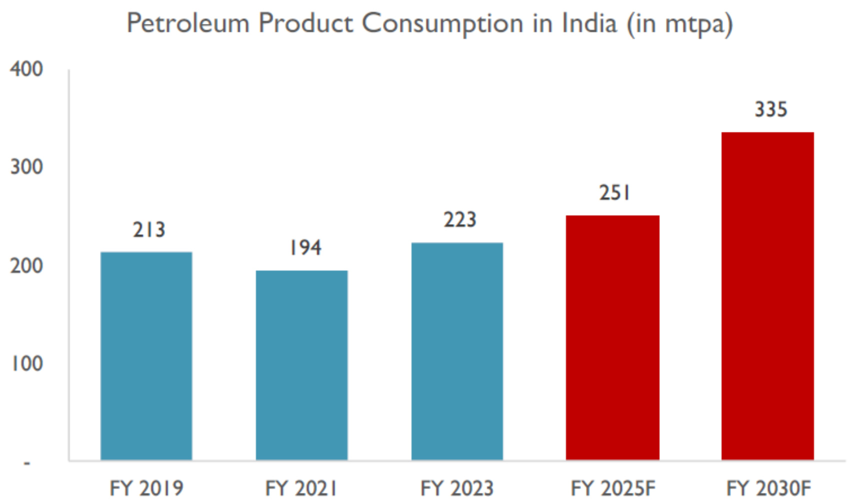
Capital Expenditure Scenario Across Key Industries

Petroleum Refining

Over the past couple of decades India has swiftly grown to become one of the largest consumers of energy in the world, currently ranked as the third largest globally. Fast paced urbanization and industrialization together with steady increase in the number of vehicles have multiplied the demand for energy. By FY 2023, annual consumption of petroleum products reached 223 million tons per annum (mtpa) while domestic production reached 255 mtpa. Both production and consumption contracted in FY 2021 as a result of Covid-19 related disruptions but has recovered since then as economy rebounded.

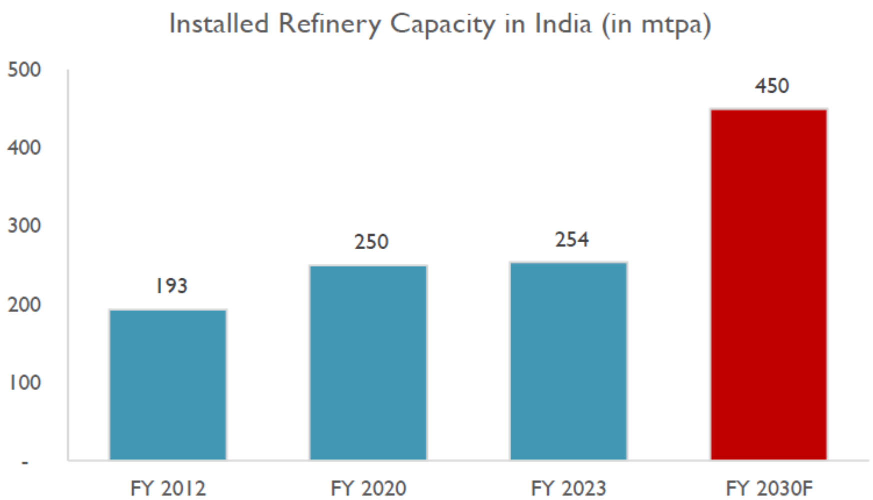
The strong growth in energy demand from industrial / transport / urban segments have resulted in oil refineries adding capacity. Between FY 2012 and 2023, India has added nearly 61 mtpa of crude oil refining capacity, taking the annual refining capacity to nearly 254 mtpa (as on end of FY 2023).

The energy demand in India is expected to grow at a strong pace, but the product mix is expected to undergo a transition in the long run, due to the aggressive focus on renewable energy. Nevertheless, the short to medium term demand for crude oil products (at least till 2030) looks strong.



Source: Ministry of Petroleum & Natural Gas, D&B Estimates

This growth in demand for petroleum products can be supported only an equally strong growth in crude oil refining capacity. Given the annual consumption volume of petroleum product would increase by nearly 112 mtpa between FY 2023 and FY 2030, the refining capacity too should be scaled up by a similar volume to meet the demand. At present the petroleum refining capacity in India stood at 254 mtpa while annual production stood at nearly 253 mtpa. By FY 2030, the overall refining capacity in India is expected to reach 450 mtpa[9].



Source: Ministry of Petroleum & Natural Gas, D&B Estimates

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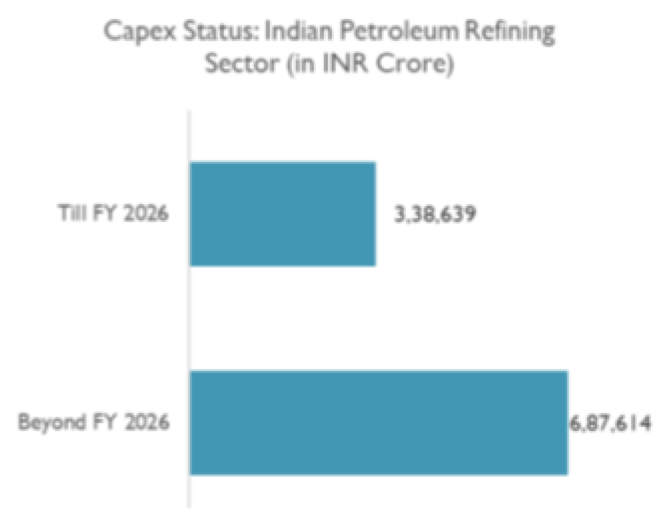
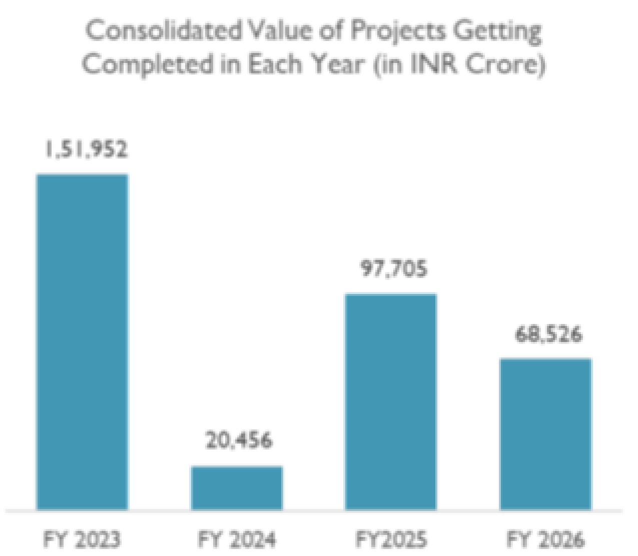
9 *National Investment Promotion & Facilitation Agency*

Capex Scenario in petroleum refining industry

Approximately INR 339,000 crore worth of capital expenditure projects are currently under implementation in the industry, at various levels of execution. Of this nearly 50% is expected to be operational by the end of this year (CY 2023) with remaining spread over the next three years, extending till FY 2026. Beyond FY 2026, the capital spending visibility in the industry is pegged at approximately INR 688,000 crore[10].





Source: CMIE

Upcoming Projects from key players[11]

- **Oil & Natural Gas Corporation (ONGC):**
  - Plan to set up a green ammonia manufacturing facility in collaboration with Greenko Group. The proposed facility will have capacity to produce one million tons of green ammonia per annum. The proposed project is expected to start commercial production by FY 2026 and would be coming up in Mangalore.
  - Investment of INR one lakh crore to expand the petrochemical manufacturing capability. The plan which is in initial stages is expected to be completed by the end of this decade and would double the petrochemical capability of the company. This capex involves expansion of existing refineries as well as setting up of new facilities that can convert crude directly to chemicals.
- **Hindustan Petroleum Corporation Limited:**
  - Plans to expand its refining capability from nearly 25 mtpa at present to approximately 60 mtpa by FY 2030. The Company has envisaged a capex spend of INR 55,815 crore over the next five years of which nearly half would be directed to expanding refinery capacity.

The spate of investments announced in petroleum refining segment, and the ongoing projects (under implementation) points to an aggressive capex scenario developing in the industry. While nearly INR 339,000 crore of projects are already under executed, the project pipeline in the industry is estimated to be near INR 688,000 crore – which would materialize towards the end of this decade. Bulk of this capital investments are geared towards improving the refining capability – which will include brownfield / greenfield expansion plans. The strong pipeline of projects presents an attractive business opportunity for process plant solution providers.

Chemical Manufacturing

India has a well-developed chemical manufacturing sector, which contributes to nearly 1.4% of Gross Value Added (GVA) and nearly 8% of GVA of manufacturing sector in FY 2022. India is ranked as the sixth largest chemical manufacturer in the world

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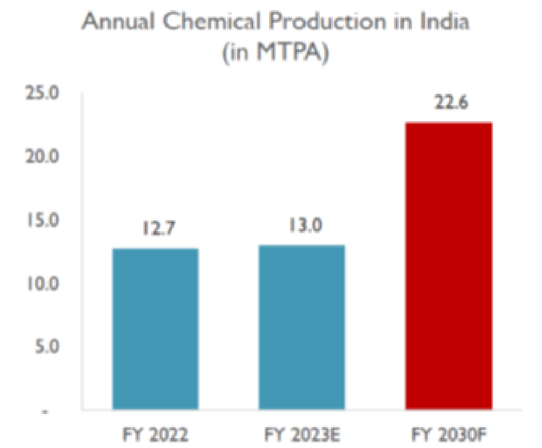
[10] *This includes projects that has been announced but yet to be started as well as projects whose completion stretches beyond 2026. This also include those investments that is tagged as live, but there is no detailed information on current status. Unless and until specified these investments are treated as live.*

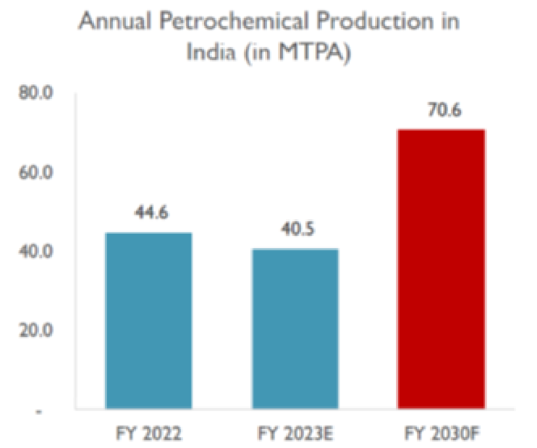
[11] *Some of these are still at planning stage, and exact investment size might undergo changes. These also include projects which are not part of the capex scenario presented.*

and the third largest in Asia. Approximately 12.7 million tons of chemicals were manufactured in India in FY 2022[12]. Annual production increased by 13% over previous year, with this elevated growth rate coming on the back of revival in post pandemic demand. The total installed production capacity stood at approximately 16.2 million tons per annum (mtpa) in FY 2022. Meanwhile, the total production of petrochemicals reached approximately 44.5 mtpa in FY 2022. Based on the production volume during the first half of FY 2023, the annual production of chemical and petrochemicals is estimated to be nearly 13 mtpa and 40.5 mtpa for the full year FY 2023[13].

Domestic chemical consumption is rising steadily, and the country is expected to account for more than 20% of the incremental global consumption of chemicals that would happen globally in near future.

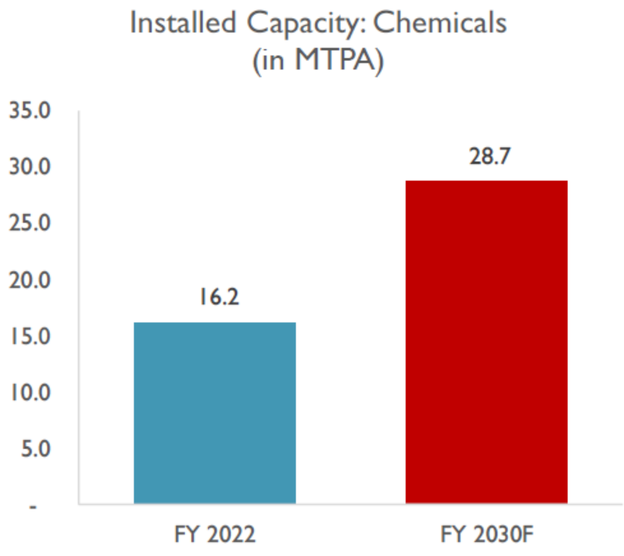
The strong domestic demand, and the ascendence of India as a global chemical manufacturing hub are expected to accelerate the growth in chemical & petrochemical production in India. By the end of this decade, the annual production of chemicals and petrochemicals are expected to reach nearly 22.5 mtpa and 70.6 mtpa respectively.

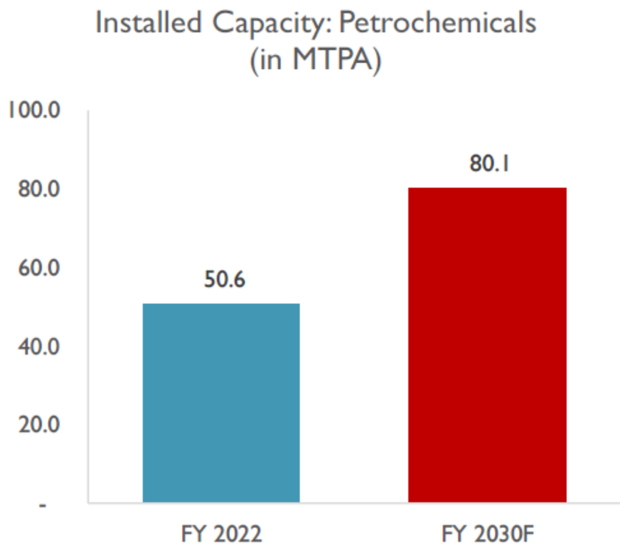




Source: Ministry of Chemicals, D&B Estimates

To support the anticipated growth in demand & production, India will have to scale up its installed chemical production capability to nearly 29 mtpa and petrochemical production capability to 80 mtpa by FY 2030.





Source: Ministry of Chemicals, D&B Estimates

Capex Scenario in chemical manufacturing industry

Approximately INR 156,000 crore worth of capital expenditure projects are currently under implementation in the industry, at various levels of execution. Of this nearly 45 % is expected to be operational by the end of FY 2024 with remaining spread over

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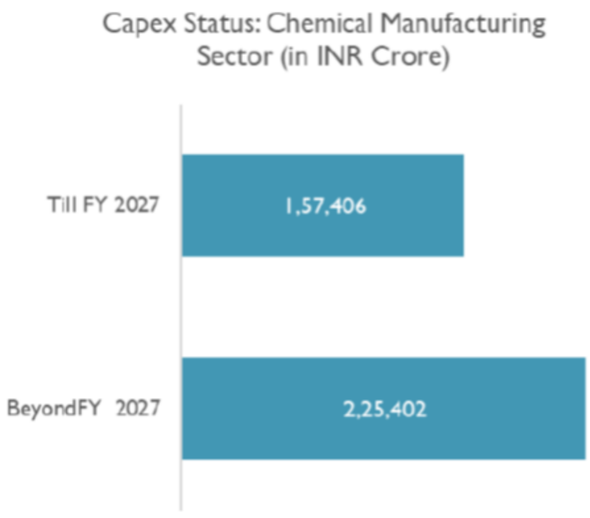
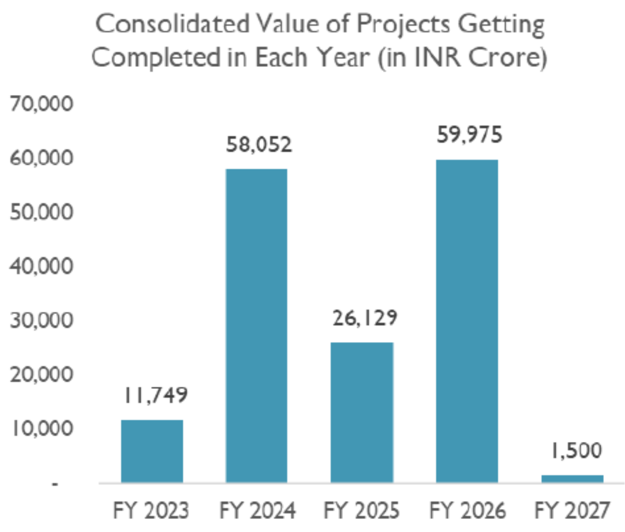
12 *As per Ministry of Chemicals Annual Report 2022-23, the ministry is yet to release FY 2023 consolidated numbers*

13 *FY 2023 data is estimated, based on the production trend during H1 FY 2023 for which data is available*

the next two years, extending till FY 2026. Beyond FY 2026, the capital spending visibility in the industry is pegged at approximately INR 227,000 crore[14].





Source: CMIE

Upcoming Projects from key players[15]

- **Tata Chemicals**: The Company has laid out a INR 8,000 crore capital expenditure plan to increase its soda ash production base[16]. This plan, announced during the latest annual general meeting (FY 2023 AGM), is expected to pan out over the next three to four years.

- **Aarti Industries**: Earlier this year, specialty chemical manufacturer Aarti Industries has announced a Capex plan of INR 3,000 crore, spread over the next two to three years. Specialty chemical manufacturing as a whole is expected to witness a cumulative capex of approximately INR 16,000 crore, spread out over FY 2023 – 26/27 period.

In chemical industry, the next phase of capital investment would be driven by the specialty chemical industry, which is currently a fraction of size of commodity chemicals. Globally, the demand for specialty chemicals is increasing steadily and India with its ambition to become a global chemical manufacturing hub is expected to scale up its specialty chemical manufacturing capabilities. Apart from the projects that are under different stages of execution, approximately INR 654,000 crore of projects has been announced and is outstanding (yet to start / temporarily paused etc). Thus, the scale of capital expenditure projects that are coming up in chemical manufacturing industry is immense, probably one of the highest in the manufacturing sector.

Power Plants: Conventional Generation[17]

India is the third largest producer and consumer of electricity in the world, generating nearly 1,624 billion units (BU) in FY 2023. Factors like urbanization, industrialization, and Government programs to achieve 100% electrification have all resulted in higher demand for electricity. During the last ten years (FY 2013 – 23), electricity generation has increased by a CAGR of 5.3%, on the back of these demand factors.

The rising demand has channelled investments into generation infrastructure, which too witnessed rapid scale up during the last decade. From 223 GW in FY 2013, the installed generation capacity in India has scaled up to nearly 417 GW (in FY 2023). Nearly half of the total installed generation capacity in the country is concentrated in thermal power segment, where coal is the primary source of fuel used. The thermal power generation segment comprises of small and large coal fired power plants.

Going ahead, the electrical energy requirement in India – which was nearly 1,512 BU in FY 2023 – is expected to surge to approximately 1,900 BU in FY 2027, and further to approximately 2,500 BU in FY 2032. These projections are based on the assumptions that the supportive demand factors (industrialization, urbanization, rural electrification, and per capita consumption of electricity) will continue to remain favourable in the medium to long term.

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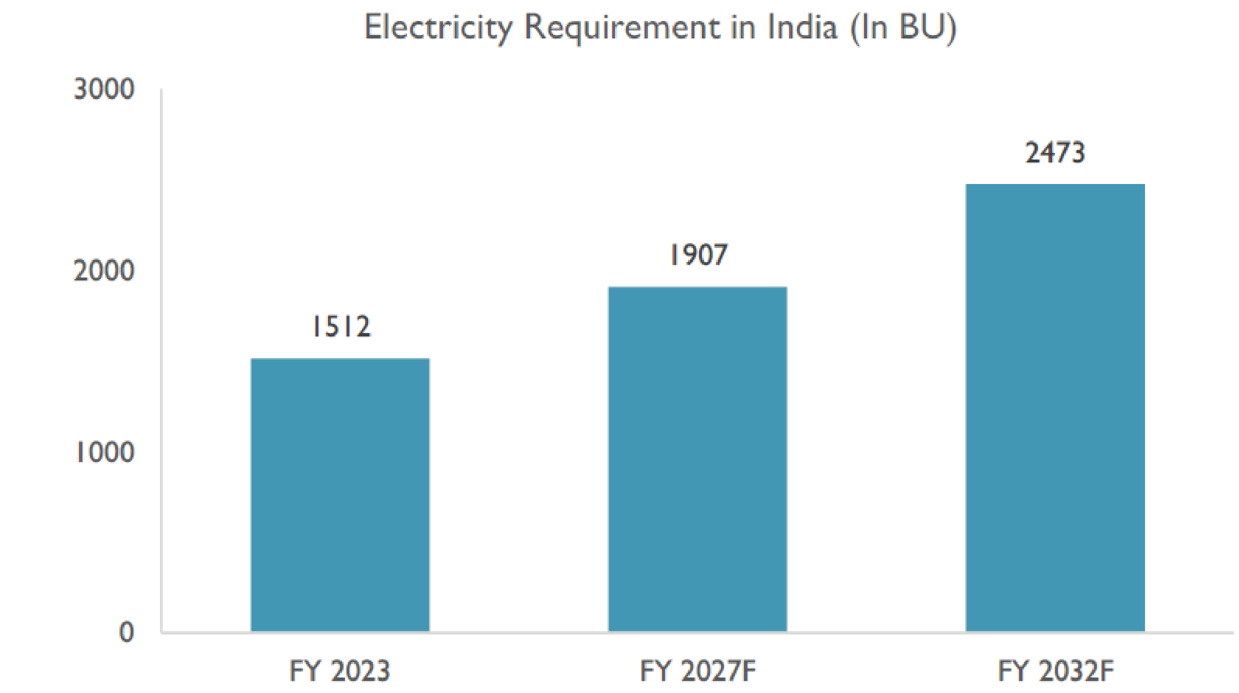
[14] *This includes projects that has been announced but yet to be started as well as projects whose completion stretches beyond 2026. This also include those investments that is tagged as live, but there is no detailed information on current status. Unless and until specified these investments are treated as live.*

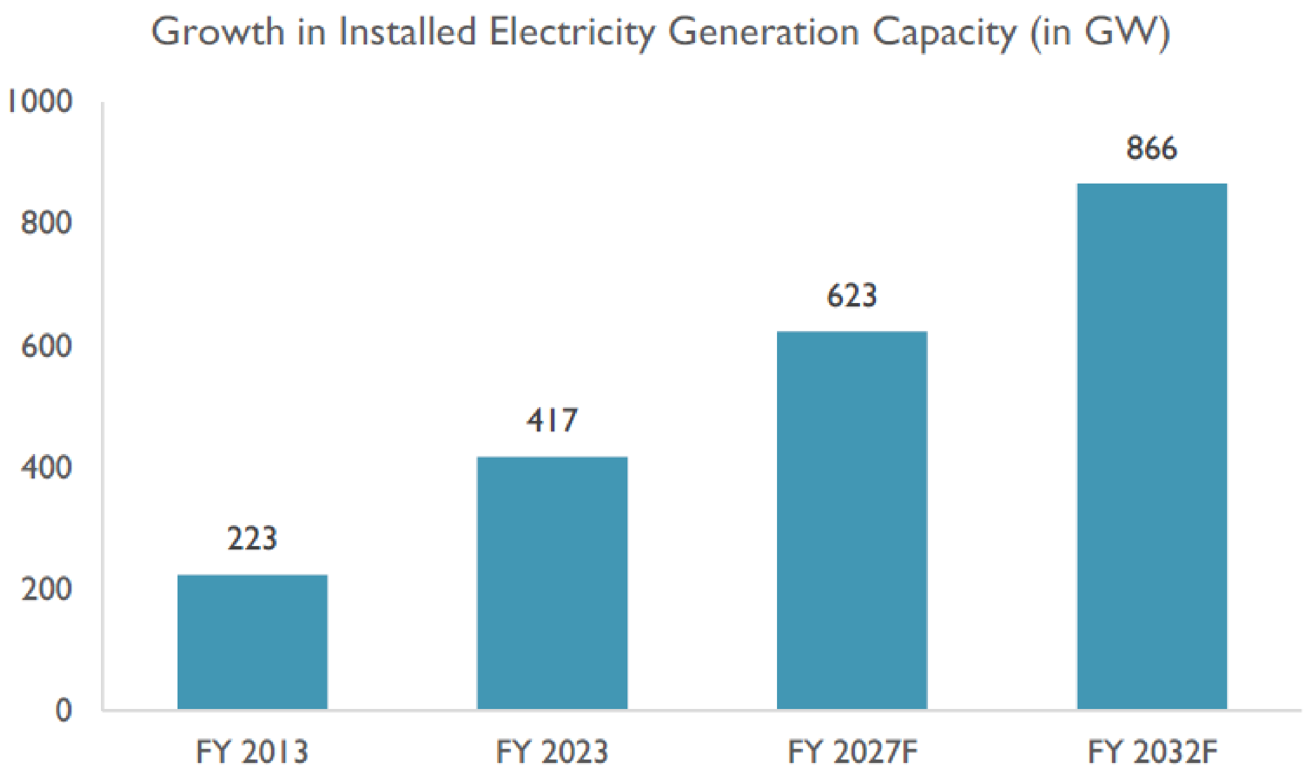
[15] *Some of these are still at planning stage, and exact investment size might undergo changes. These also include projects which are not part of the capex scenario presented.*

[16] *Spread across India and UK facilities*

[17] *Coal fired thermal power plants & nuclear plants*

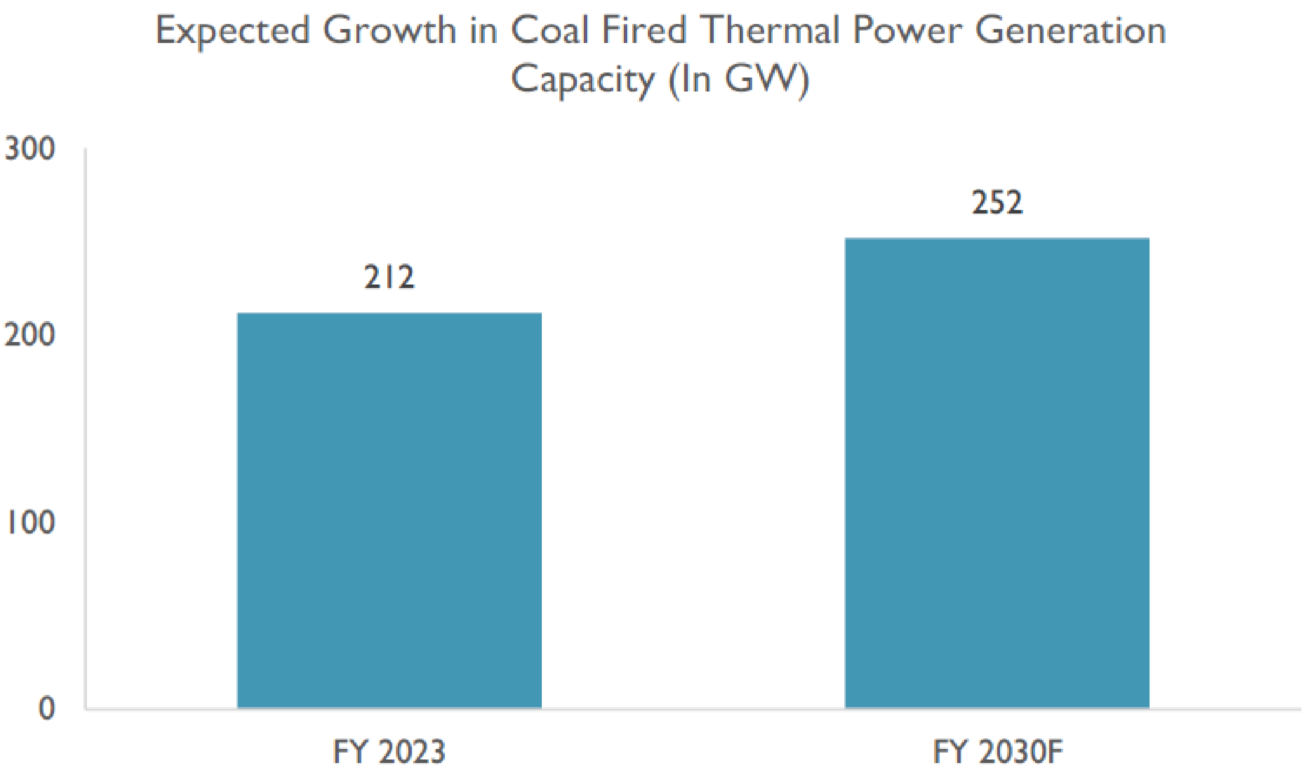


Source: Central Electricity Authority



Source: Central Electricity Authority

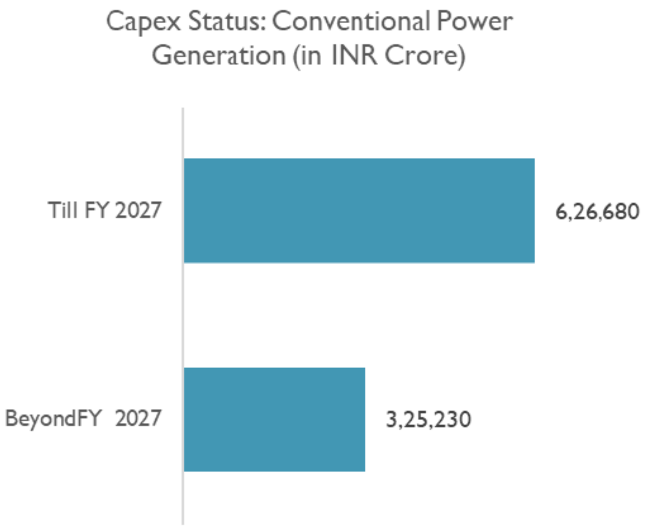
However, this aggressive expansion is not expected to completely benefit the thermal power / coal fired power generation segment. The energy transition happening in India, in favour of renewable / clean energy meant the biggest beneficiary would be renewable energy generation segment. Nevertheless, thermal power generation is expected to continue its key role, at least for the next ten years. Between FY 2023 and 2030, nearly 40 GW of generation capacity is expected to be added in thermal / coal fired power generation space in the country.

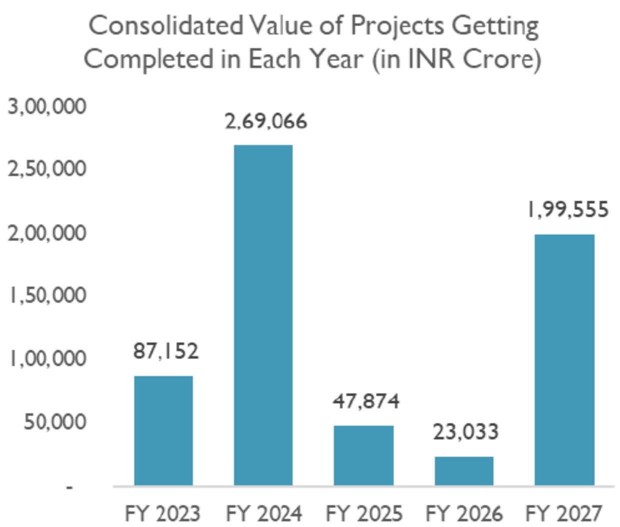


Source: Central Electricity Authority

Capex Scenario in Power Generation

Approximately INR 427,000 crore worth of capital expenditure projects are currently under implementation in the industry, at various levels of execution. Of this nearly 83 % is expected to be operational by the end of next year (FY 2024) with remaining spread till 2026. Beyond 2026, the capital spending visibility in the industry is pegged at approximately INR 525,000 crore[18].





Source: CMIE

Power generation sector in India is expected to witness a transition in the coming years, as it moves towards generation of clean energy. Coal based thermal power generation sector is unlikely to witness new investments, beyond those already announced / under execution. This assumption is based on the Government's aggressive focus on renewable, which forecasts 500 GW of renewable energy capacity by the end of this decade.

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18 *This includes projects that has been announced but yet to be started as well as projects whose completion stretches beyond 2026. This also include those investments that is tagged as live, but there is no detailed information on current status. Unless and until specified these investments are treated as live.*

Although the move away from coal fired thermal plants could have an impact on demand for process piping systems, the transition is expected to open up new opportunities in alternative energy segment – namely biofuels and green hydrogen.

Alternative Energy Sources

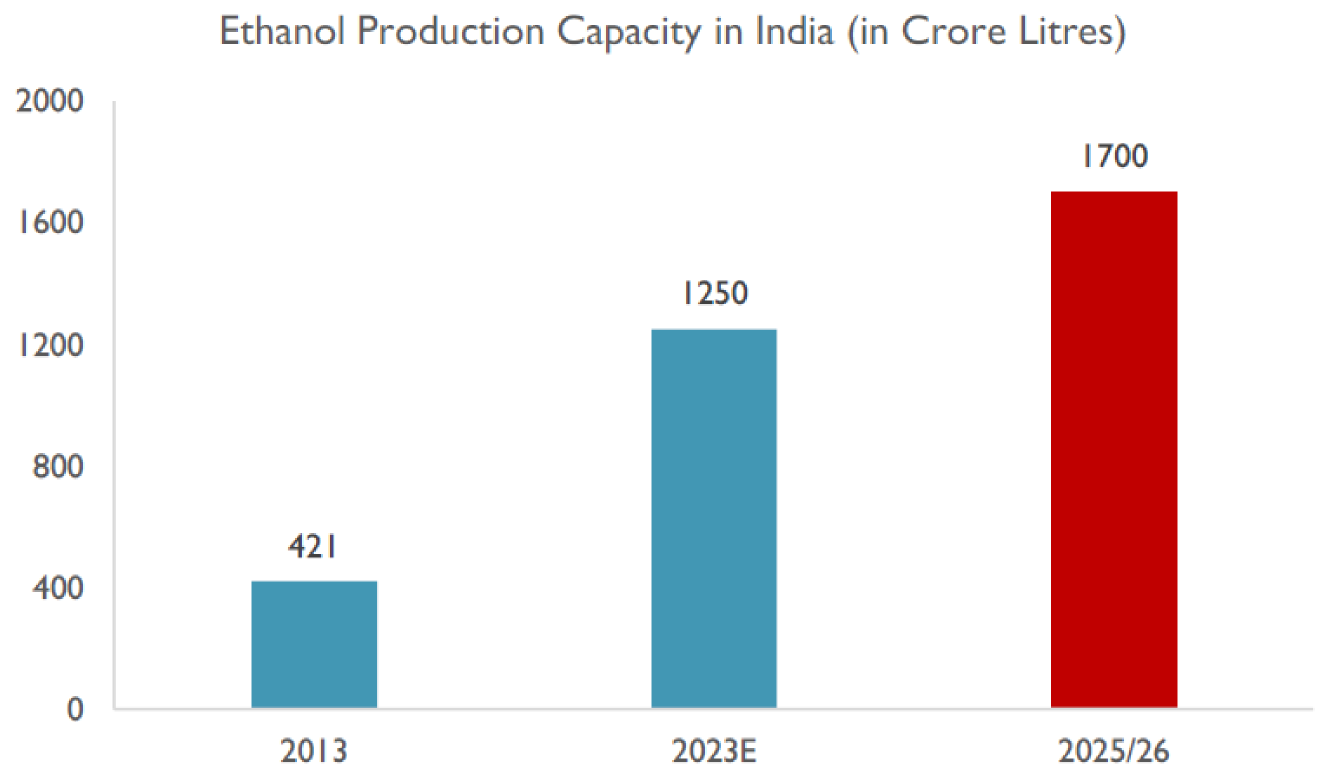
The ongoing energy transition in India – from fossil fuel based to clean energy – has clearly benefitted renewable energy sector in India, with solar, wind and biomass sectors witnessing massive capacity expansion. However, this energy transition has also brought to fore few alternative energy sources, amongst which biofuel (ethanol blended petrol - EBP), and green hydrogen are prominent. Of these two, ethanol blended petrol has made huge inroads while green hydrogen is still in its infancy.

Ethanol Usage in India: Energy generation

Indian Government views ethanol as a key renewable fuel to reduce its crude oil import bill as well as green house gas emission. Ethanol Blended Petrol (EBP) program by the Union Government has steadily increased the usage of ethanol in vehicular fuel segment, where it is blended with traditional petrol fuel. India has set a target of achieving 20% EBP by 2025 - 26, by when the vehicular fuel sold in India would be a blend of traditional fuel & ethanol (in the ratio 80 to 20).

During Ethanol Supply year (ESY) 2013-14[19], nearly 38 crore litres of fuel grade ethanol was procured by oil marketing companies (OMC) for blending purposes. By ESY 2020-21, the volume of ethanol procured by OMC reached nearly 408 crore litres. During the first half of ESY 2022-23, nearly 310 crore litres of ethanol has been blended.

This aggressive growth ethanol blending has resulted in massive capacity addition in ethanol production (distilleries). Towards the end of 2013, the total ethanol production capacity in India was nearly 420 crore litres. Since then, the distillery capacity in India has increased steadily, as the industry witnessed large scale investments to meet the anticipated demand created by the progress of EBP. The ethanol production capacity in India is expected to reach nearly 1,250 crore litres by the end of 2023. If India is to meet the EBP 20 target by 2025 – 26, the ethanol production capacity in the country has to touch nearly 1,700 crore litres (by 2025-26)[20]



Source: Government of India

Pharmaceutical Sector

Indian pharmaceutical industry is ranked as the third largest in the world, in terms of volumes of drugs manufactured and thirteenth largest, in terms of value. The Country is also the world's largest supplier of cost-effective generic drugs, and accounts

19 1st of December to 31st November the following year

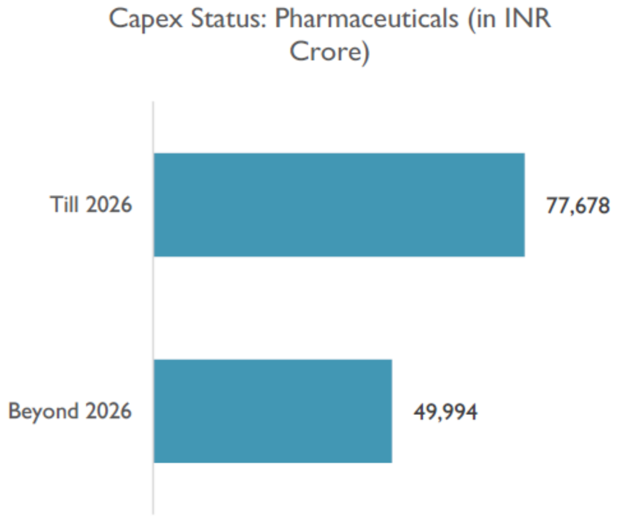
20 Government of India

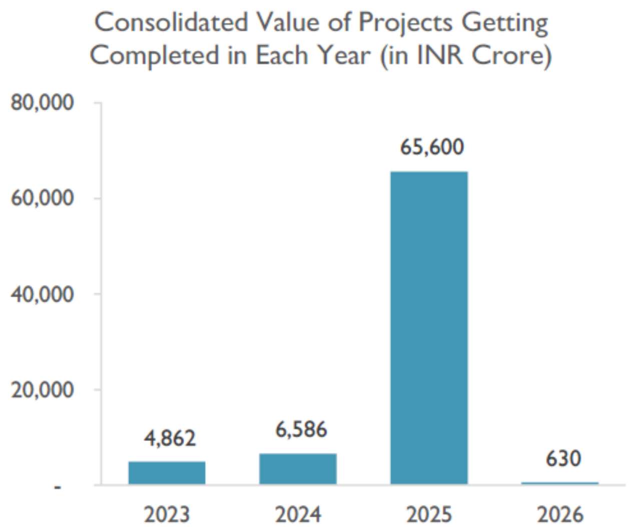
for nearly one fifth of the global trade in generic drugs. India has achieved an enviable position in global generic drug market on the back of its strength in organic chemical synthesis and process engineering.

Today India accounts for nearly 60% of the global vaccine production. This includes nearly 70% of WHO demand for vaccines to combat Diphtheria, Tetanus, Pertussis and BCG vaccine as well as nearly 90% of measles vaccine demand. Nearly 80% of the antiretrovirals drugs used to combat AIDS used globally is supplied by Indian pharmaceutical companies.

The global dominance of Indian pharmaceutical industry, primarily in generic formulation space is set to continue in the foreseeable future.

Between 2022 and 2026, approximately INR 78,000 crore worth of capital investment projects are expected to be commissioned in Indian pharmaceutical industry. Beyond 2026, the capital expenditure visibility in the industry is pegged at approximately INR 50,000 crore.



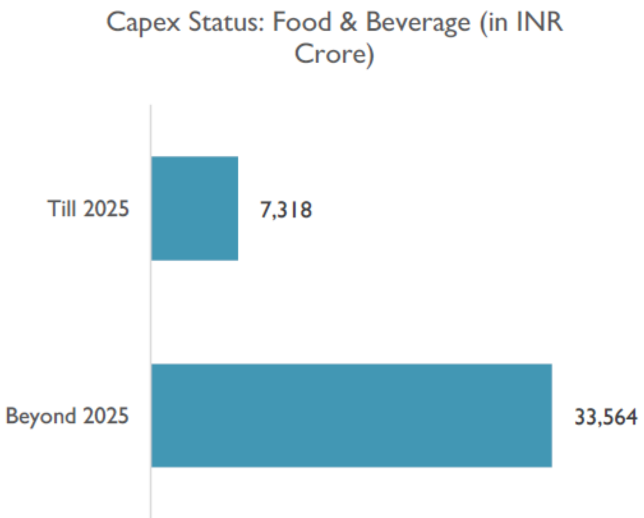


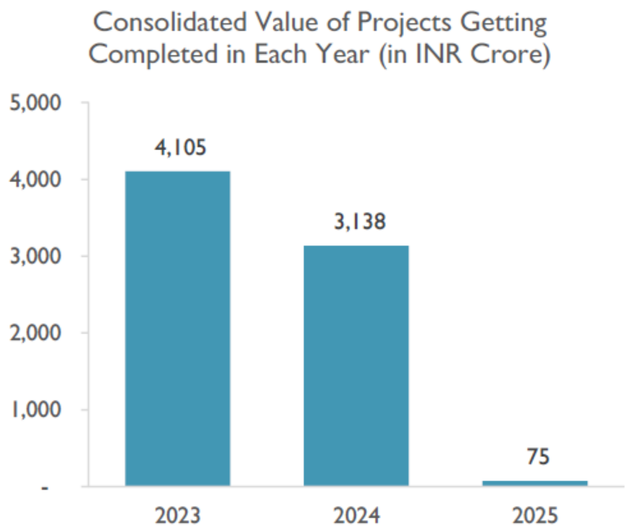
Source: CMIE

Food & Beverage Industry

Indian F&B industry has been witnessing aggressive investments, due to the increasing focus on food processing. Food processing industry got a lease of life when the Government included it as one of the sectors to be focused under its flagship "Make in India" initiative. The objective was to reduce the farm wastage and ensure domestic industry is well equipped to cater to the rising consumer demand.

Nearly INR 7,300 crore of capex projects are currently under various stages of implementation in food & beverage industry. These are expected to be commissioned between 2022 and 2025. Apart from these near-term capital spending, approximately INR 33,500 crore of capital expenditure projects are under implementation, which are expected to be commissioned after 2025.





Source: CMIE

Notable Projects Coming up

- **Nestle SA**: It is one of the largest F&B companies operating in India, and India is the fastest-growing sector for Nestle. The parent company Nestle India has budgeted INR 5,000 crore in capital expenditure in India over the next three years (2022 – 2025) for new facilities, expanding product portfolio, and pursuing inorganic opportunities.

- **PepsiCo India**: The Company has announced expansion plans for its largest greenfield foods manufacturing plant that produces the immensely popular LAY'S potato chips in Kosi Kalan, Mathura in Uttar Pradesh for FY 2023. As part of its expansion plan, PepsiCo India will increase the capacity of the state-of-the-art foods plant, by setting up a new manufacturing line that will produce one of the world's leading nacho chip brands Doritos. The company is all set to further invest INR 186 crore for the expansion of its food manufacturing facility in Mathura, taking the overall investment to INR 1,022 crore in Uttar Pradesh.

- **Britannia**: The Company is focusing on enhancing the in-house production to 65% from the current 57% in the coming years becoming a formidable player in the bakery and dairy business by adding capacities in key markets. This is in line with its strategy to make an in-house exclusive range of products and further enhance productivity. The company investing in enhancing dairy capacity, a new facility in Bihar, and an existing facility in Ranjangaon, company is planning a capex of INR 500-600 crore in FY2024.

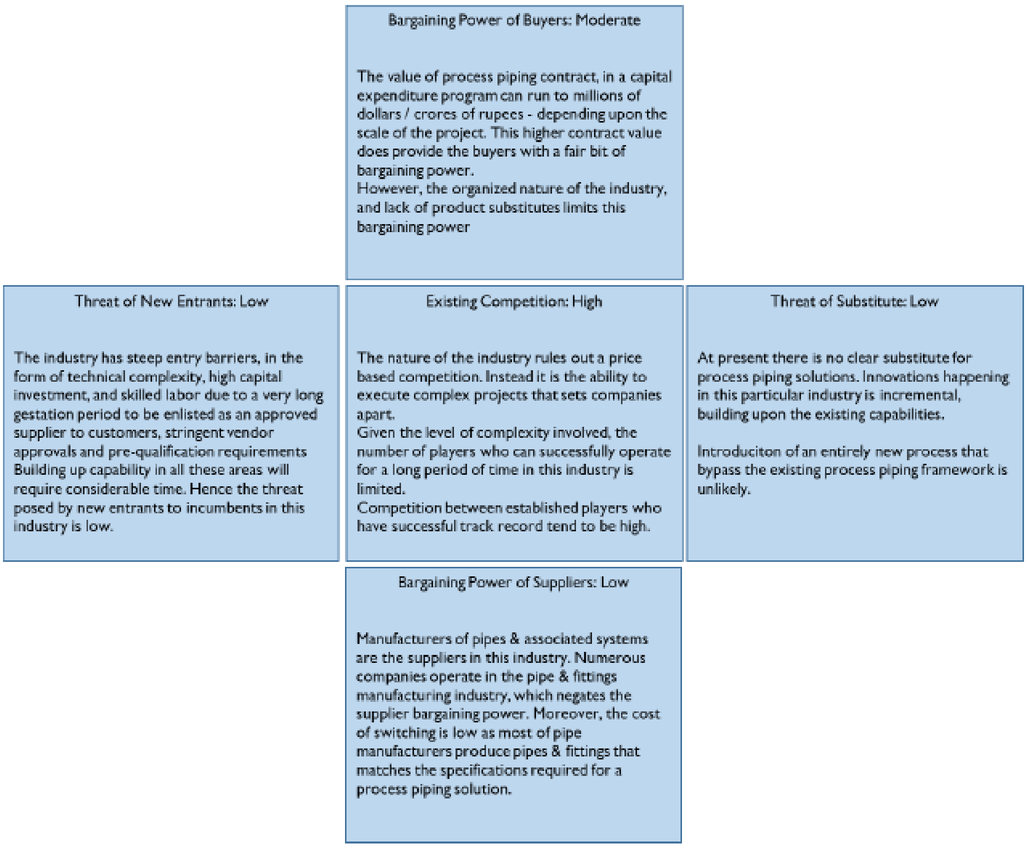
Competitive Landscape

Nature of Competition

The process piping industry is an organized segment, with few large firms accounting for a significant share of industry revenue. The industry is characterised by high entry barriers – in the form of complex manufacturing technology, high capital investment, requirement for skilled labour, and the presence of a robust design & execution capability.

Customers typically avoid sharing product related information with numerous manufacturers in order to restrict the spread of confidential information and as a result, customers select manufacturers after carefully reviewing them and tend to develop long-term relationships with them. The specifics on switching cost by customer is high. And hence a RFQ wins generally translates into longer relationship. This also explains why the market is concentrated among few large players, as excelling in all of these factors is extremely challenging.

Porters Five Force Competitive Framework



In addition, given the complexity of the projects involved customers tend to form a long-term contract with suppliers with proven track record. This attribute act as a key barrier in the industry, especially for any new player trying to break into the industry to win large mandates from established customers.

Key Differentiators

Given the nature of solution provided, the process piping industry cannot be treated as just another input supplier to manufacturing industry. This is because of the crucial role played by process piping in an industrial / manufacturing plant, as any faults / deviations in design would lead to failure of the plant from meeting its intended objective. There are few key attributes that separates successful players in this industry from the rest.

Proven Execution track record	This would be by far the most important attribute in the process piping industry. No two capital expenditure projects – even within the same industry – is similar, with varying level of complexity & challenges. A solution provider who has a record of executing projects of varying complexity across industries stands out as a leader. It is this complexity which explains the organized nature as well as presence of few players who has the capability to execute complex projects.
Strong in-house design & manufacturing capabilities	This factor directly ties to the execution capability. This attribute has more to do with a solution providers capability to attract top talent as well as create a manufacturing infrastructure which can meet customer requirements. Finding the right combination of talent & manufacturing knowhow is a tough task.
Robust R&D capabilities	Process piping requirement is undergoing a transition. For long manufacturing landscape has remained more or less same with incremental changes. However, developments like Industry 4.0, and emergence of sunrise sectors like green hydrogen, green ammonia has created a demand for advanced process piping solutions. Ability to innovate and come up with solutions that meets the requirement of these new crop of customers is thus essential for a player in this industry to flourish in the coming years. Apart from execution, the innovation also stretches to the ability to integrate newer materials like composite materials that is coming to the fore.
Regulatory Compliance	This refers to various quality and compliance standards that needs to be met – ranging from raw materials used to the manufacturing process deployed to the final product. Companies in the sector have to incorporate standards and codes prescribed by bodies like American Society of Mechanical Engineers (ASME), and Occupational Safety and Health Administration (OSHA).

Financial Parameters	Revenue*	PBDITA Margin	PAT Margin
L&L Heavy Engineering**	1,83,340.70	9.3%	6.9%
JGC Holdings Corporation	24,513.10	-6.4%	-8.3%
ISGEC Heavy Engineering	5,499.30	5.9%	2.1%
DEE Development Engineering Limited	487.70	15.3%	1.6%

*Note: *All the figures are in INR Crore | The companies have been indexed on the basis of revenue in 2022 | ** L&T is a large conglomerate into multiple businesses like construction, hydrocarbon, power, minerals & metals, heavy engineering among others and fabrication business is a part of heavy engineering business. The fabrication business is mostly captive and is a part of engineering division, hence the revenue and margins mentioned here might not be reflective / comparable with DEE*

To summarize, the process piping industry is characterised as one which is organized in nature with few large players having a commanding presence. The industry is particularly challenging for a new entrant, due to the complexity of projects and the time / resource required to build the capability. Established players in the industry thus enjoy a competitive advantage.

However, the process piping landscape is undergoing changes, and an established player will have to change / adopt accordingly to ensure their business stays relevant. Aspects like a culture that supports innovation, presence of a strong R&D, design, and manufacturing capability, and ability to attract & retain the best talent all becomes very relevant to be successful in this industry.

Global Scenario

Some of the largest process piping solution providers globally are concentrated in industrialized economies in North America and Europe. The shift in manufacturing activity to Asian economies led to two notable developments. Firstly, the traditional players in North America and Europe began to expand to Asian markets which were witnessing rapid expansion in industrial capacity. Secondly, this development also paved way for the emergence of new process piping players in Asian region. Given the steep entry barriers in this industry, the initial players were limited to supporting larger established process piping solution providers. Gradually these companies in Asian region grew in size and capacity to become full-service players.

Compared to North America and Europe market, the number of marginal players (that makes up the unorganized segment) is higher in Asian and other regions. This could be attributed to two reasons:

- The process piping industry in Asian region is still in its evolving stage (compared to North America and Europe) and any industry in this phase tends to have large number of small & marginal players. As the industry matures, there would be a wave of consolidation leaving a few large players who will account for a large share of market.

- Compared to North America & Europe, the unorganized segment within the larger manufacturing industry in huge. This large unorganized customer segment particularly creates demand for process piping solutions which are tailor made for smaller firms (characterized by basic pipe fabrication services, and competitive cost). Hence the opportunity for unorganized process piping segment in the Asian market is far higher, in turn attracting large number of small & marginal players to enter the fray.

However, the current state of process piping industry in Asia is expected to undergo transition – an organic transition that accompanies the gradual dominance of organized manufacturing. With time, the process piping industry too would go through a period of consolidation leaving only larger players.

Global Process Piping Industry	
Present State	**Evolving Scenario**
Large players based out of North America (mainly US), and Europe (Western Europe): These players dominate their home market, and has expanded to Asian market where process piping opportunities galore Emerging Asian Player: Home grown players that are smaller than US and European players. These players have created a niche in addressing opportunites in their home market, and is providing tough competition to more established player	The industry would be made up of a mix of traditional US and European players, and few large Asian players from the existing crop of companies currently operating in Asian region. This mix of Western & Asian players would be competing with each other across the globe for large process piping contracts

Notable Players: North America & Europe

Company	Location	Brief Profile
US Pipe Fabrication	United States	The Company is the pipe fabrication division of US Pipe, a pre-eminent supplier of pipes, joints, gaskets & fittings in the US. Though formally incorporated only in 2006, the fabrication experience of this division stretches back to 1991. At present US Pipe Fabrication has ten locations inside the US and is the largest such player in the country.
McDermott	United States	McDermott is a full-service engineering company, with more than a century of experience in engineering disciplines ranging from fabrication to engineering construction. The Company is active in oil & gas (upstream & downstream), chemical, power generation, and wastewater segments.
Marshall Industrial Technologies	United States	Marshal Industries, started in 1951, initially focused on plant maintenance activities and later on expanding to other ancillary services like process piping, fabrication, mechanical & electrical systems, among others.
CCI Leiding systemin B.V	Netherlands	The Company, founded in 1980, is into steel pipe fabrication, prefabrication, coatings, and GRP.
Project Materials GmbH	Germany	The Company specializes in providing pipes and associated steel materials to oil & gas, and petrochemical sectors. The Company supply complete process piping packages to its customers through its trading arm PM Piping – which has presence across the world
Lesico Process Piping Limited	Israel	The Company is part of Lesico Group (a leading infrastructure player in the country). Leisco process piping supplies process piping systems made of carbon steel, stainless steel, PVC, alloy steel, and Polypropylene to a wide range of industries.

Company	Product/Services	Industries Catered to
US Pipe Fabrication	Ductile iron pipe fabrication, steel fabrication, fittings, specialty linings & coatings, and anchor pipes	Focus on water & wastewater treatment industry
McDermott	Fabrication services, Field & Modular construction, Engineering services (conceptual design to operations), marine construction vessels, and consulting services	Oil & Gas production, refining and storage, chemical & petrochemical manufacturing, hydrogen, offshore wind, carbon capture, utilization & storage (CCUS)
Marshall Industrial Technologies	Complete process piping system fabrication & installation, turnkey fabrication solutions, welding services, mechanical – machinery installation, HVAC-R	Oil refineries, chemical manufacturing, food & beverage, power plants, plant mills, brewery, and wastewater treatment services
CCI Leiding systemin B.V	Prefabrication (spool manufacturing, welding, connections), steel tubes & flanges, coatings (epoxy, epimid), cement linings, GRP (pipes, jacking pipes)	Water & waste water treatment,
Project Materials GmbH	Complete process piping packages, land pipes, offshore structures & sections, forged fittings, flanges, gaskets, bolts and valves	Oil refineries, petrochemical plants, power generation, LNG terminals, fertilizer, and renewable energy
Lesico Process Piping Limited	Process piping from carbon steel, alloy steel, stainless steel, and PVC	Semiconductor, life-science, renewable energy

Notable Players: Asia (Including India)

Company	Location	Brief Profile
Seonghwa Industrial Co Limited	South Korea	Manufacturing and fabrication of mechanical systems used in industrial plants – including piping supports, prefabricated piping, and plant skid modules
JGC Holding Corporation	Japan	JGC is an industrial conglomerate with operations spanning across diverse engineering domains. They provide solutions / services ranging from project management, total engineering solutions (including PMC/FEED, EPC, Operations & Maintenance), and energy & environmental consulting.
SUNG IL (SIM) Co Ltd	South Korea	Established in 1978, SUNG IL is into the business of shop fabricated piping, induction bending, as well as machine design & development
DEE Development Engineers Limited	India	End-to-end process piping solution player providing high end engineering solutions to oil & gas, power generation, chemical, and other process industries. Specialized in providing products ranging from high pressure piping systems, induction pipe bends, pressure vessels and accessories like boiler headers, boiler super heaters etc
L&T Heavy Engineering (L&T)*	India	Part of the engineering conglomerate L&T, this division provides engineering requirements of process plant industries as well as nuclear power plants. The fabrication division of the company services piping requirement of multiple heavy industries.
ISGEC Heavy Engineering Limited	India	ISGEC provides engineering solutions ranging from EPC projects, process equipments, engineering equipments, to steel casings.

* *The reference is made to fabrication division of L&T, which is a part of large conglomerate. L&T is a large conglomerate into multiple businesses like construction, hydrocarbon, power, minerals & metals, heavy engineering among others and fabrication business is a part of heavy engineering business.*

Company	Product/Services	Industries Catered to
Seonghwa Industrial Co Limited	Pipe hangers & supports, fabrication piping solutions, modules & skids	Power generation, petrochemical plants, LNG terminals, and offshore oil & gas units
JGC Holding Corporation	Feasibility studies, EPC, Operations & Maintenance services, Engineering & technology consulting solutions Plant engineering: Process engineering, piping engineering, and all other aspects of process plant engineering	Oil & Gas, Petrochemicals, Chemicals, Renewable Energy, Carbon dioxide Capture & Storage, Industrial Infrastructure
SUNG IL (SIM) Co Ltd	Shop fabricated piping & spools, Inducting pipe bend, machine development & design (induction bending machine	Power plants – thermal & nuclear, offshore oil & gas units,
DEE Development Engineers Limited	High pressure piping systems, Inducting pipe bends & fittings, Pressure vessels & accessories, customized fabrication components	Oil & Gas, Power Generation, Chemical Generation, Green Power, Process plant Industries
L&T Heavy Engineering (L&T)[21]	Design & Engineering, Fabrication solutions – process equipments & piping, comprehensive welding solutions, Product development	Refinery, Oil & Gas, Fertilizer, Petrochemicals, Power
ISGEC Heavy Engineering Limited	EPC, Process equipment manufacturing (heat exchangers, pressure vessels, columns etc), Steel Castings, Contract manufacturing services	Power Plants, Fertilizer, Oil & Gas, Cement, Sugar & Distillery, Defence

Biomass Generation Market in India

Biomass, derived from organic materials of living organisms such as plants and animals, is a versatile and renewable energy resource. It encompasses various types of biomass feedstocks, with plants, wood, and waste being the most commonly used for energy production. Biomass can be converted into usable energy through direct or indirect means. Direct conversion involves burning biomass to generate heat or transforming it into electricity. Indirect conversion involves processing biomass into biofuels.

Biogas

The use of biogas as an energy source in India holds immense potential, thanks to the country's large livestock population of 512.06 million, which includes approximately 300 million bovines. The livestock sector plays a significant role in India's GDP and is expected to continue growing. The adoption of biogas technology has emerged as a blessing for Indian farmers, offering direct and collateral benefits.

Biomass Power Generation in India

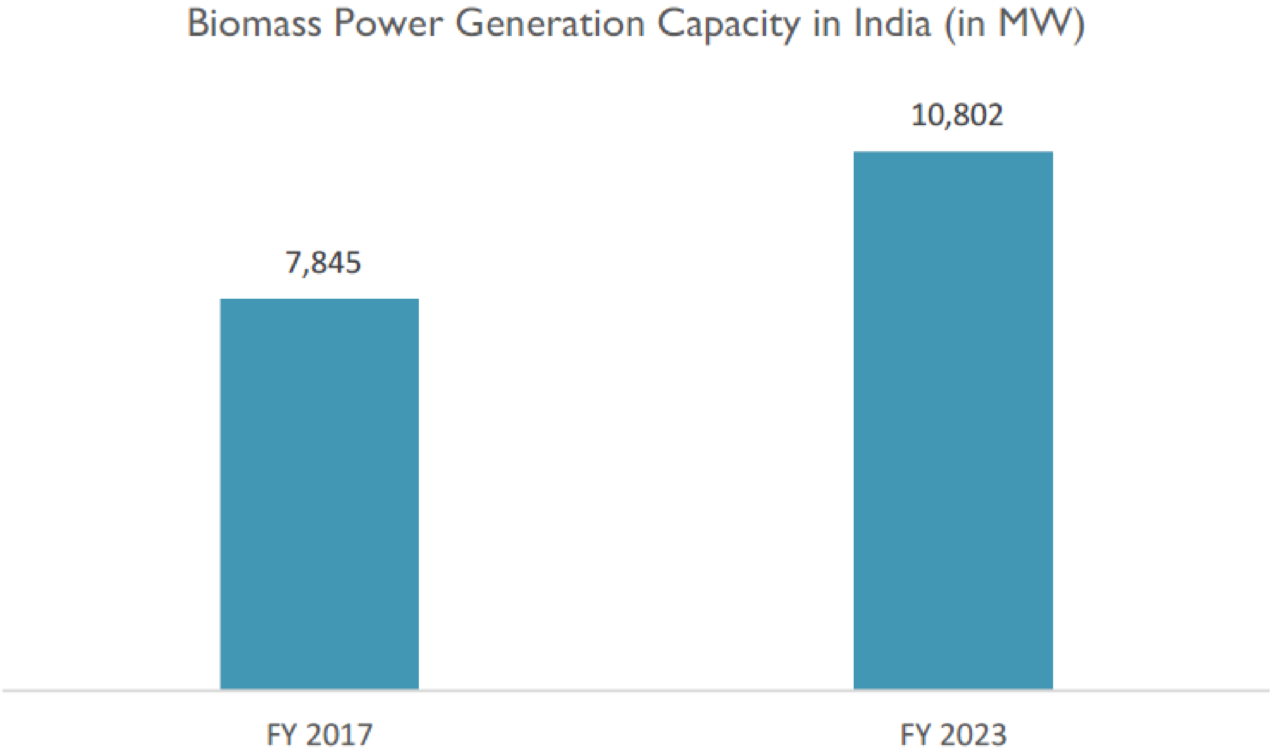
Biomass energy production in India has witnessed significant growth in recent years, driven by the country's abundant biomass resources and supportive government policies. With an estimated biomass availability of 750 million tons per annum, generated from the agriculture and forestry sector, India has a vast potential for biomass-based power generation. Additionally, there is a surplus biomass availability of nearly 230 million tons per annum, corresponding to a potential of about 28 GW.

The potential for power generation from surplus agricultural residue alone is estimated at around 28,446 MW. When combined with bagasse cogeneration potential, the total estimated potential for biomass power generation in India reaches approximately 42,312 MW. Despite this vast potential, biomass-based power generation has remained a small proportion of the overall renewable energy targets set by India. Out of the targeted 175 GW of renewable power capacity by 2022, only 10 GW was expected from biomass, though biomass did meet its target.

21 *The reference is made to fabrication division of L&T, which is a part of large conglomerate. L&T is a large conglomerate into multiple businesses like construction, hydrocarbon, power, minerals & metals, heavy engineering among others and fabrication business is a part of heavy engineering business.*

Growth in Generation

Currently, the total installed capacity in the biomass segment, including biomass power and cogeneration in sugar mills, is estimated to be 10,802 MW as on end of FY 2023, a significant increase from 7,845 MW in FY 2017. This capacity is spread across 550 sugar mills and various biomass independent power producers (IPP).



Source: Ministry of New and Renewable Energy

As of December 2022, more than 800 biomass independent power plants and bagasse/non-bagasse cogeneration-based power plants have been installed in India, with a combined capacity of 10,802 MW. These installations are predominantly located in states such as Maharashtra, Uttar Pradesh, Karnataka, Tamil Nadu, Andhra Pradesh, Chhattisgarh, West Bengal, and Punjab.

The growth of biomass energy production in India is a positive development that contributes to the country's renewable energy goals. However, there is still significant untapped potential in biomass utilization. Addressing challenges related to biomass supply chain management, technology improvements, and policy support will be crucial in further unlocking the benefits of biomass energy production and maximizing its contribution to India's sustainable energy future. Approximately 79% of the total installed generation capacity in Indian biomass sector is concentrated in five states, with Maharashtra leading the chart accounting for nearly 25% of total capacity.

Demand Drivers

The expansion of biomass energy in India is propelled by several pivotal factors that contribute to its increasing adoption and development throughout the nation.

- Abundant Biomass Resources: India boasts a wealth of biomass resources, including agricultural residues, forest biomass, organic waste, and dedicated energy crops. With substantial quantities of these resources generated nationwide, there is a reliable and sustainable feedstock available for biomass energy production.

- Renewable Energy Targets and Policies: The Indian government has set ambitious targets for renewable energy, 500 GW by 2023, and is committed to increasing the proportion of renewables in the overall energy mix. In support of this objective, policies like the National Bioenergy Programme and favourable regulations have been implemented to facilitate biomass energy generation. These initiatives create an environment conducive to investment, project development, and the utilization of biomass resources.

- Energy Security and Rural Development: Biomass energy plays a vital role in improving energy security, particularly in rural areas where access to electricity is limited. By harnessing locally available biomass resources, communities can generate their own power, reducing their reliance on fossil fuels and centralized grid systems. Biomass energy projects also contribute to rural development by creating employment opportunities and supporting local economies.

- Environmental Benefits and Waste Management: Biomass energy offers significant environmental advantages, including reduced greenhouse gas emissions and the ability to address waste management challenges. By converting biomass waste into energy, the country can tackle the issues associated with agricultural and industrial waste disposal. Biomass energy helps minimize pollution, improve air quality, and reduce the need for landfills or incineration.

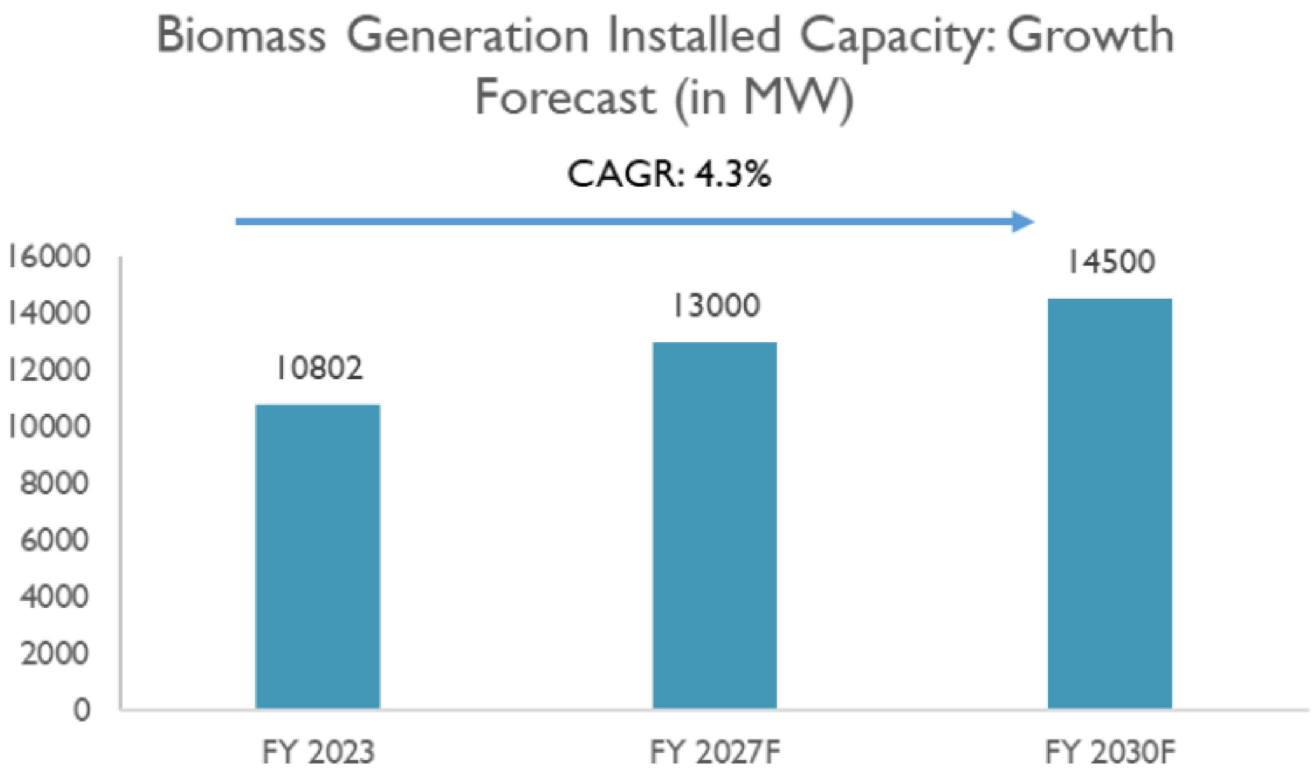
- Technological Advancements and Research: Advances in biomass conversion technologies, such as biomass gasification, pyrolysis, and anaerobic digestion, have enhanced the efficiency and viability of biomass energy projects. Ongoing research and development efforts focus on improving biomass conversion processes, exploring innovative biomass feedstocks, and optimizing energy production from various biomass resources.

Economic Viability and Cost Competitiveness: Biomass energy projects have become increasingly economically viable due to technological advancements, economies of scale, and cost reductions. As the cost of renewable energy technologies continues to decline, biomass energy is becoming more competitive with conventional fossil fuel-based power generation. This factor attracts investments and fosters the growth of biomass energy in India.

Growth Forecast

Biomass power generation in India presents an optimistic outlook as the country continues to prioritize renewable energy sources and transition towards a sustainable and low-carbon future. With the government's ambitious renewable energy targets and supportive policies, coupled with the abundant availability of biomass resources, it is expected that biomass power generation will witness significant growth in the coming years.

Based on current trends and projections, it is anticipated that the capacity for biomass power generation in India will continue to expand. The estimated biomass capacity in the country is likely to reach 13,000 MW in 2027 and 14,500 MW in 2030 from the current 10,802 MW in 2023.



Source: Ministry of New and Renewable Energy

The highest growth is expected in the southern region with an increase of 967 MW, followed by Northern (849 MW), Western (816 MW), Eastern (133 MW), and lastly North-eastern (4 MW).

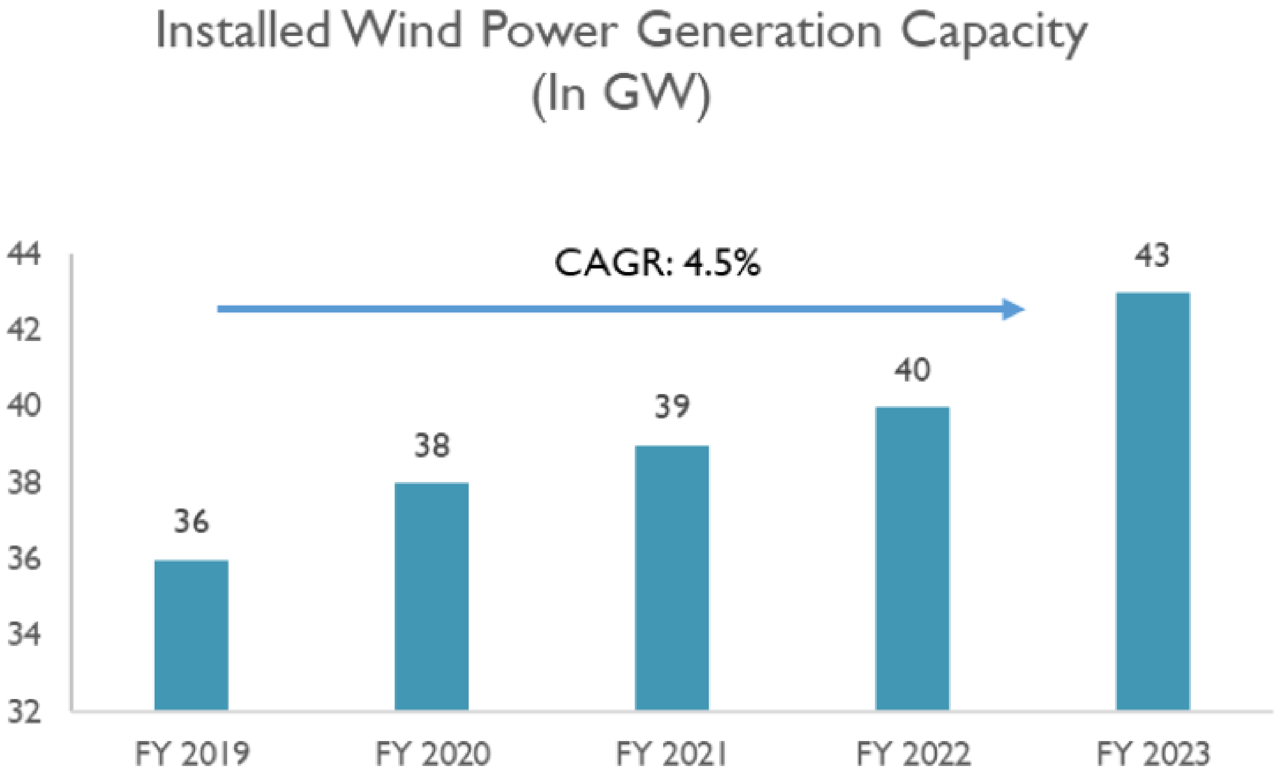
This shows that the growth forecast for biomass power generation in India is promising, with the potential to contribute significantly to the country's renewable energy capacity. As the country continues to focus on reducing carbon emissions, diversifying its energy sources, and promoting sustainable development, biomass power generation is expected to play a crucial role in meeting India's growing energy demands while ensuring environmental sustainability.

Overview of Wind Power Generation in India

Wind power plant comprise of individual windmills placed in the same location, based on factors like wind conditions, terrain, and access to transmission infrastructure (in case of grid connected wind plant). An individual horizontal windmill comprises of components like blades, brake, controller, gear box, rotor, and tower. A windmill tower can follow several design concepts, based on the structural requirements. These include lattice, steel tower (tubular or segmented), concrete or hybrid. Among these tubular steel towers are the most widely used, which is manufactured through fabrication process.

Growth in Wind Power Generation

India currently has the fourth highest installed wind power generation capacity in the world, with total generation capacity of nearly 43 GW. The total wind power generation potential in India is estimated at 696 GW with nearly 94% of the potential concentrated in seven states. Tamil Nadu, with a share of nearly 25% of total installed capacity, is the leading state.



Source: Ministry of New and Renewable Energy

The installed generation capacity in wind power segment has been increasing at a steady rate, the fastest growth in the renewable energy segment. Strong Government incentives & initiatives and a growing demand have fuelled this growth. During the last four years, the installed wind power generation capacity grew at a CAGR of 4.5%.

Reasons for slow capacity addition include: (i) shift in tariff system from feed-in-tariff (guaranteed above market price for producers) to tariff determination by competitive bidding, and (ii) aggressive bidding by developers.

Key Demand Drivers

About 59% of total power generated in the country is through thermal fuel forms. Coal-based thermal power generation forms majority of the total installed generation capacity. More than 75% of the total coal is consumed in power sector. Also, to meet domestic requirement of power industry, historically the country has remained a net importer of coal, which is creating continuous pressure on government finances.

Over the past few years, the urgency to develop clean energy while simultaneously decreasing the dependence on traditional hydrocarbon-based energy is gaining pace. Investment in clean energy initiative is increasing rapidly. This development is playing out in India too, and the Government is aggressive promoting renewable power, as an alternative to tradition power sources. This Government initiatives is the single biggest factor behind the rapid growth in renewable energy in the country. Wind power has been the biggest beneficiary and has emerged as the leader in Indian renewable energy segment.

Favourable Policy Landscape

Over the years, the Government has introduced and implemented a slew of initiatives to encourage capacity expansion in wind power segment. These include concessions like 100% accelerated depreciation on capital investment in equipments in the first year of installation, five years' income-tax exemption on income from the sale of power generated by wind energy, mandatory purchase of electricity by State Electricity Boards (SEBs) industry status to wind equipment manufacturers, concussions on customs duty on specific items, exemptions on excise duty and income tax, preferential tariffs by regulatory agencies, soft loans by institutions like Indian Renewable Energy Development Agency (IRDEA) to set up generation projects, etc.

Additionally, the implementation of Wind Resource Assessment Program and creation of National Clean Energy Fund have also helped in the growth of the sector. The favourable policies under Feed-in-Tariff program, including long term power purchase contracts, grid access, and cost-based purchase price have all helped in the rapid expansion in installed generation base.

High Potential

As per a study conducted by National Institute of Wind Energy (NIWE), India has the potential to generate nearly 695.5 GW of wind power. Till date, only 42 GW of installed generation capacity has come up in the sector, pointing to a high growth potential. Additionally, the long coastline (nearly 7,500 km) signals an equally high potential in offshore wind power segment, which is still in its infancy.

Regulatory Landscape

The Government of India (GOI) is aggressively encouraging alternative energy sources, and through its policy actions, it has been able to establish a favourable climate for investments in renewable energy sources. The Ministry of New and Renewable Energy (MNRE), India, has been instrumental in providing adequate policy support and a conducive regulatory environment to ensure the sector's rapid and orderly development.

Target of 500 GW Installed Capacity by 2030

In line with Prime Minister's announcement at COP26, Ministry of New and Renewable Energy is working towards achieving 500 GW of installed electricity capacity from non-fossil sources by 2030. So far, a total of 178.78 GW of capacity from non-fossil fuel sources has been installed in the country as of March 2023. This includes 125.15 GW renewable energy, 46.85 GW Large Hydro and 6.8 GW Nuclear Power capacity. Renewable energy sources have a share of nearly 41.3% of total installed generation capacity in the country i.e. 416.05 GW as on 31st March, 2023.

OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. Prospective investors should read "Forward-Looking Statements" on page 25 for a discussion of the risks and uncertainties related to those statements along with "Risk Factors", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 27, 268 and 344, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Our Company's financial year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular fiscal year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscal 2021, 2022 and 2023, included herein is based on or derived from our Restated Consolidated Summary Statements included in this Draft Red Herring Prospectus. For further information, see "Restated Consolidated Summary Statements" beginning on page 268. Additionally, please refer to "Definitions and Abbreviations" on page 1 for certain terms used in this section. The Restated Consolidated Summary Statements is based on our audited financial statements and is restated in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations. Our audited financial statements are prepared in accordance with Indian Accounting Standards, which differs in certain material respects with IFRS and U.S. GAAP. For details, see "Risk Factors –Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as US GAAP and IFRS, which may affect investors' assessments of our Company's financial condition" on page 67.

Our Company has a Subsidiary in Thailand, and such Subsidiary is subject to the legal and regulatory environment prevalent in Thailand, which will be different from the legal and regulatory framework governing our Company. Unless the context otherwise requires, in this section, references to "we", "us", "our" "our Company" or "the Company" refers to DEE Development Engineers Limited and its Subsidiaries on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Industry Report on Pipe Fabrication & Process Piping Solutions" dated September 2023 (the "**D&B Report**", and the date of the D&B Report, the "**Report Date**") which is exclusively prepared for the purpose of the Offer and issued by Dun & Bradstreet ("**D&B**") and is exclusively commissioned for an agreed fee and paid for by the Company in connection with the Offer. D&B was appointed on May 26, 2023, pursuant to an engagement letter entered into with our Company. D&B is not related in any other manner to our Company. The data included herein includes excerpts from the D&B Report and may have been re-ordered by us for the purposes of presentation. Further, the D&B Report was prepared on the basis of information as of specific dates and opinions in the D&B Report may be based on estimates, projections, forecasts and assumptions that may be as of such dates. D&B has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and has further advised that it has taken due care and caution in preparing the D&B Report based on the information obtained by it from sources which it considers reliable. Unless otherwise indicated, financial, operational, industry and other related information derived from the D&B Report and included herein with respect to any particular year refers to such information for the relevant calendar year. A copy of the D&B Report will be available on the website of our Company from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date. Further, the D&B Report is not a recommendation to invest or disinvest in any company covered in the report. Prospective investors are advised not to unduly rely on the D&B Report. The views expressed in the D&B Report are that of D&B. For more information and risks in relation to commissioned reports, see "Risk Factors – Certain sections of this Draft Red Herring Prospectus contain information from the D&B Report which we commissioned and purchased and any reliance on such information for making an investment decision in the Offer is subject to inherent risks." on page 60. Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 23.*

Overview

We are an engineering company providing specialized process piping solutions for industries such as oil and gas, power (including nuclear), chemicals and other process industries through engineering, procurement and manufacturing. We have manufacturing experience of over three and a half decades and have been able to leverage our brand, strategically located manufacturing facilities and engineering capabilities to successfully expand our business. As part of our specialized process piping solutions, we also manufacture and supply piping products such as high-pressure piping systems, piping spools, high frequency induction pipe bends, LSAW pipes, industrial pipe fittings, pressure vessels, industrial stacks, modular skids and accessories including, boiler superheater coils, de-super heaters and other customized manufactured components. Our Company currently is ranked as one of the leading process pipe solution providers in the world, in terms of technical capability to address complex process piping requirement arising from multiple industrial segments. (*Source: D&B Report*) At present, we are the largest player in process piping solutions in India, in terms of installed capacity. (*Source: D&B Report*).

We provide comprehensive specialized process piping solutions including engineering services such as pre bid engineering, basic engineering, detailed engineering and support engineering which includes engineering of process/ power piping systems for projects, and pre-fabrication services such as cutting and beveling on conventional and CNC machines, welding services on semi-automatic and fully automatic robotic welding machines, conventional and digital radiography, post weld heat treatment using CNG fired fully calibrated furnaces and induction heating process, hydro testing, pickling and passivation, grit blasting (manual and semiautomatic) and painting (manual and semiautomatic). We also specialize in handling complex metals such as varying grades of carbon steel, stainless steel, super duplex stainless steel, alloy steel and other materials including inconel and hastelloy in our manufacturing processes.

We have six strategically located Manufacturing Facilities at Palwal in Haryana, Anjar in Gujarat, Barmer in Rajasthan and Bangkok in Thailand, with three Manufacturing Facilities located at Palwal, Haryana. We also operate a temporary Manufacturing Facility in Barmer, Rajasthan which is a dedicated facility set up to cater to the piping and erection requirements of the HPCL Rajasthan Refinery Limited (the "**Barmer Satellite Facility**"). Our wholly owned subsidiary, DFIPL, also operates a heavy fabrication facility at Anjar, Gujarat (the "**Anjar Heavy Fabrication Facility**"). We also have a dedicated engineering facility located at Chennai in Tamil Nadu (the "**Chennai Engineering Facility**"). Our six Manufacturing Facilities, the Anjar Heavy Fabrication Facility and Chennai engineering Facility together span an area of approximately 426,064.52 square meters. Our Manufacturing Facilities had cumulative installed capacity of 94,500 MT per annum, 91,500 MT per annum and 86,500 MT per annum for Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively; and our capacity utilisation, calculated on the basis of our total production capacity was 43.10%, 27.40% and 27.77% for Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively. We are in the process of enhancing our manufacturing capabilities by setting up a new manufacturing facility at Numaligarh, Assam (the "**Numaligarh Facility**") with a proposed installed capacity of 6,000 MT per annum as well as a new manufacturing facility at Anjar, Gujarat (the "**New Anjar Facility**") with a proposed installed capacity of 12,000 MT per annum, which will increase the total installed production capacity of our Anjar facilities (excluding our heavy fabrication capacity) from 3000 MT per annum to 15000 MT per annum.

We have been focussed on automating certain manufacturing processes and our Manufacturing Facilities are equipped with equipment such as fully automated robotic welding systems, semi-automatic shot blasting machines, automatic GMAW welding system and fully automatic high frequency induction bending machines having diameter of up to 48 inches.

In Fiscal 2023, Fiscal 2022 and Fiscal 2021, we supplied our products to domestic customers and our overseas customers in countries including USA, Europe, Japan, Canada, Middle East, Nigeria, Vietnam, Singapore, China and Taiwan. In Fiscal 2023, Fiscal 2022 and Fiscal 2021 our revenue from contracts with customers outside India was ₹ 2,685.92 million, ₹ 1,681.48 million and ₹ 2,259.62 million, respectively, which represented 45.10%, 36.48% and 45.63% of our revenue from contracts with customers for the respective periods. Over decades of our operations, we have developed strong relationships with our customers, including global companies such as JGC Corporation, Nooter Eriksen, MAN Energy Solutions SE, Mitsubishi Heavy Industries, and John Cockerill S.A, and Indian companies such as Reliance Industries Limited, Thermax Babcock & Wilcox Energy Solutions Limited India, HPCL–Mittal Energy Limited, Toshiba JSW Power Systems Private Limited, UOP India Private Limited, Doosan Power Systems India Private Limited and Andritz Technologies Private Limited and have built a loyal base of customers across our markets through relationships with several of these customers for more than a decade. In Fiscal 2023, Fiscal 2022 and Fiscal 2021, we supplied our products and provided engineering services to 42, 34 and 33 customers, respectively. Since a significant portion of our sales are to our overseas customers, our Anjar Facility I, our Anjar Heavy Fabrication Facility, our proposed New Anjar Facility in Gujarat and our Bangkok Facility are strategically located with access to ports to cater to our overseas customers.

Our Chennai Engineering Facility is dedicated to the design of certain of our products and the development of our engineering processes. As per the D&B Report, our Company has strong quality procedures and standards in place, which have played a key role in elevating our Company to a leadership position, in India as well as globally. We have received various certifications which are critical for us to supply products to our customers across geographies. Our Company has multiple ISO certifications and is a certified manufacturer of pipe spools, pipe supports, industrial pipe fittings as per the Pressure Equipment Directive norms, American Society of Mechanical Engineers Code Stamp Piping, Indian Boiler Regulations and the Canadian Welding Bureau. We also manufacture industrial pipe fittings which are registered under the Canadian Registration Number. We have quality assurance certificates with respect to the Pressure Equipment Directive 2014/68/EU. We also have a National Accreditation Board for Testing and Calibration Laboratories accredited testing laboratory equipped with the latest testing equipment where we undertake mechanical, metallurgical, chemical and analytical test such as tensile test, charpy test, hardness test, tests for micro and macro structure, spectrometric analysis, corrosion test, ferrite test, IGC test, bend test and flattening test amongst others. We have the capabilities to perform tests on our products to check compliance with various standards such as standards prescribed by the American Society of Mechanical Engineers and European norms including Pressure Equipment Directives and DIN EN ISO 3834.

We operate two biomass power generation plants in Abohar and Muktsar, Punjab, with a contracted annual capacity of 8 MW and 6 MW, respectively, which together span an area of approximately 347,511.15 square meters. The Muktsar Biomass Power Plant is operated by our wholly owned subsidiary, MPPL. We are focused on environment and sustainability and have achieved a reduction of more than 191,067 tons of CO_2 emissions by producing green power through the use of biomass like paddy straw and other biofuels such as cotton stalks, wheat stalks and mustard straw. Further, we manufacture wind turbine towers through our wholly owned subsidiary, DFIPL, at our Anjar Heavy Fabrication Facility. DFIPL is also involved in the manufacturing of industrial stacks.

We have recently expanded our business by entering a new business vertical of design, engineering, fabrication and manufacturing of pilot plants, which we are carrying out from our Palwal Facility III. We intend to provide a one stop solution for pilot plant requirements of our customers which will range from conceptualisation to commissioning of a pilot plant, and will include 3-D modelling, process simulation, control engineering, design, fabrication and construction of a pilot plant, followed by installation of the pilot plant at the site specified by the customer. We intend to develop pilot plants which cater to the research and development needs of companies in the oil and gas, petrochemicals, refineries, specialty chemicals, pharmaceuticals and nuclear sectors, as well towards the research and development needs of educational research institutions. Certain projects by government owned companies, in the pilot plant sector are awarded on the basis of competitive bidding, wherein vendors are evaluated inter alia on their technical capabilities and infrastructure set up to execute such projects. We believe our Company has the required technical capabilities and infrastructure set up which enables us to bid for projects in the pilot plant sector. Other projects in the pilot plant sector, such as those by privately owned chemical and pharmaceutical companies are awarded on the basis of bilateral or multi-party negotiations.

Our Company has a management team with extensive industry experience. Our Promoter, Krishan Lalit Bansal, has been associated with our Company since its inception in 1988 and has 37 years of experience in the process piping solutions industry. Our Board of Directors includes a combination of management executives and Directors who bring in significant business and management expertise. Each of our Senior Management Personnel have worked with our Company for more than 12 years, specifically, Pankaj Agarwal, our Chief Operating Officer, Charu Agarwal, our Vice President in the accounts department and Pawan Arora, our Associate Vice President, Vendor Relations Department have spent 29 years, 19 years and 12 years, respectively with our Company. As of June 30, 2023, our Company has 1,033 employees, of which 43 employees are highly skilled and experienced in welding and have specialist credentials such as CSWIP 3.0 and 3.1, AWS-CWI and CWV, and 58 employees are highly skilled and experienced in non-destructive examination and have specialist credentials such as NDE level II qualifications as per ASNT/ SNT-TC-1A, and NDE level III qualifications as per BS EN ISO 9712. We believe that the combination of our experienced Board of Directors, our dynamic management team and our skilled employees positions us well to capitalize on future growth opportunities.

Key Financial Information

Our other operating metrics are set forth below:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
	(in ₹ million, except percentages and ratios)		
Revenue from contracts with customers	5,954.95	4,609.16	4,952.17
Revenue from contracts with customers Growth (y-o-y)	29.20%	(6.93%)	NA
Total Income	6,143.20	4,708.39	5,130.26
EBITDA	691.76	646.07	536.84
EBITDA Margin (%)	11.62%	14.02%	10.84%
Restated Profit Before Tax	203.72	132.94	89.49
Restated Profit Before Tax Margin (%)	3.42%	2.88%	1.81%
Restated Profit for the year	129.72	81.97	142.05
Restated Profit for the year Margin (%)	2.18%	1.78%	2.87%
ROCE (%)	3.91%	3.99%	2.47%
RONW (%)	3.14%	2.04%	3.17%
Net Debt	3,198.28	2,600.86	2,246.77
Net Debt to Total Equity	0.75	0.63	0.49
Order Book	5,633.53	4,345.70	3,356.78

Notes:
"EBITDA" refers to restated profit for the year, as adjusted to exclude (i) other income, (ii) depreciation and amoritzation expenses, (iii) finance costs, (iv) total tax expense and (v) Share of profit of a Jointly controlled entity .
"EBITDA margin" is a Non-GAAP financial measure. EBITDA Margin refers to the percentage margin derived by dividing EBITDA by revenue from contracts with customers .
"Restated Profit before tax margin"(PBT margin) means profit before tax margin, which represents restated profit before tax as a percentage of revenue from contracts with customers.
"Restated Profit after tax margin represents restated profit for the year as a percentage of revenue from contracts with customers.
RoCE" means return on capital employed, which represents EBIT (Earnings before Interest and Tax) during the relevant year as a percentage of capital employed. Capital employed is the total of all types of capital, other equity, total borrowings, total lease liabilities and deferred tax liabilities (net) less deferred tax assets (net) as of the end of the relevant year
"RONW" means return on net-worth, return on net worth is the restated profit for the year divided by the net worth
"Net-debt" is calculated as total of non-current borrowings and current borrowings minus total of cash and cash equivalents and bank balances. "Net-debt to Total Equity" is calculated as net debt divided by total equity.
* *As certified by VSD & Associates, Chartered Accountants, through their certificate dated September 28, 2023.*

For information about Non-GAAP financial measures as set forth in the table above, see *"Other Financial Information - Non-GAAP measures – Reconciliation of Non-GAAP measures "* on page 338.

Our Strengths

Leading player in an industry with significant barriers to entry

We are an engineering company providing specialized process piping solutions for industries such as oil and gas, power (including nuclear), process industries and chemicals through engineering, procurement and manufacturing services. As part of our specialized process piping solutions, we also manufacture and supply piping products such as high-pressure piping systems, piping spools, high frequency induction pipe bends, LSAW pipes, industrial pipe fittings, pressure vessels, industrial stacks, modular skids and accessories including boiler superheater coils, de-super heaters and other customized manufactured components. Our leadership position can be attributed to factors such as our long-standing relationship with certain of our global customers, business experience, domain expertise and consistent quality of our products. We believe that such leadership position offers us competitive advantages such as product pricing, reduced costs due to economies of scale, our ability to scale our business, customer loyalty and increasing our client base.

As per the D&B Report, the process piping solutions industry in India has high entry barriers due to, among others, requirement of a skilled labour with complex manufacturing technology, high capital investment and the presence of robust design and execution capability. Given the nature of application of our products and engineering processes to critical industries such as oil and gas and power (including nuclear), our products and engineering processes are subject to, and measured against, high quality standards and stringent specifications of our customers. Further, as per the D&B Report the resources and time involved for a customer to change its suppliers are relatively high, consequently disincentivising such change and acting as a barrier to entry. Customers typically avoid sharing product related information with numerous manufacturers in order to restrict the spread of confidential information and as a result, customers select manufacturers after carefully reviewing them and tend to develop long-term relationships with them (*Source: D&B Report*). We believe that we have, over the years, built strong relationships with a significant portion of our customers, owing to our technical capabilities, track record, timely deliveries and good and consistent quality products and engineering capabilities.

Additionally, we believe that the level of technical skill and expertise essential for developing in-house engineering processes and handling complex metals require a significant amount of training that can only be achieved over a period of time and involves high initial investment as well as a recurring cost and thereby, creating a further entry barrier for new entrants.

Largest player in process piping solutions in India, in terms of installed capacity, providing specialized process piping solutions with strategically located state-of-the-art Manufacturing Facilities

Our Company currently is ranked as one of the leading process pipe solution providers in the world, in terms of technical capability to address complex process piping requirement arising from multiple industrial segments. (*Source: D&B Report*). At present, we are the largest player in process piping solutions in India, in terms of installed capacity (*Source: D&B Report*). We have six strategically located Manufacturing Facilities at Palwal in Haryana, Anjar in Gujarat, Barmer in Rajasthan and Bangkok in Thailand, with three Manufacturing Facilities located at Palwal, Haryana. Our Barmer Satellite Facility is a dedicated facility set up to cater to the piping and erection requirements of the HPCL Rajasthan Refinery Limited. Our wholly owned subsidiary, DFIPL operates our Anjar Heavy Fabrication Facility. Our six Manufacturing Facilities and the Anjar Heavy Fabrication Facility together span an area of approximately 425,578.54 square meters. Our Manufacturing Facilities had cumulative installed capacity of 94,500 MT per annum, 91,500 MT per annum and 86,500 MT per annum for Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively; and our capacity utilisation, calculated on the basis of our total production capacity was 43.10%, 27.40% and 27.77% for Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively. Since a significant portion of our sales are to our overseas customers, our Anjar Facility I, the Anjar Heavy Fabrication Facility and, the proposed New Anjar Facility and the Bangkok Facility are strategically located with access to ports. Our facilities at Anjar, Gujarat are located at a distance of approximately 24 kms from the Deendayal Port Trust (Kandla Port) and at a distance of approximately 75 kms from the Adani Ports and Special Economic Zone (Mundra Port). Our Bangkok Facility is located at a distance of approximately 62 kms from the Bangkok Port.

The table below sets forth the installed production capacity and the capacity utilization at each of our Manufacturing Facilities and our Anjar Heavy Fabrication Facility for Fiscal 2023, Fiscal 2022 and Fiscal 2021:

Facilities	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Installed Capacity (in MT)*	Capacity Utilization (in %)*	Installed Capacity (in MT)*	Capacity Utilization (in %)*	Installed Capacity (in MT)*	Capacity Utilization (in %)*
Palwal Facility I	9,000.00	5.62 %	9,000.00	5.57 %	9,000.00	5.23 %
Palwal Facility II	3,000.00	67.13 %	3,000.00	60.77 %	3,000.00	42.43 %
Palwal Facility III	24,000.00	78.84 %	24,000.00	42.07 %	24,000.00	48.90 %
Barmer Facility	5,000.00	55.04 %	5,000.00	31.29 %	-	-
Anjar Facility I	3,000.00	41.60 %	-	-	-	-
Bangkok Facility	14,500.00	39.34 %	14,500.00	23.84 %	14,500.00	19.28 %

Facilities	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Installed Capacity (in MT)*	**Capacity Utilization (in %)***	**Installed Capacity (in MT)***	**Capacity Utilization (in %)***	**Installed Capacity (in MT)***	**Capacity Utilization (in %)***
Anjar Heavy Fabrication Facility	36,000.00	26.63 %	36,000.00	21.19 %	36,000.00	21.52 %

* *As certified by V.K. Wadhawan, Chartered Engineer, by certificate dated August 25, 2023.*

Our Manufacturing Facilities are equipped with modern equipment and systems which includes fully automated robotic welding systems, in-house non-destructive examination facilities such as radiography test, magnetic particle test, ultrasonic test, liquid penetrant test, visual test, semi-automatic shot blasting machines and separate fabrication shops for stainless steel and a clean room/ dust free manufacturing facility. Our engineering processes are technologically advanced which allow us to offer our customers latest products and advanced manufacturing processes. We have a history of setting up advanced equipment and technology, as well as carrying out improved processes before other players in the market. We are continuously looking to adopt newer technologies to improve and increase productivity, efficiency and economies of scale at our Manufacturing Facilities.

Our Chennai Engineering Facility is focused on engineering of specialized process piping solutions, improving our existing production processes, expanding capabilities and improving the quality of our existing products and engineering, coupled with material and cost efficiency. We believe quality is a key differentiator in our business. We have made efforts to adopt uniform manufacturing standards with robust controls across all our facilities. Our manufacturing infrastructure is complemented by our stringent quality and safety standards and processes which are evidenced by our multiple ISO certifications, and other certifications as per the Pressure Equipment Directive norms, American Society of Mechanical Engineers Code Stamp Piping, Indian Boiler Regulations and the Canadian Welding Bureau. We also manufacture industrial pipe fittings which are registered under the Canadian Registration Number. We have quality assurance certificates with respect to the Pressure Equipment Directive 2014/68/EU. We have certain personnel who are members of the American Welding Society. For further details on a comprehensive list of our certifications and accreditations, see the section titled "*Our Business- Quality Control, Testing and Certifications*" on page 214. We also have a National Accreditation Board for Testing and Calibration Laboratories accredited physical and chemical testing laboratory equipped with latest testing equipment where we undertake state of the art mechanical, metallurgical, chemical and analytical tests such as tensile test, charpy test, hardness test, tests for micro and macro structure, spectrometric analysis, corrosion test, ferrite test, IGC test, bend test and flattening test amongst others.

Long standing customer relationships with a strong order book

We have, through the three and a half decades of business operations, established long-term relationships with customers across industries we cater to. We believe that our ability to address the various and stringent client requirements over long periods enables us to obtain additional business from existing clients as well as new clients in an industry marked by high entry barriers. We have a balanced mix of domestic and overseas customers including certain Fortune 500 companies in India and various multinational corporations. Our customers include global companies such as JGC Corporation, Nooter Eriksen, MAN Energy Solutions SE, Mitsubishi Heavy Industries and John Cockerill S.A, and Indian companies such as Reliance Industries Limited, Thermax Babcock & Wilcox Energy Solutions Limited India, HPCL–Mittal Energy Limited, Toshiba JSW Power Systems Private Limited, UOP India Private Limited, Doosan Power Systems India Private Limited and Andritz Technologies Private Limited. One of the entry barriers to the industry in which we operate is the lead time required to build confidence and relationships with our customers.

We believe our customer relationships are led primarily by our ability to develop processes, meet stringent quality and technical specifications and manufacture customers' products in a timely and cost effective manner. As a result, we have a history of high customer retention and have been manufacturing products for certain customers for over a decade. Set forth below are the details of our customers with whom we have long standing relationships:

Customer	Country	Number of years of association
Reliance Industries Limited	India	12
Mitsubishi Heavy Industries	Japan	11
Toshiba JSW Power Systems Private Limited	India	10
Nooter Eriksen	United States of America	10
MAN Energy Solutions SE	Germany	11
John Cockerill S.A	Belgium	11
UOP India Private Limited	India	7

We believe that such long-term association with our customers offers us significant competitive advantages such as revenue visibility, industry goodwill, a deep understanding of the requirements of our customers and is a testament to the quality of our products and services.

As of June 30, 2023, we had an order book of ₹ 5,787.38 million, which constituted 97.19% of our revenue from contracts with customers for Fiscal 2023. Set out below is the split of our order book from our customers operating in various industries, along with a percentage of the order book details against our revenue from contracts with customers in Fiscal 2023:

Sectors in which our customers operate	Order book contribution (in ₹ million) as of June 30, 2023	As a percentage of revenue from contracts with customers in Fiscal 2023 (%)
Oil and gas	3,495.70	58.70 %
Power (including nuclear)	2,127.26	35.72 %
Process Industries	164.42	2.76 %
Total	**5,787.38**	**97.19 %**

The table below sets forth the breakdown of our order book from our domestic and overseas customers, along with a percentage of the order book details against our revenue from contracts with customers in Fiscal 2023:

Customers	Order book contribution (in ₹ million) as of June 30, 2023	As a percentage of revenue from contracts with customers in Fiscal 2023 (%)
Domestic customers	2,979.78	50.04 %
Overseas customers	2,807.60	47.15 %
Total	**5,787.38**	**97.19 %**

The table below sets forth contribution to our revenue from contracts with customers by our largest customer, top 10 customers and top 20 customers in Fiscal 2023, Fiscal 2022 and Fiscal 2021 respectively:

Customers	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Revenue contribution (in ₹ million)	As a percentage of total revenue from contracts with customers (%)	Revenue contribution (in ₹ million)	As a percentage of total revenue from contracts with customers (%)	Revenue contribution (in ₹ million)	As a percentage of total revenue from contracts with customers (%)
Largest customer	822.17	13.81%	781.54	16.96%	940.57	18.99%
Top 10 customers	3,928.08	65.96%	3,374.00	73.20%	3,582.67	72.35%
Top 20 customers	5,159.73	86.65%	4,188.14	90.87%	4,381.80	88.48%

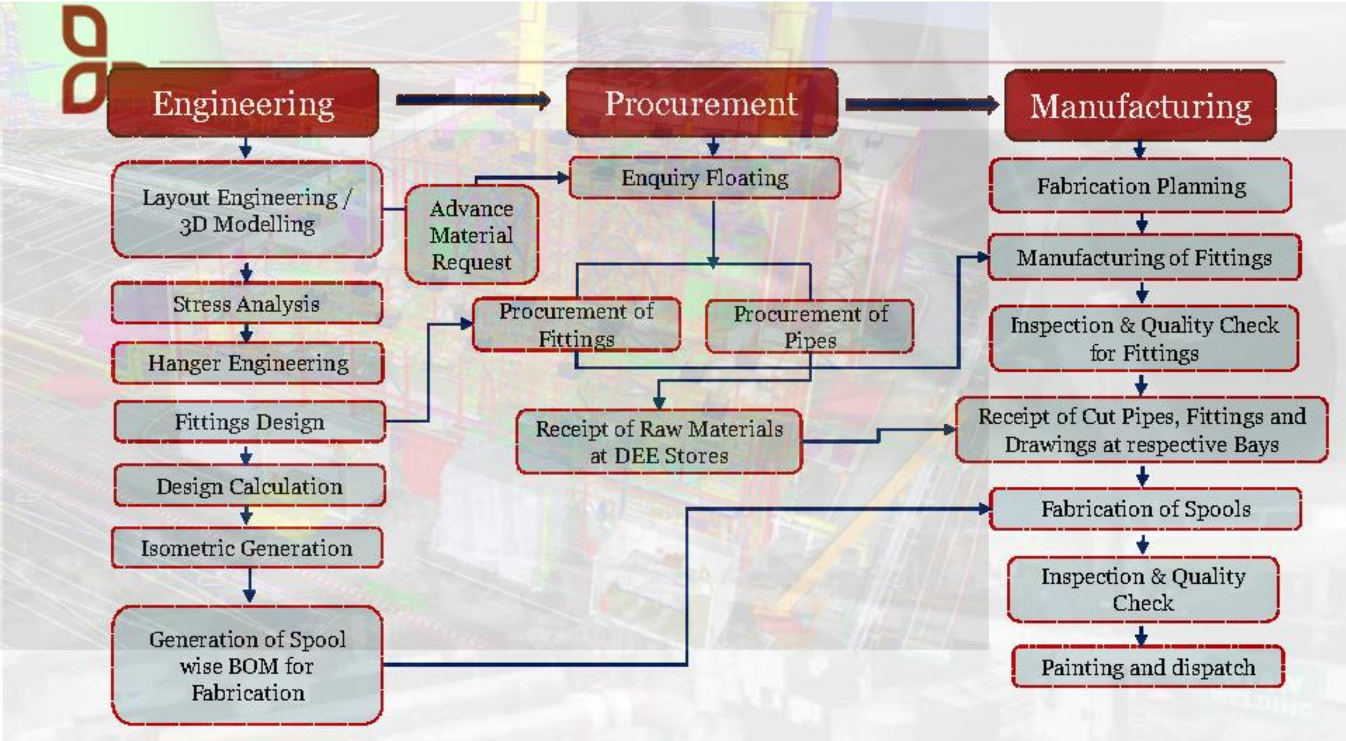
We believe that as a result of our long-standing relationships with our customers, we are well equipped to retain our presence in the market and build upon these relationships to increase our product base and reach out to new customers. These enduring customer relationships have helped us expand our product offerings and geographic reach. Our long-term relationships and ongoing active engagements with customers also allow us to plan our capital expenditure, enhance our ability to benefit from increasing economies of scale, thereby ensuring a competitive cost structure to achieve sustainable growth and profitability.

Wide range of specialized product offerings and services making us a comprehensive solution provider for our diversified customers spread across geographies and sectors

As an integrated manufacturing partner providing 'design-led-manufacturing' solutions to our customers, we provide designs, engineering solutions, manufacturing and testing to ensure that our customers' products meet robust standards in reliability, safety and performance.

We believe that our diversified product portfolio which includes piping spools, induction pipe bends, industrial pipe fittings, pressure vessels, modular piping (skids and modules), industrial stacks, wind turbine towers and pilot plants allows for limited dependence on individual products and addresses different business cycles across industries where our products are used.

The flowchart below indicates how our Company is a comprehensive solutions provider:



Our business footprint spans across geographies. As of March 31, 2023, we served customers across 27 countries. In Fiscal 2023, Fiscal 2022 and Fiscal 2021 our revenue from contracts with customers for sales outside India was ₹ 2,685.92 million, ₹ 1,681.48 million and ₹ 2,259.62 million, respectively, which represented 45.10%, 36.48% and 45.63% of our revenue from contracts with customers, respectively. Set out below are details of certain countries to which we supply our products, and revenues generated from such countries for the indicated year:

Countries	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Revenue (in ₹ million)	As a percentage of total revenue from contracts with customers (%)	Revenue (in ₹ million)	As a percentage of total revenue from contracts with customers (%)	Revenue (in ₹ million)	As a percentage of total revenue from contracts with customers (%)
Canada	822.17	13.81%	248.58	5.39%	Nil	Nil
Thailand	550.48	9.24%	293.92	6.38%	251.85	5.09%
United States of America	342.03	5.74%	724.99	15.73%	881.15	17.79%
Switzerland	253.75	4.26%	137.76	2.99%	100.07	2.02%
Italy	252.27	4.24%	16.06	0.35%	45.74	0.98%
Malaysia	138.19	2.32%	245.97	5.34%	Nil	Nil
Nigeria	0.31	0.01%	60.12	1.30%	736.49	14.87%
Germany	89.38	1.50%	51.52	1.12%	215.97	4.36%
Japan	188.56	3.17%	0.16	0.00%	203.82	4.12%

Our products and engineering services have applications across a spectrum of industries such as oil and gas, power (including nuclear), process industries and chemicals. Our revenue contribution from our customers in the oil and gas, power (including nuclear), process industries and chemical industries are set out below together with our revenue from these sectors as a percentage of our total revenue from contracts with customers in Fiscal 2023, Fiscal 2022 and Fiscal 2021:

Sectors	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	In ₹ million	As a percentage of total revenue from contracts with customers (%)	In ₹ million	As a percentage of total revenue from contracts with customers (%)	In ₹ million	As a percentage of total revenue from contracts with customers (%)
Oil and Gas	3,057.79	51.35%	1,953.79	42.39%	1,610.63	32.52%
Power (including nuclear power)	2,033.83	34.16%	1,835.11	39.81%	2,217.84	44.79%
Process Industries (including sugar, specialty chemicals and distilleries)	119.88	2.01%	35.81	0.78%	228.64	4.62%
Chemical	4.37	0.07%	0.00	0.00%	234.79	4.74%

Strong focus on automation and process excellence with an experienced engineering team to drive operational efficiencies

Our Manufacturing Facilities have a good mix of automation and manual processes with automated equipment such as fully automated robotic welding systems, automatic GMAW welding system, fully CNC heat treatment furnaces (gas and electric), semi-automatic shot blasting and painting machines and in-house non-destructive examination facilities. Our automation capabilities enable us to combine operations and eliminate multiple operators in the production process in order to increase productivity, while controlling costs and maintaining consistent product quality. Further, our Manufacturing Facilities are adequately supported by sophisticated infrastructure and processes including induction heating method, in-house non-destructive examination facilities such as radiography test, magnetic particle test, ultrasonic test, liquid penetrant test, visual test, pneumatic test and hydro test. We believe that our company has sophisticated processes for welding such as no backing gas process. We also possess highly sophisticated non-destructive examination tools such as phased array ultrasonic testing, digital radiography, safe radiography and spectrometers for chemical analysis.

We have made and expect to continue making capital expenditure in maintaining and growing our existing infrastructure, purchasing equipment, and developing and implementing new processes and technologies at our Manufacturing Facilities. In Fiscal 2023, Fiscal 2022 and Fiscal 2021, our capital expenditure was ₹728.63 million, ₹266.25 million and ₹178.86 million, respectively, representing 12.24%, 5.78% and 3.61%, respectively, of our revenue from contracts with customers, from such periods.

We have been focusing on design capabilities for complex and critical piping projects which has enabled us to maintain our position in the oil and gas sector and power sector and is enabling our expansion in the chemicals and nuclear power sector. Our engineering expertise and technology driven processes has enabled us to deliver on projects in accordance with the designs, specifications and timelines of each project. As of June 30, 2023, we have a team of 717 personnel working on design, engineering and product development, including 165 production cum welding engineers, 46 project engineers, 148 quality assurance and quality control engineers. Our focus on process innovation through continuous engineering as well as our deployment of modern technology has been instrumental in the growth of our business and improved our ability to customize products for our customers. Our focus on upgrading processes and technology has enabled us to manufacture products in an energy and cost-efficient manner. Our in-house engineering and design teams reduce our dependence on outsourcing engineering, design and non-destructive examination work to third party consultants.

Experienced and dedicated promoter and professional management team with extensive domain knowledge

We are led by our Promoter, Chairman and Managing Director, Krishan Lalit Bansal, who has more than three and a half decades' experience in engineering and manufacture of piping products. Our Promoter is actively involved in the critical aspects of our business including engineering, operational systems, quality assurance, marketing and finance. Our Promoter has been awarded with the Business Leader of the Year, 2011 and Lifetime Achievement Award in 2016 by the Faridabad Industries Association. He was also conferred with the 'Business Excellence Award' by the International Study Circle and the 'Rashtriya Rattan Award' by the All-India National Unity Council for his contributions to the industry.

Our Company has a professional management team with extensive experience in providing engineering and specialized process piping solutions and a track record of operational excellence, which we believe is necessary to successfully lead the development of our business. Each of our Senior Management Personnel have worked with our Company for more than 12 years, specifically, Pankaj Agarwal, our Chief Operating Officer, Charu Agarwal, our Vice President in the accounts department and Pawan Arora, our Associate Vice President, Vendor Relations Department have spent 29 years, 19 years and 12 years, respectively with our Company. The key management team consists of individuals who average approximately 15 years of experience in the industry. The commitment and track record of our management team provides stability in the execution of our business plan.

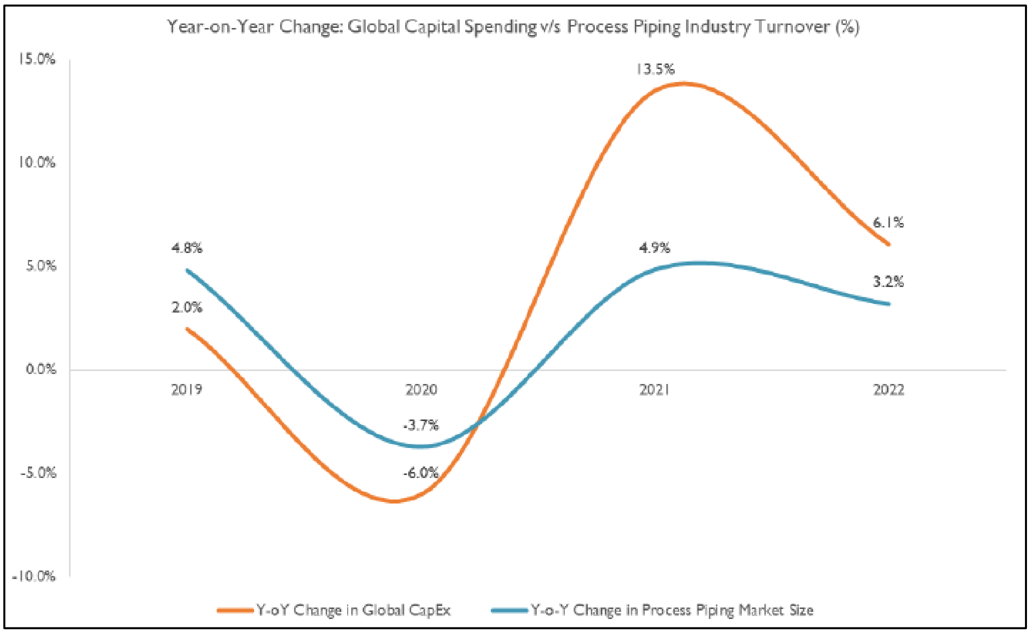
We believe that the experience, depth and diversity of our Promoter, directors, management team and our engineering team has enabled our Company to be recognised as a leading provider of specialized process piping solutions in India. Their industry experience enables us to anticipate and address market trends, manage and grow our operations, maintain and leverage customer relationships and respond to changes in customer preferences. For further information on our Promoter, Directors and management team, see "*Our Promoter and Promoter Group*" and "*Our Management*" on pages 263 and 245, respectively.

Our Strategies

Leverage our market leading position in the industry to capitalize on the revival of capital expenditure cycle in the sectors which we service which will drive the next phase of our growth

We are an engineering company providing specialized process piping solutions for industries such as oil and gas, power (including nuclear), process industries and chemicals, through design, engineering, procurement and manufacturing. As part of our specialized process piping solutions, we also manufacture and supply piping products such as high-pressure piping systems, piping spools, high frequency induction pipe bends, LSAW pipes, industrial pipe fittings, pressure vessels, industrial stacks, modular skids and accessories including boiler superheater coils, de-super heaters and other customized manufactured components. As per the D&B Report, the market for process piping solutions is expected to reach ₹ 38.4 thousand crore in India is expected to grow at CAGR of nearly 6% between FY 2022 and FY 2030.

As per the D&B Report, the demand for process piping solution is directly tied to the capital expenditure pattern taking place in the industrial segment. Construction of any nature involving creation or expansion of an industrial facility will almost always result in demand for process piping hardware and services (*Source: D&B Report*). Given this direct corelation, capital expenditure spending serves as a proxy demand indicator for process piping solutions (*Source: D&B Report*). Set out below is the year-on-year change in global capital expenditure spending as compared to turnover in the process piping industry:



According to the D&B Report, India's crude oil demand is expected to increase from 4.7 million barrels per day in FY 2021 to 6.7 million barrels per day in FY 2030. Further, the annual consumption volume for petroleum products is expected to rise from 223 MTPA in FY 2023 to nearly 335 MTPA in FY 2030 (*Source: D&B Report*). To meet the demand, the petroleum refining capacity is also expected to scale up to similar volumes and is expected to reach 450 MTPA by Fiscal 2030. As per the D&B Report, based on the production volume during the first half of Fiscal 2023, the annual production of chemical and petrochemicals is estimated to be nearly 13 MTPA and 40.5 MTPA, respectively, for Fiscal 2023. By the end of this decade, the annual production of chemicals and petrochemicals is expected to reach nearly 22.5 MTPA and 70.6 MTPA, respectively (*Source: D&B Report*). As per the D&B Report, during the Fiscal 2013 to Fiscal 2023, electricity generation has increased by a CAGR of 5.3%. The electrical requirement in India which was nearly 1,512 BU in Fiscal 2023 is expected to surge to approximately 1,900 BU in Fiscal 2027, and further approximately to 2,500 BU in Fiscal 2032 (*Source: D&B Report*). The Government is proactively investing in expanding generating capacity, with the aim to reach an installed generation capacity of 623 GW by Fiscal 2027 and 866 GW by Fiscal 2032 (*Source: D&B Report*). Further, as per the D&B Report, India's National Green Hydrogen Mission is aimed at developing green hydrogen production capacity of at least 5 MMT annually with an associated renewable energy capacity addition of at least 125 GW in India. The Government has approved an outlay of ₹ 19,744 crores from Fiscal 2024 to Fiscal 2030 to make India a global hub for production, usage and export of green hydrogen and its derivatives (*Source: D&B Report*).

The increase in demand, production and consumption as set forth above, will give rise to capital expenditure in these sectors. Set out below is a table indicating the projected capital expenditure in the petroleum refining sector, chemical manufacturing sector and the power generation sector (*Source: D&B Report*):

Sectors	Capital expenditure projects currently under implementation	Percentage expected to be operational	Capital expenditure spending visibility beyond 2026*
Petroleum refining	₹ 339,000 crore	50% by the end of CY 2023 with the remaining spread over the next three years, extending till FY 2026	₹ 688,000 crore
Chemical manufacturing	₹ 156,000 crore	45% by the end of FY 2024 with the remaining spread over the next three years, extending until FY 2026.	₹ 227,000 crore
Power generation	₹ 427,000 crore	83% by the end of FY 2024, with the remaining spread until FY 2026.	₹ 525,000 crore

* *This includes projects that has been announced but yet to be started as well as projects whose completion stretches beyond 2027. This also include those investments that is tagged as live, but there is no detailed information on current status. Unless and until specified these investments are treated as live* (*Source: D&B Report*).

Due to our market leadership position, customer relationships, expertise, infrastructure and skilled manpower, we are well positioned to capitalize on these market opportunities. We benefit from our established relationships with multinational and domestic customers. We believe that our Company is well positioned to consolidate its existing capacity to capitalize upon future growth that is envisaged. We have, and continue to, expand our business through organic growth to increase our production capacities and product portfolio. Consistent with past practice, we will look to add capacity in a phased manner to ensure that we utilize our capacity at optimal levels. We also intend to provide specialized process piping solutions to customers operating in the pharmaceutical and hydrogen energy sectors. Further, we intend to increase our revenue contribution from customers operating in the chemical sector.

We are in the process of enhancing our manufacturing capabilities by setting up the Numaligarh Facility with a capacity of 6,000 MT per annum; and the New Anjar Facility, which will increase the total capacity of our Anjar facilities (excluding our heavy fabrication capacity) from 3000 MT per annum to 15000 MT per annum. We have leased 10,167.30 square meters of land, and have acquired 176,849.00 square meters of land, towards setting up of the Numaligarh Facility and the New Anjar Facility, respectively. Our Numaligarh Facility will be situated at close geographical proximity to the expansion projects of the Numaligarh refinery and other refineries in the north-east region of India. We intend to use lean manufacturing practices at these facilities together with increased automation, which is expected to augment our efficiency. We also intend to avail government subsidies which are available for setting up these manufacturing facilities.

Drive automation across our facilities and processes to bring in operational efficiencies

We are a focused on using appropriate cost-effective technologies for different volumes and varieties of products, to continue to be a comprehensive solution provider to our customers for their different process piping requirements. Improving cost and operational efficiency in our manufacturing processes continues to be one of our key strategies. We have implemented strategic cost-saving and efficiency improvement measures such as automation solutions to improve productivity and bring efficiency in the manufacturing processes. We plan to continue to invest in reducing manual intervention in manufacturing, material handling and other aspects of our business. We believe that such investments in automation and digitization of our internal operations gives us an advantage in terms of our operational costs including employee cost and reduce levels of rework required during our manufacturing processes. We endeavour to increase automation across all our processes across all our Manufacturing Facilities.

We intend to increase the level of automation at our upcoming manufacturing facilities at Numaligarh and Anjar as compared to the current levels of automation at our existing Manufacturing Facilities. The completion of our expansion plans and a consequent increase in our installed capacity, will reduce the pressure on our existing Manufacturing Facilities. This will in turn enable us to re-engineer and automate certain processes and systems at our existing Manufacturing Facilities.

We further intend to leverage our design, engineering and manufacturing capabilities to increase our focus on advanced technology products. We also intend to reinforce our manufacturing efficiencies through prudent investments aimed at sustainable business opportunities and expect our initiatives to support the development of new processes aimed at improving production efficiencies and to also address strategic business opportunities in the global specialized process piping solutions industry. We intend to maintain efficiency and profitability by achieving productivity improvement of existing processes through constant optimization and process cycle time reduction in our manufacturing process. We believe we have low execution costs which is partly attributable to our integrated operations, strategically located manufacturing facilities and investment in technology. Further, the scale of our operations provides us with a significant advantage in reducing costs and sustaining our cost advantage. We also believe that operational efficiency, i.e., maintaining quality, minimizing costs and ensuring timely completion of our projects depends largely on the skill and workmanship of our employees.

Forging technology tie-ups with select global OEMs to derive consistent order flow and making us a preferred partner

We intend to augment our scale of operations through inorganic expansion strategies, including selectively evaluating targets for technical alliances, in order to consolidate our position as an integrated, comprehensive solution for providing specialized process piping solutions. Our Company and a multinational oil and gas company have entered into the Collaboration Agreement in order to use and/ or incorporate each other's intellectual property for mutual business benefits in relation to a pipe fabrication automation trial/ test by utilising certain automation equipment. Each party shall bear its own fees, expenses and/or costs of any kind in respect of its roles and responsibilities. Upon completion of the pipe fabrication automation trial/ test, if in the sole opinion of the multinational oil and gas company it evaluates and decides that the results of the trial/ test are technically and commercially viable, the parties intend to negotiate in good faith to enter into a definitive agreement for the performance of pipework fabrication. The Collaboration Agreement is valid for a term of three years from the effective date, i.e., February 7, 2023, or the completion of the development as determined by the multinational oil and gas company, whichever is earlier. We expect this collaboration to have a positive impact on our revenue on a sustainable basis from the multinational oil and gas company.

We intend to enter into similar technology tie-ups with other global OEMs in process industries for reducing the time involved in product cycles and assuring deliveries to further enhance our engineering capabilities and enter into previously untapped markets. Our senior management evaluates potential opportunities and assists us in evaluating each potential collaboration in determining how their business model or solution will integrate with our existing product portfolio, engineering and technical capabilities, and how both the companies can mutually benefit from such potential investments or collaboration.

Increasing our focus on high margin products with additional contributions from modular skids and usage of high-grade materials which offers a better margin contribution to profitability

We continually evaluate product and service opportunities enabling movement towards higher value-addition and improving margin profile of our revenue portfolio. Our focus on higher gross margin products coupled with our process and procurement efficiency has led to consistent improvement in gross margins and growth in gross profits. We regularly evaluate our existing manufacturing portfolio and undertake calibrated relocation of manufacturing any identified product to optimize cost structure and resulting margins. We intend to sustain and increase the growth of our piping division through a combination of measures including by increasing contributions from modular skid components, usage of higher-grade materials and focussing on customer retention.

We offer advanced specialized process piping solutions to our customers for pipe rack and processing structures by way of modular skids. These modular skids have a wide range of applications in the petrochemicals and natural gas sectors as well as in energy projects. Modular skids offer customers numerous advantages over conventional structures such as the structure being safer and quicker to install and commission, efficiency in cost and materials used while allowing for robust designs with scalability. As part of our strategy, we also intend to expand our usage of high-grade materials including inconel and hastelloy in our specialized process piping solutions. We intend to increase the share of contributions to our revenue from contracts with customers, from high-grade materials and modular skids, since these materials and products have a better margin profile. We believe that our focus on high margin materials and products will provide higher returns and help us in increasing our profitability.

Launch our pilot plant offerings in the near-future

We have recently expanded our business by entering a new business vertical of design, engineering, fabrication and manufacturing of pilot plants. Our order book from pilot plants as of August 31, 2023 is ₹ 105.60 million. Pilot plants are small scale process plants which act as a pre-commercial production system to evaluate the feasibility of certain processes before the start of full-scale production. We believe that our engineering capabilities, and expertise in design, fabrication and technical knowhow will enable us to successfully execute projects in this sector. We intend to provide a one-stop solution for the pilot plant requirements of our customers in the oil and gas, petrochemicals, refineries, specialty chemicals, pharmaceuticals and nuclear sectors. This includes providing services to our customers ranging from conceptualisation to commissioning of the pilot plant, which will include 3-D modelling, process simulation, control engineering, design, fabrication and construction of the pilot plant, followed by installation of the plant at the site which the customer requires the plant to be set-up. We have recently received our first order for the design, engineering, fabrication and manufacturing of a pilot plant.

We believe that our pilot plant offerings will enable our Company to start engaging early with our clients, create stickiness and provided end to end solutions. We believe that due to our experience and success in designing and setting up modular skids for our customers across various sectors combined with our wealth of experience in the specialized process piping solutions sector, we are well positioned to capitalise on the opportunity in the pilot plant manufacturing sector.

Focus on deleveraging and maintaining financial flexibility

Our Company and our Subsidiaries have availed term loans and working capital facilities in the ordinary course of business. As of July 31, 2023 our total fund and non-fund based outstanding indebtedness amounted to ₹ 6,502.40 million. For further information, see "*Financial Indebtedness*" on page 342. We intend to utilize ₹ 1,750.00 million of the Net Proceeds towards the repayment or prepayment of all or a portion of certain borrowings availed by us and our Subsidiaries, DEE Piping Systems (Thailand) Company Limited and DEE Fabricom India Private Limited. As part of our strategic initiatives, we intend to deleverage our Company through repayment or re-financing of existing debt or an equity injection. The savings in interest costs are expected to increase our profitability and return on equity to shareholders. As our operations mature, we may also seek opportunities to maintain an efficient capital structure with high balance sheet flexibility.

DESCRIPTION OF OUR BUSINESS

We are an engineering company providing specialized process piping solutions for industries such as oil and gas, power (including nuclear), process industries and chemicals through engineering, procurement and manufacturing. As part of our specialized process piping solutions, we also manufacture and supply piping products such as high-pressure piping systems, piping spools, high frequency induction pipe bends, LSAW pipes, industrial pipe fittings, pressure vessels, industrial stacks, modular skids and accessories including boiler superheater coils, de-super heaters and other customized manufactured components. Our Company currently is ranked as one of the leading process pipe solution providers in the world, in terms of technical capability to address complex process piping requirement arising from multiple industrial segments. (*Source: D&B Report*). At present, we are the largest player in process piping solutions in India, in terms of installed capacity (*Source: D&B Report*). We act as a comprehensive solution provider for all of our customer's process piping requirements by providing engineering, procurement and manufacturing services such as welding, heat treatment, non-destructive examination testing such as radiography, phased array ultra sonic testing, hydro testing, pickling, surface preparation, painting and packing and beveling.

We also operate two biomass power generation plants, one through our Company, in Abohar, Punjab and the other through our wholly owned subsidiary, MPPL, in Muktsar, Punjab, with a contracted annual capacity of 8 MW and 6 MW, respectively. Further, we manufacture wind turbine towers and industrial stacks through our wholly owned subsidiary, DFIPL, at our Anjar Heavy Fabrication Facility. We have also recently expanded our services by entering into the business of manufacturing pilot plants at our Palwal Facility III.

Our business operations are categorized under the following business divisions (i) Piping Division; (ii) Power Division; and (iii) Heavy Fabrication.

The table below sets out our revenue from contracts with customers for our business divisions for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, in accordance with Ind AS 108:

Business Divisions	**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
	In ₹ million	**As a percentage of total revenue from contracts with customers (%)**	**In ₹ million**	**As a percentage of total revenue from contracts with customers (%)**	**In ₹ million**	**As a percentage of total revenue from contracts with customers (%)**
Piping Division	5,291.23	88.85%	3,706.96	80.42%	4,180.82	84.42%
Power Division	740.36	12.43%	785.79	17.05%	667.05	13.47%
Heavy Fabrication	181.79	3.05%	223.84	4.86%	158.73	3.21%
Elimination	(258.43)	(4.33%)	(107.43)	(2.33%)	(54.43)	(1.10%)
Total	**5,954.95**	**100.00%**	**4,609.16**	**100.00%**	**4,952.17**	**100.00%**

OUR PRODUCT, SERVICES AND MANUFACTURING PROCESSES

As part of our specialized process piping solutions, we manufacture and supply piping products such as high-pressure piping systems, piping spools, high frequency induction pipe bends, LSAW pipes, industrial pipe fittings, pressure vessels, industrial stacks, modular skids and accessories including boiler superheater coils, de-super heaters and other customized manufactured components. Our vast experience of over three and a half decades in piping manufacturing, coupled with advanced infrastructure and technology, enables us to provide process piping solutions tailored to our customer's needs. Over the years, we have developed a wide range of products to meet the evolving requirements of our customers. Set forth is a description of our key products which we manufacture and engineering services which we provided, under each of our business verticals:

Products

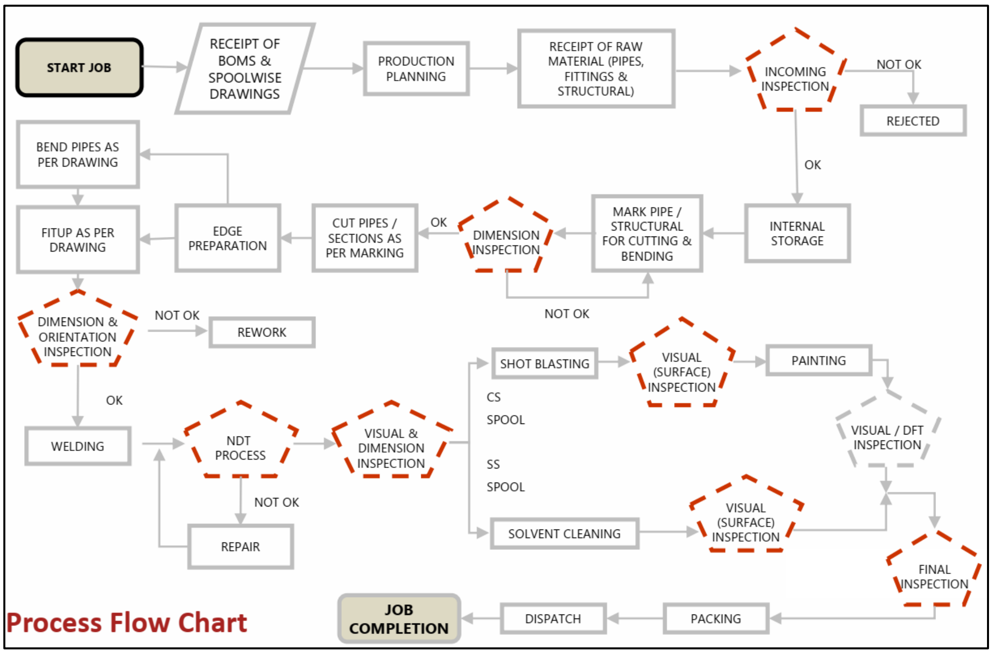
Our product portfolio primarily consists of piping spools, industrial pipe fittings, induction pipe bends, pressure vessels, industrial stacks, modular piping (skids and modules), wind turbine towers and pilot plants, which we manufacture as per the requirements of our customers in domestic and international markets.

Piping Spools

Piping spools are prefabricated components of a piping system and include pipes, flanges and industrial pipe fittings. They connect long pipes, either with butt weld ends which get welded at sites and or with flanges at the tips so that they can be bolted to another pipe or equipment with similar type of flanges. They are usually fabricated offsite wherein the raw pipes are pre-cut to desired sizes and temporarily fitted together with industrial pipe fittings and other components, and finally the partially finished sub-assembly is welded with other spool components. The pipe spools are mounted during the fabrication process and delivered pre-mounted which, in our experience, makes it easier to assemble and is useful for industries which operate with limited space and shorter turnaround time for construction.

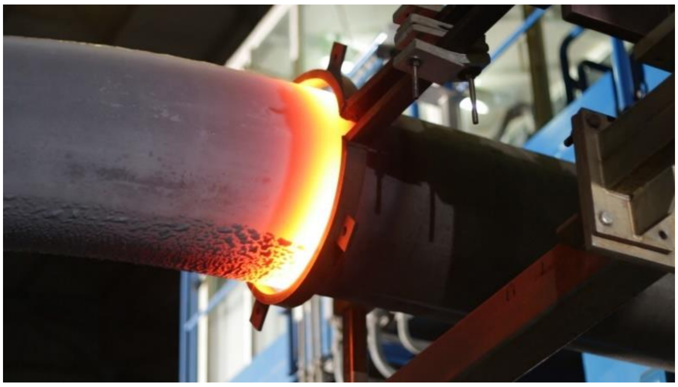
Process for Fabrication of Piping Spools

Below is a process chart which sets out our piping spool fabrication process:



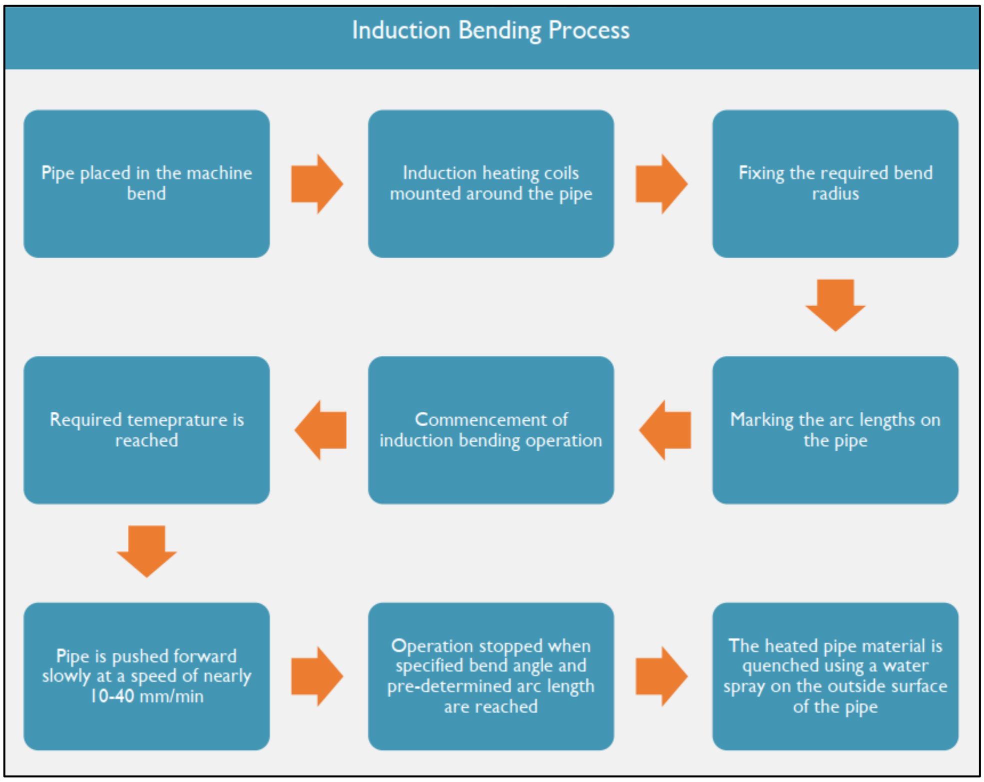
Induction Pipe Bends

Induction pipe bends, also known as weld less pipe spools, are pipes bent at desired angles and are manufactured through high frequency induction bending. Induction bending uses induction coils to generate extreme heat in the area of pipe which needs to be bent. The heated section is then moulded by a fixed arm and bent to get the desired angle. We manufacture seamless, LSAW induction pipe bends in the material grades of carbon steel, alloy steel, austenitic steel, stainless steel, super duplex stainless steel and incoloy materials. We specialise in alloy steel grade P91 and P92 air-quench induction bends and stainless-steel induction bending. Induction pipe bends are used in various industries like power (thermal and nuclear), oil and gas, petrochemical refineries, process industries, desalination plants and cement industries.



Induction Bending Process

Set out below is a flowchart which describes our induction bending process:



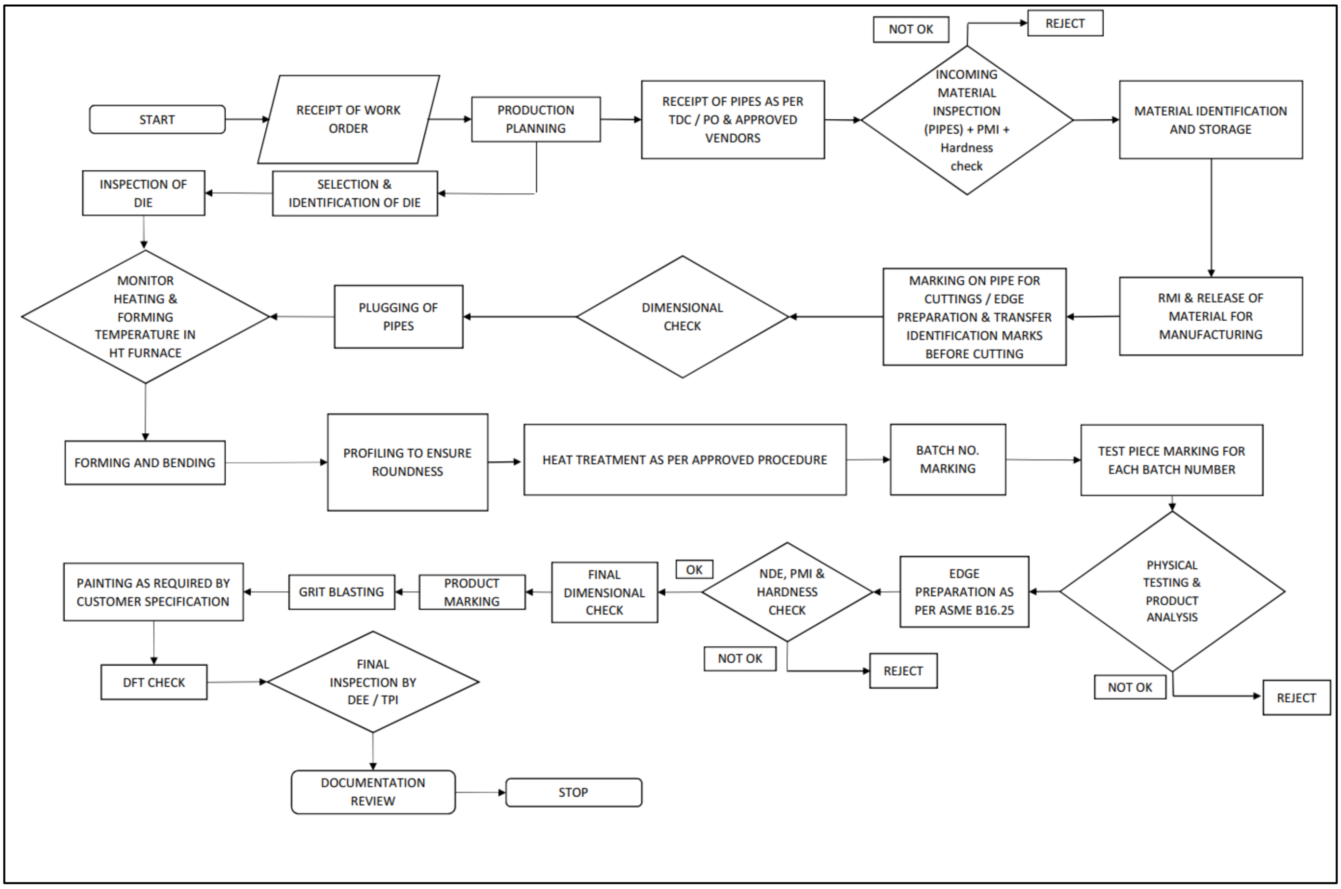
Industrial Pipe Fittings

Industrial pipe fittings are used in piping systems to connect straight pipes or tubing sections and help in adapting to different sizes or shapes, wherever required to provide a joint if two dissimilar piping materials are used in the same system, or for redirecting the piping system (*Source: D&B Report*).

We use industrial pipe fittings to manufacture pipe spools as well as for direct sale to OEMs. We also manufacture and engineer 'Y' pieces and long 'U' bends which requires skilled labour and advanced machinery, which find applications in the power and oil and gas industries, respectively.

Process for Manufacturing Industrial Pipe Fittings

Set out below is a flowchart which describes our process for manufacturing industrial pipe fittings:

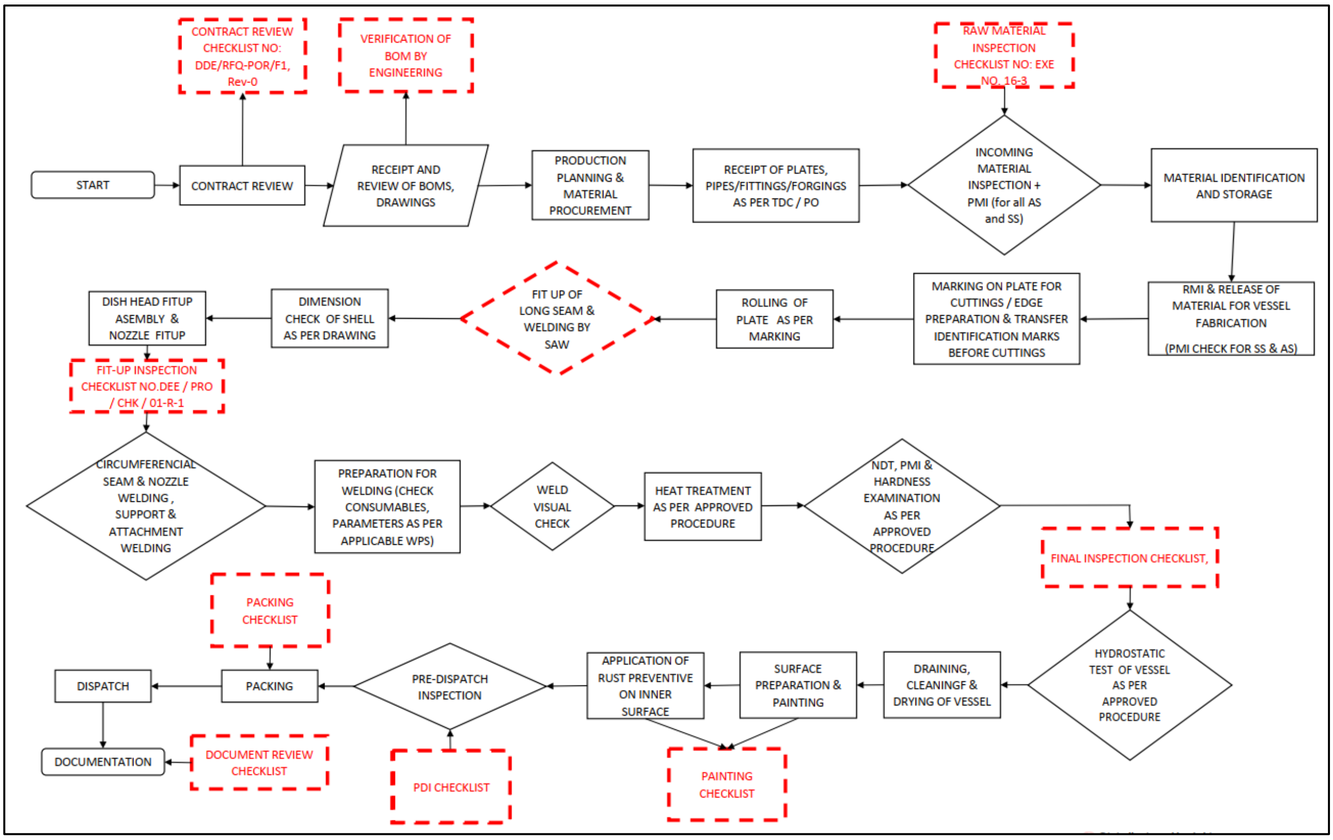


Pressure Vessels

A pressure vessel is a container designed to hold gases or liquids at a pressure which is significantly different from the ambient pressure, either internally or externally. Typically, the various components of a pressure vessel include the shell (provides the longitudinal length of the vessel and are generally circular in shape); head (one of the end caps on a cylindrically shaped pressure vessel); nozzle (inserted into the shell or head and is the first step of connecting to the process piping system); skirt & legs (saddle that carries the weight of the vessel) and internals (such as weir, wave breaker, splash plate, vortex breaker etc.) (*Source: D&B Report*). We manufacture different types of pressure vessels depending on customer specifications.

Process for Manufacturing Pressure Vessels

Set out below is a flowchart which describes our process for manufacturing pressure vessels:

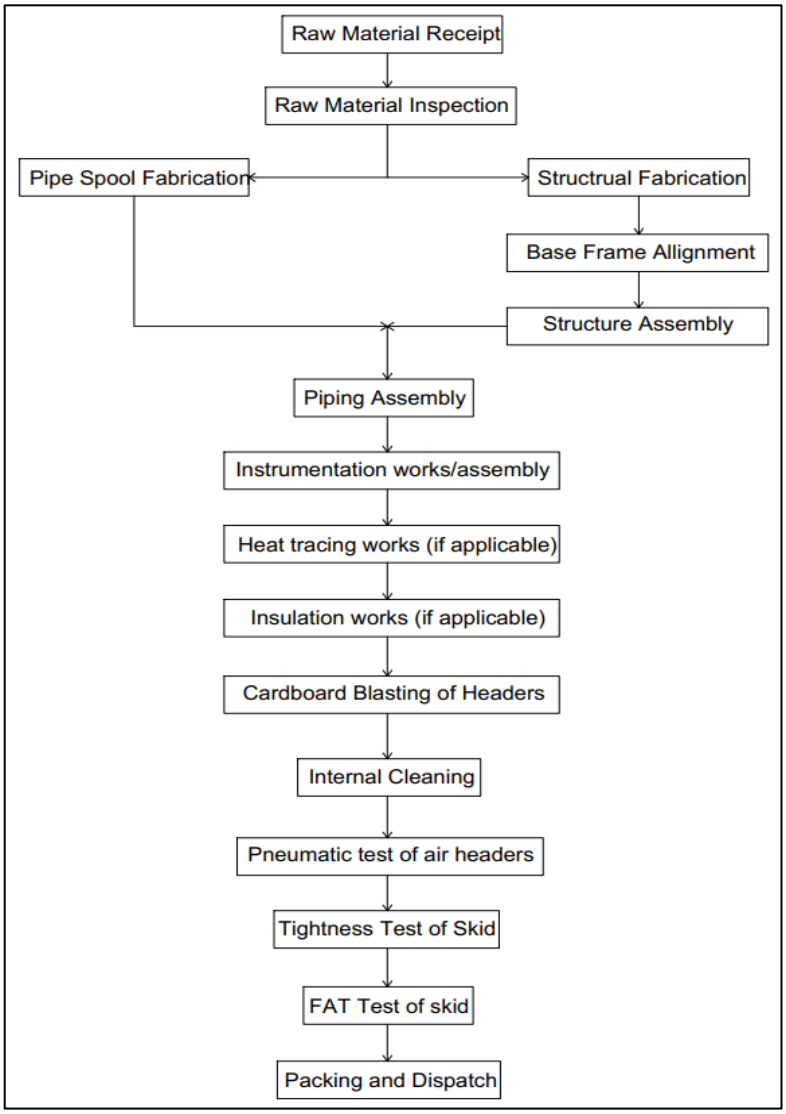


Modular Piping (Skids and Modules)

Modular skids and modules are self-contained piping systems wherein machinery, piping system and instrumentation are enclosed in a frame or module. Modular skid can be either, part of the manufacturing infrastructure or in case of a small plant, the entire manufacturing infrastructure. At times, a few modular skids are combined to constitute one large plant (*Source: D&B Report*). We believe that modular skids offer several advantages over the conventional process piping solutions due to its compact design, which enables portability and quicker installation, including reduction of on-site weld joints and cost of welding, lower procurement costs since an entire skid or module can be procured through a singular transaction and involves shorter time duration in making the plant site ready.

Process for Manufacturing Modular Piping (Skids and Modules)

Set out below is a flowchart which describes our process for manufacturing modular piping (skids and modules):



Electricity

We produce electricity through the combustion of biomass such as paddy straw, mustard straw and cotton stalks. The aggregate annual contracted capacity of our biomass power plants is 14 MW which is fully contracted for under the Power Purchase Agreements entered into with the Punjab State Power Corporation Limited.

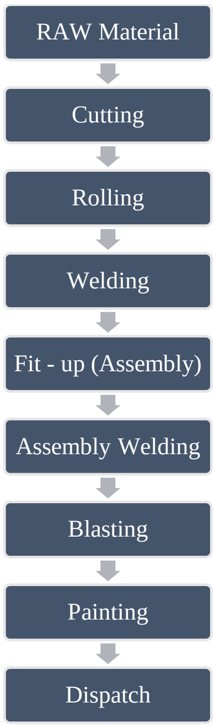
Wind Turbine Towers and Industrial Stacks

We manufacture wind turbine towers, which is made up of the tower, the nacelle and rotor blades. Our wind turbine towers are delivered with tubular steel towers, which are manufactured in sections of 20 meters to 33 meters with flanges at either end, which are bolted together at the site where the wind turbine tower is required to be set up. The wind turbine towers which we manufacture are equipped with working platforms and a ladder with a fall protection system. We manufacture wind turbine towers with varying specifications, which are as per the requirements and specifications of our customers. We utilize steel plates, flanges, mechanical internals, electrical internals and power cables as raw material in the manufacture of wind turbine towers.

Industrial stacks, also knowns as smoke stacks or chimney stacks, is a type of chimney or vertical pipe through which flue gases, which is the product of combustion of coal, fuel, oil, natural gas or wood is exhausted into the air. The industrial stacks which we manufacture range from 30 meters to 140 meters. We utilize carbon steel and stainless steel as raw material in the manufacture of industrial stacks. Industrial stacks are used in various industries such as oil and gas and process industries.

Process for Manufacturing Wind Turbine Towers and Industrial Stacks

Set out below is a flowchart which describes our process for manufacturing wind turbine towers:

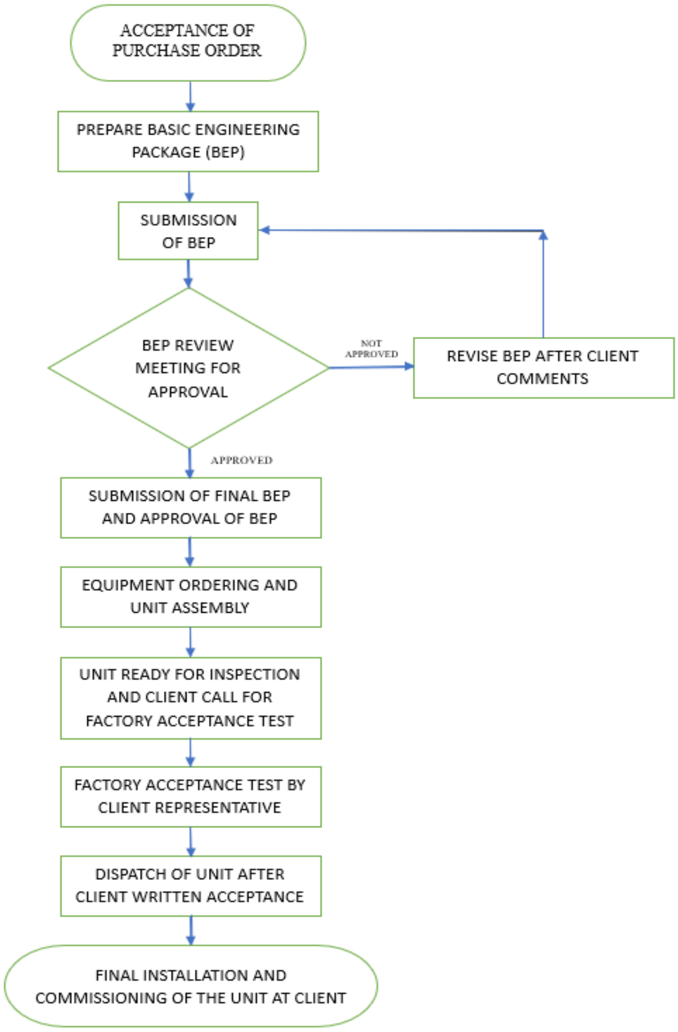


Pilot Plant

Pilot plants are small-scale process plants which act as a pre-commercial production system to evaluate the feasibility of certain processes before the start of full-scale production. We have recently expanded our business by entering a new business vertical of design, engineering, fabrication and manufacturing of pilot plants at our Palwal Facility III. As of March 31, 2023, we have not undertaken any project in our pilot plant manufacturing business and have not generated any revenue from this business vertical. However, we have recently received our first order for the design, engineering, fabrication and manufacturing of a pilot plant. Certain projects by government owned companies, in the pilot plant sector are awarded on the basis of competitive bidding, wherein vendors are evaluated inter alia on their technical capabilities and infrastructure set up to execute such projects. We believe our Company has the required technical capabilities and infrastructure set up which enables us to bid for projects in the pilot plant sector. Other projects in the pilot plant sector, by privately owned chemical and pharmaceutical companies are awarded on the basis of bilateral or multi-party negotiations.

Process for Manufacturing Pilot Plants

Set out below is a flowchart which describes our process for manufacturing pilot plants:



Services

We offer a range of services to our customers in the nature of engineering services which can be broadly divided into basic engineering, design engineering, detailed engineering, pre bid engineering, layout engineering, as built drawings, skid pipe engineering, material engineering. Our basic engineering services include pipe sizing and pressure drop calculation. Our design engineering services include 3D modelling, stress analysis, support engineering and isometric generation. Our detailed engineering services include pipe spooling, design calculation and the preparation and obtaining corresponding statutory approvals. Our pre bid engineering services entail arriving at optimum pipe sizes, considering tentative plant layouts, estimating support weight for piping with limited available data, estimating piping tonnage to provide a competitive quote to customers, estimating tentative pressure drop between boilers and turbine to ensure that the considered pipe sizes will be suitable to effectively transfer medium. Our layout engineering services entail connecting terminal points and arriving at a routing plan taking care of *inter alia*, intervening equipment, support angulation requirement for high temperature piping, maintenance accessibility for valves and other appurtenances. Our as built drawing services entail preparation of design drawings for minor shifting of support locations, introduction of new weld joints or shifting of weld joints. Our skid pipe engineering services entail routing and supporting piping within limited zone, pipe spooling, combining supports of various systems, structural design and detailing. Our material engineering services entails deciding the material of construction, depending on the medium and design temperature, appropriately sizing the piping system based on the allowable stress values for, finalizing procurement thickness, reviewing /proposing/approving substitute material requirements to maintain delivery schedule and the market availability of the materials.

OUR FACILITIES

We have six strategically located Manufacturing Facilities at Palwal in Haryana, Anjar in Gujarat, Barmer in Rajasthan and Bangkok in Thailand, with three Manufacturing Facilities located at Palwal, Haryana. We have also set up the Barmer Satellite Facility which is a dedicated facility set up to cater to the piping and erection requirements of the HPCL Rajasthan Refinery

Limited. Our wholly owned subsidiary, DFIPL operates the Anjar Heavy Fabrication Facility which is dedicated to heavy fabrication. We also have a dedicated engineering facility located at Chennai in Tamil Nadu. We also operate two biomass power generation facilities at Abohar and Muktsar in Punjab. Our six Manufacturing Facilities, the Anjar Heavy Fabrication Facility, the Chennai Engineering Facility, the Abohar Biomass Power Plant and the Muktsar Biomass Power Plant together span an area of approximately 774,695.25 square meters. The table below sets forth the installed production capacity and the capacity utilization at each of our Manufacturing Facilities and the Anjar Heavy Fabrication Facility for Fiscal 2023, Fiscal 2022 and Fiscal 2021:

Facilities	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Installed Capacity (in MT)*	Capacity Utilization (in %)*	Installed Capacity (in MT)*	Capacity Utilization (in %)*	Installed Capacity (in MT)*	Capacity Utilization (in %)*
Palwal Facility I	9,000.00	5.62 %	9,000.00	5.57 %	9,000.00	5.23 %
Palwal Facility II	3,000.00	67.13 %	3,000.00	60.77 %	3,000.00	42.43 %
Palwal Facility III	24,000.00	78.84 %	24,000.00	42.07 %	24,000.00	48.90 %
Barmer Facility	5,000.00	55.04 %	5,000.00	31.29 %	-	-
Anjar Facility I	3,000.00	41.60 %	-	-	-	-
Bangkok Facility	14,500.00	39.34 %	14,500.00	23.84 %	14,500.00	19.28 %
Anjar Heavy Fabrication Facility	36,000.00	26.63 %	36,000.00	21.19 %	36,000.00	21.52 %

* *As certified by V.K. Wadhawan, Chartered Engineer, by certificate dated August 25, 2023.*

The table below sets out the the annual contracted and the capacity utilization for the Abohar Biomass Power Plant and the Muktsar Biomass Power Plant for Fiscal 2023, Fiscal 2022 and Fiscal 2021:

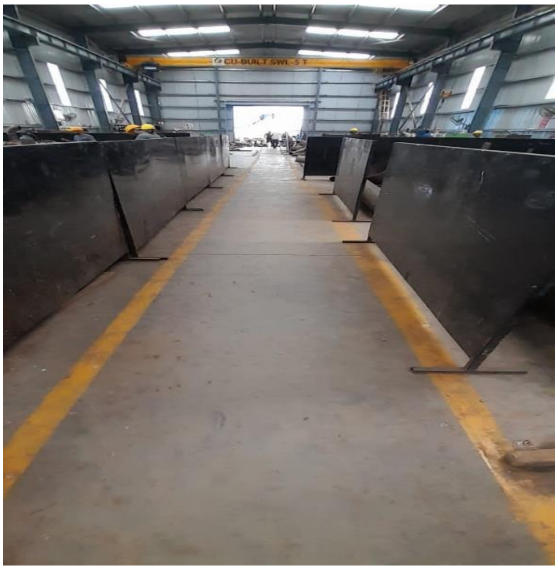
Facilities	Annual Contracted Capacity* (in MW)	Capacity Utilisation* (%)		
		Fiscal 2023	Fiscal 2022	Fiscal 2021
Abohar Biomass Power Plant	8.00	79.03%	83.21%	71.56%
Muktsar Biomass Power Plant	6.00	85.88%	99.07%	89.45%

* *As certified by V.K. Wadhawan, Chartered Engineer, by certificate dated August 25, 2023.*

Facilities for our Piping Division

Anjar Facility I, Gujarat

Our Anjar Facility I spans an area of approximately 31,842.97 square meters. We manufacture piping spools at our Anjar Facility I. The facility is equipped with beveling machine 16", beveling machine 24" and EOT Crane 5T. The facility is strategically located at a distance of approximately 24 kms from the Deendayal Port Trust (Kandla Port) and at a distance of approximately 75 kms from the Adani Ports and Special Economic Zone (Mundra Port) to cater to our export demands.



Palwal Facility I, Haryana

Our Palwal Facility I spans an area of approximately 17,846.30 square meters. We manufacture industrial pipe fittings, modular skids and other spools at this facility.

Testing Laboratory

Our Palwal Facility I is equipped with a National Accreditation Board for Testing and Calibration Laboratories accredited physical and chemical testing laboratory, where we undertake mechanical, metallurgical, chemical and analytical tests. We can perform tests compliant with the standards prescribed by the American Society of Mechanical Engineers, European norms including Pressure Equipment Directives and DIN EN ISO 3834 standards in our testing laboratory. We conduct tests such as charpy test, tensile test, proof stress, percentage elongation, percentage reduction area, bend test, flattening test, Rockwell hardness test, Vickers hardness test, corrosion test, grain size analysis, macro examination, micro structure analysis, chemical analysis, and ferrite test at our testing laboratory:

We use high pressure hydro testing equipment with treated water, if required by customers, which can accommodate pipes up to 96 inches.



Palwal Facility II, Haryana

Our Palwal Facility II spans an area of approximately 18,312.02 square meters. We manufacture industrial pipe fittings, at this facility. The facility is equipped with fully automatic induction elbow forming machine, cold forming elbow machines, heat treatment furnaces and horizontal machining centre for machining the manufactured components.


Palwal Facility III, Haryana

Our Palwal Facility III spans an area of approximately 140,684.26 square meters. We manufacture piping spools and piping systems for our major export projects at this facility.

Barmer Facility, Rajasthan

Our Barmer Facility spans an area of approximately 72,843.38 square meters. We manufacture pipe spools and pipe supports at this facility.

Barmer Satellite Facility

The Barmer Satellite Facility is a dedicated facility set up to cater to the piping and erection requirements of the HPCL Rajasthan Refinery Limited. We manufacture piping spools at this facility.

Bangkok, Thailand

Our Bangkok Facility spans an area of approximately 55,620.00 square meters. We manufacture specialized pipe supports, piping systems for the oil and gas and power sectors and fabricated products as per the requirements of our customers. The facility is equipped with a complete pipe spool fabrication line and is also equipped machinery such as welding system with power source and beveling machine up to 40”. Our facility in Bangkok is strategically located at a distance of approximately 62 kms from the Bangkok Port.

Facilities for our Power Division

Abohar Biomass Power Plant

Our Abohar Biomass Power Plant spans an area of approximately 205,681.48 square meters. The aggregate capacity of our Abohar Biomass Power Plant is 8 MW which is fully contracted for under the Power Purchase Agreement (**“PPA”**) entered into with the Punjab State Power Corporation Limited (“**PSPCL**”) on March 4, 2011.

Power Purchase Agreement

The PPA is valid for 30 years from the date of commissioning of the power plant. PSPCL has permitted the Company to interconnect the Abohar Biomass Power Plant and operate it in parallel with the PSPCL’s/ Punjab State Transmission Corporation Limited’s (“**PSTCL**”) system. We are under an obligation to comply with directions received from the PSTCL’s load dispatch centre or any other load dispatch centre authorised to issue load dispatch instructions by PSPCL.

Muktsar Biomass Power Plant

Our Muktsar Biomass Power Plant spans an area of approximately 141,829.67 square meters. It is operated by our wholly owned subsidiary, MPPL. The aggregate capacity of our Muktsar Biomass Power Plant is 6 MW which is fully contracted for under the Power Purchase Agreement (**“PPA”**) entered into by MPPL with the Punjab State Electricity Board on February 19, 2004.

Power Purchase Agreement

The PPA is valid for 20 years from the date of commissioning of the power plant. PSPCL has permitted our biomass power plant to interconnect the Muktsar Biomass Power Plant and operate it in parallel with the PSPCL's system. We are under an obligation to comply with directions received from the PSPCL's load dispatch centre.

Facility for Heavy Fabrication

Anjar Heavy Fabrication Facility, Gujarat (DFIPL)

Our Anjar Heavy Fabrication Facility spans an area of approximately 88,429.61 square meters. This facility is operated by our wholly owned subsidiary DFIPL and is a facility dedicated to heavy piping and fabrication solutions for requirements of the renewable power sector. We undertake the manufacturing of wind turbine towers and industrial stacks at our Anjar Heavy Fabrication Facility.

Chennai Engineering Facility

Chennai, Tamil Nadu

Our Chennai Engineering Facility is spread across an area of approximately 485.98 square meters. We undertake design of certain of our products and the development of our engineering processes at our Chennai Engineering Facility.

Proposed Expansion of our Manufacturing Facilities

To cater to our growing needs and increasing demands by our existing customers and to meet the requirements of our new customers, we intend to enhance our manufacturing capabilities by (i) setting up a the Numaligarh Facility; and (ii) setting up the New Anjar Facility.

We intend to set up a manufacturing facility at Numaligarh, Assam to cater to the Numaligarh Refinery Limited expansion projects and other refineries in the North-eastern region of India. The Numaligarh Facility is expected to mark our entry and establish our geographical presence in the North-eastern region of India. The installed manufacturing capacity of the Numaligarh Facility is expected to be 6,000 MT. Our Company has leased 10,167.30 square meters of land towards setting up of the Numaligarh Facility. Our Company will provide engineering services and will manufacture piping spools and pipe supports at our Numaligarh Facility.

The installed capacity of our New Anjar Facility is expected to increase our overall capacity at Anjar, Gujarat (excluding our heavy fabrication capacity), from 3,000 MT to 15,000 MT. We believe that the New Anjar Facility will further reduce our logistics costs due to proximity of the facility to the Deendayal Port Trust (Kandla Port) and the Adani Ports and Special Economic Zone (Mundra Port) and due to a complete shift of our export oriented business to Anjar, Gujarat which will eliminate the requirement of transporting raw materials to facilities in Palwal and subsequently transporting finished goods to the ports near Anjar, Gujarat. Further, we believe that the proposed facility will lead to efficiency in production due to the increased use of automation at the facility. The proposed expansion should also result in the reduction of manpower cost as a percentage of our revenue from contracts with customers. Our Company will manufacture industrial pipe fittings and modular skids and provide engineering supply and process piping solutions through the New Anjar Facility, in addition to the products manufactured and services provided through our facilities in Palwal. We intend to install a fully automated pipe spool manufacturing set up at the New Anjar Facility. Our Company has acquired 176,849.00 square meters of land towards setting up of the New Anjar Facility.

On completion of the setting up of our Numaligarh Facility and the New Anjar Facility, our total installed capacity is expected to increase from the current 94,500 MT to 112,500 MT.

RAW MATERIALS AND PROCUREMENT

Purchase of raw materials account for a significant portion of our revenues. The table below sets out the cost incurred in procurement of raw materials from domestic and international suppliers as a percentage of our total revenue from contracts with customers for Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively.

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	In ₹ million	As a percentage of total revenue from contracts with customers (%)*	In ₹ million	As a percentage of total revenue from contracts with customers (%)*	In ₹ million	As a percentage of total revenue from contracts with customers (%)*
Cost of raw material procured from domestic suppliers	1,488.79	25.00%	1,587.53	34.44%	999.27	20.18%
Cost of raw material procured from international suppliers	806.83	13.55%	604.66	13.12%	713.26	14.40%
Total	**2,295.62**	**38.55%**	**2,192.19**	**47.56%**	**1,712.53**	**34.58%**

* *Our revenues from contracts with customers includes revenues from contracts where our responsibility includes procurement of raw materials (especially pipes) as well as contracts wherein bulk of raw materials (such as pipes) are provided by our customers.*

Piping Division

Our major raw material in our piping division is steel, carbon steel, alloy steel and stainless steel. Carbon steel is the most common material used in process piping industry, to manufacturing process piping systems. The balance between strength and workability together with availability is what makes carbon steel the preferred steel in pipe fabrication. We utilise alloy steel for applications which involve extreme temperature & pressure. We also use stainless steel because of its resistance to corrosion.

We do not enter into long term contracts for the supply of raw materials but enter into purchase orders with our suppliers. We typically agree to a price for raw materials for each purchase order. We are able to leverage our wide and diverse network of suppliers to ensure that our supply chain remains unaffected even in cases where there is any disruption at any of our vendors. The suppliers for our raw materials are typically predetermined by our customers and we have to opt for the suppliers from a preferred list of suppliers provided by our customers under the contracts which we enter into with our customers.

Power Division

Our major raw material in the biomass power generation is paddy straw, mustard straw and cotton stalks. We source our raw materials directly from farmers or through intermediaries. The supply chain process is critical to maintain sufficient level of inventory to run the biomass power plants. We typically run our biomass power plant on paddy straw and, we majorly procure paddy straw in the month of October-November. Other biomass raw material is procured upon harvesting of the relevant agricultural produce- for instance, we purchase wheat husk in the month of April and cotton stalks in October-November. Since the raw material required for biomass power generation is available in abundant quantity, we do not enter into any contracts with farmers and purchase raw materials at rates which are decided prior to the relevant season.

Heavy Fabrication

Our major raw material in heavy fabrication is carbon steel plates, flanges and tower internals. The raw materials for manufacturing wind towers, which is undertaken by our Anjar Heavy Fabrication Facility, are typically provided by our customers.

UTILITIES AND LOGISTICS

We source power from the state-controlled electricity boards/ bodies. Our biomass power plants require substantial amount of water, which we source from the Punjab Irrigation Department.

Power and Water

Our manufacturing processes for power generation require uninterrupted power and water supply for smooth functioning of processes and to increase the productivity and lifetime of our machines and equipment. We source our power and water for each of our facilities from the following sources:

Manufacturing Facilities	Power Source	Water Source
Palwal Facility I	Haryana Electricity Board and captive power (DG)	Outsourced through tankers and water supply line
Palwal Facility II	Haryana Electricity Board and captive power (DG)	Outsourced through tankers and water supply line
Palwal Facility III	Haryana Electricity Board and captive power (DG)	Outsourced through tankers and water supply line
Barmer Facility I	Rajasthan Electricity Board and captive power (DG)	Outsourced through tanker
Anjar Facility I	Gujarat Electricity Board and captive power (DG)	Government water supply line (Narmada canal) and through tanker
Anjar Heavy Fabrication Facility	Gujarat Electricity Board and captive power (DG)	Government Water supply line (Narmada canal) and through tanker
Bangkok Facility	Provincial Electricity Board (Thailand)	Government water supply line
Abohar Biomass Power Plant	Punjab Electricity Board and captive power	Canal (Irrigation Department)
Muktsar Biomass Power Plant	Punjab Electricity Board and captive power	Canal (Irrigation Department)
Chennai Engineering Facility	Tamil Nadu Electricity Board	Municipal corporation

Our power, fuel and water charges in Fiscal 2023, Fiscal 2022 and Fiscal 2021 were ₹ 157.26 million, ₹ 116.57 million and ₹ 94.18 million, respectively, which represented 2.65%, 2.55% and 1.87% of our total expenses during the respective years.

Freight and Transportation

We transport our finished products by road, rail, sea and air. We have a dedicated packaging areas at Palwal Facility I, Palwal Facility II and Palwal Facility III. Our packaging is conducted as per the customer requirements and we undertake procedures such as application of vapour corrosion inhibitor, silica gel packs and corrosion resistant oil as per customer requirements. We also undertake fumigation of wooden boxes as per ISPM-15 (for cases which are being sent to our overseas customers). Our packaging facility has the ability to dispatch more than 250 containers per month and has the capacity to handle consignments of sizes up to 24 meters x 5.5 meters x 4.5 meters.

We sell some of our products on a cost, insurance and freight basis, on a consignee basis and on a door delivery basis. In addition, we may have to pay for transportation costs in relation to the delivery of some of the raw materials and other inputs to our Manufacturing Facilities. We do not own any vehicles for the transportation of our products and raw materials; we therefore rely on third party transportation and logistics providers for delivery of our raw materials and products. However, we do not have any long-term contractual arrangements with such third-party transportation and logistics providers. Disruptions of logistics could impair our ability to procure raw materials and deliver our products on time.

Where we are responsible for shipping the products to the customer, our export agents arrange for the finished products to be trucked to our customers in India or to the port for export, as applicable. Our export agents handle the requisite clearance procedures. For exports, our export agents co-ordinate with the shipping line or airline to file and release the necessary bills of lading or air waybills. Incoterms determine the exact delivery terms, which includes the manner in which the goods will be delivered, payee details and the person responsible for procedures such as loading and unloading.

See *"Risk Factors - We are dependent on third party transportation and logistics service providers. Any increase in the charges of these entities or any defect, damage or destruction caused to our products during the process of delivery could adversely* *affect our business, financial condition and results of operations. Further, any delay in the supply of free issue material by our customers may cause delays in the execution of our manufacturing and could adversely affect our business, financial condition and results of operations."* on page 51.

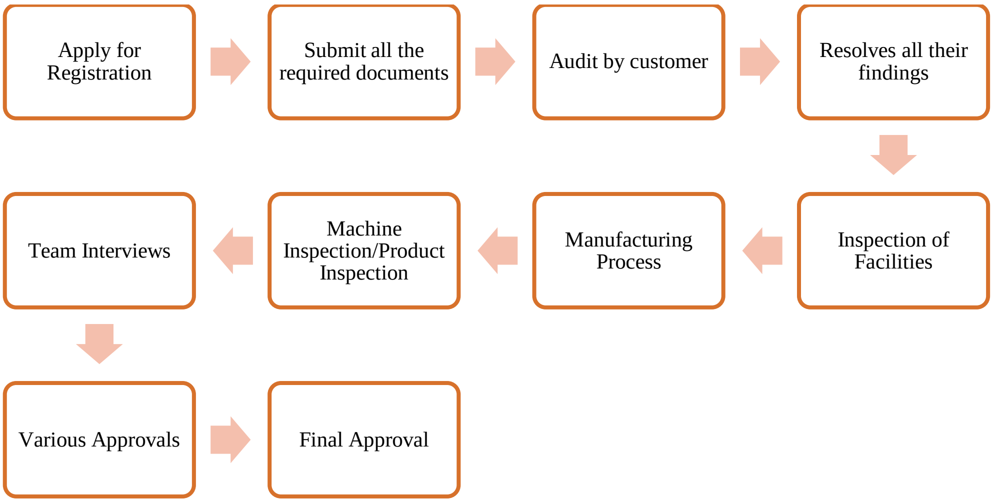
OUR CUSTOMERS

We cater to both domestic as well as international markets. We have established strong and long-standing relationships with our various customers. We have a diversified customer base with customers across countries such as USA, Europe, Japan, Canada, Middle East, Russia, Nigeria, Vietnam, Singapore, China and Taiwan. Our customers are predominantly companies operating in the oil and gas, power (including nuclear power), process industries and chemicals industries. Our revenue contribution from our customers in the oil and gas, power (including nuclear), process industries and chemical and sectors are set out below together with our revenue from these sectors as a percentage of our total revenue from contracts with customers in Fiscal 2023, Fiscal 2022 and Fiscal 2021:

Sectors	**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
	In ₹ million	**As a percentage of total revenue from contracts with customers (%)**	**In ₹ million**	**As a percentage of total revenue from contracts with customers (%)**	**In ₹ million**	**As a percentage of total revenue from contracts with customers (%)**
Oil and Gas	3,057.79	51.35%	1,953.79	42.39%	1,610.63	32.52%
Power (including nuclear power)	2,033.83	34.16%	1,835.11	39.81%	2,217.84	44.79%
Power Generation through our Abohar Biomass Generation Plant and our Muktsar Biomass Generation Plant	739.08	12.41%	784.45	17.02%	660.27	13.33%
Process Industries (including sugar, specialty chemicals and distilleries)	119.88	2.01%	35.81	0.78%	228.64	4.62%
Chemical	4.37	0.07%	0.00	0.00%	234.79	4.74%
Total	**5,954.95**	**100.00%**	**4,609.16**	**100.00%**	**4,952.17**	**100.00%**

Our ability to address the various and stringent customer requirements over long periods enables us to obtain additional business from existing customers as well as new customers in an industry marked by high entry barriers. We believe our customer relationships are led primarily by our ability to develop processes, meet stringent quality and technical specifications and manufacture customers' products in a cost effective, safe and environment friendly manner. As result, we have a history of high customer retention and have been manufacturing products for certain customers including global companies such as global companies such as JGC Corporation, Nooter Eriksen, MAN Energy Solutions SE, Mitsubishi Heavy Industries, and John Cockerill S.A, and Indian companies such as Reliance Industries Limited, Thermax Babcock & Wilcox Energy Solutions Limited India, HPCL–Mittal Energy Limited, Toshiba JSW Power Systems Pvt. Ltd., UOP India Private Limited, Doosan Power Systems India Private Limited and Andritz Technologies Private Limited and have built a loyal base of customers across our operational markets through relationships with several of these customers for more than a decade. For details of our domestic and global customers for whom we have long standing relationships, see "*Our Business- Our Strengths- Long standing customer relationships with a strong order book*" on page 190.

We go through a rigorous customer approval process in order to acquire projects and new customers. The following chart sets out the long vendor validation and on-boarding process adopted by customers in the process piping solutions industry:



We typically participate in a lengthy and rigorous vendor selection process with our customers, which can take up to two years from the date of issue of an RFQ. We are generally required to submit a detailed technical proposal including technical information such as product features, performance specifications, compliance with legal and regulatory requirements, proposed development timeline, product validation plan, performance and durability expectations. We invest in securing new customer relationships through this time consuming and costly vendor selection process, as it enables us to better understand our customers' design and performance needs and demonstrates our capabilities in providing comprehensive process piping solutions. If we are successful in converting the RFQ process into firm orders, it generally leads to a long term relationship with such customers as the cost to the customer of switching vendors after qualification in the RFQ process is typically high (*Source: D&B Report*).

As of March 31, 2023, March 31, 2022 and March 31, 2021 we have served 20, 10 and 13 customers in India, and 10, 6 and 7 customers in the overseas market, respectively.

The table below sets forth contribution to our revenue from contracts with customers by our largest customer, top 10 customers and top 20 customers in Fiscal 2023, Fiscal 2022 and Fiscal 2021 respectively:

Customers	**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
	In ₹ million	**As a percentage of total revenue from contracts with customers (%)**	**In ₹ million**	**As a percentage of total revenue from contracts with customers (%)**	**In ₹ million**	**As a percentage of total revenue from contracts with customers (%)**
Largest customer	822.17	13.81%	781.54	16.96%	940.57	18.99%
Top 10 customers	3,928.08	65.96%	3,374.00	73.20%	3,582.67	72.35%
Top 20 customers	5,159.73	86.65%	4,188.14	90.87%	4,381.80	88.48%

We believe that as a result of our diversified customer base and our long-standing relationships with our customers, we are well equipped to retain our presence in the market and build upon these relationships to increase our product base and services and reach out to new customers. Our long-term relationships and ongoing active engagements with customers also allow us to plan our capital expenditure, enhance our ability to benefit from increasing economies of scale, thereby ensuring a competitive cost structure to achieve sustainable growth and profitability.

SALES AND MARKETING

Our business is conducted on a business-to-business basis and our focus is on maintaining constant contact with customers and to ensuring timely delivery. We have a purchase team and a customer team that is dedicated to taking new orders, quoting rates, and aids in understanding the requirements of our customers. We also take part in trade shows and exhibitions which help us to get new customers. We have appointed dedicated agents in various locations such as in the USA, Japan and Europe which ensures our consistent presence across geographies.

In order to serve our existing direct end-use customers as well as to secure new customers and expand the reach of our products to new markets, we are expanding across new geographies. We intend to achieve this by getting approval from various renowned international and domestic OEMs/customers and upgrade our skills with time to meet the various customer requirements and participate in limited/open bidding process when the OEMs/Customers put forth their requirements.

QUALITY CONTROL, TESTING AND CERTIFICATIONS

Our quality policy is focused on fulfilling customer requirements through reliable products and services aimed at meeting all regulatory requirements and through continuous improvement of our quality management systems. Our products undergo a qualification process throughout the entire value chain to ensure that quality products are being provided to our customers.

Our customers demand the highest quality from us and to meet their expectations, we have developed in-house multilevel quality control processes. These quality control measures range from the initial inspection of raw materials and other parts and components to the continuous improvement of our business processes at each step in the production of our products, including periodic reviews of our quality management systems. Our manufacturing infrastructure is complemented by our stringent quality and safety standards and processes. Through our regular internal audits, we ensure that our manufacturing facilities are in compliance with local regulatory requirements as well as the requirements stipulated by our customers. We utilize an ERP system to trace each material and processes which helps us identify the root cause of a problem if it occurs and to take measures against the problems identified.

Given the nature of application of our products and engineering processes to critical industries such as oil and gas and power (including nuclear), our products and engineering processes are measured against, high quality standards and stringent specifications of our customers. These specifications are provided by our customers through technical specifications and quality standards forming part of the contracts which we enter into with our customers.

We also have a National Accreditation Board for Testing and Calibration Laboratories accredited testing laboratory where we undertake mechanical, metallurgical, chemical and analytical test such as tensile test, charpy test, hardness test, tests for micro and macro structure, spectrometric analysis, corrosion test, ferrite test, IGC test, bend test and flattening test amongst others. Our centralised non-destructive testing facilities are equipped with phased array ultrasonic testing, magnetic particle testing, visual inspection, radiography including computerised any digital radiography and dye penetrant examination.

Our Company has acquired the following certifications and accreditations for our facilities:

- ISO 9001:2015 certificate for design and manufacture of pressure vessels and manufacture of pipe fittings and piping systems to National/International standards and customer specifications issued to our Palwal Facility I, Palwal Facility II, Palwal Facility III, Bangkok Facility, Anjar Facility I and Barmer Facility; and ISO 9001:2015 certificate for manufacture and supply of wind turbine towers, heavy fabricated structures for power plant and infrastructure projects issued to Anjar Heavy Fabrication Facility.

- ISO 14001:2015 certificate for design and manufacture of pressure vessels and manufacture of pipe fittings and piping systems to National/International standards and customer specifications issued to our Palwal Facility I, Palwal Facility II, Palwal Facility III, Bangkok Facility, Anjar Facility I and Barmer Facility; and ISO 14001:2015 certificate for manufacture of towers and components for wind turbine generators and other heavy fabricated steel structures issued to Anjar Heavy Fabrication Facility.

- ISO 45001:2018 certificate for design and manufacture of pressure vessels and manufacture of pipe fittings and piping systems to National/International standards and customer specifications issued to our Palwal Facility I, Palwal Facility II, Palwal Facility III, Bangkok Facility, Anjar Facility I and Barmer Facility; and ISO 45001:2018 certificate for manufacture of towers and components for wind turbine generators and other heavy fabricated steel structures issued to Anjar Heavy Fabrication Facility.

- Certificate of accreditation in accordance with the standard ISO/IEC 17025:2017, generation requirements for the competence of testing and calibration laboratories issued to the quality control laboratory at our Palwal Facility I in the field of testing on by the National Accreditation Board for Testing and Calibration Laboratories.

- Letter of validation granted by the Canadian Welding Bureau providing certification for fusion welding of steels in division 2 as per Canadian Standards Association W47.1, including fabrication of structural steel piping supports for petroleum industry, issued to the Company.

- Certificate on DIN EN ISO 3834-2 issued to the Anjar Heavy Fabrication Facility.

- Certificate on DIN EN ISO 3834-2 issued to the Palwal Facility I, Palwal Facility II, Palwal Facility III.

- Certificate of authorisation from the American Society of Mechanical Engineers for the (i) manufacture and assembly of power boilers, (ii) manufacture of Class I and Class 2 pressure vessels and (iii) fabrication and assembly of pressure piping issued to Palwal Facility II.

- Certificate of authorisation from the American Society of Mechanical Engineers for the (i) manufacture and assembly of power boilers and (ii) fabrication and assembly of pressure piping issued to Palwal Facility I.

- Pressure Equipment Directive 2014/68/EU Quality Assurance certificate for manufacture and supply of forged, seamless and welded fittings issued to Palwal Facility I, Palwal Facility II, Palwal Facility III by TUV Nord Systems GmbH & Co.

- Pressure Equipment Directive 2014/68/EU Quality Assurance certificate meeting the requirement of Module H of the PED for design, manufacture, final product inspection and testing of piping systems issued to Palwal Facility I by Hartford Steam Boiler Ireland Limited.

We intend to continue focusing on automation and process excellence to increase operational efficiency. We have a team of 148 quality assurance and quality control engineers and more than 58 employees who are qualified as level II and III NDE personnel from accredited agencies responsible for ensuring quality standards. In executing the projects, we monitor and test all materials for conformity, track non-conformities and make rectifications to ensure customers' satisfaction. Our quality assurance and quality control team ensure compliance with our quality management systems and statutory and regulatory compliances. This team conducts pre-dispatch inspection of our products.

In addition, our manufacturing facilities are subject to compliance audits in relation to quality management by third party agencies. Our customers expect us to undertake extensive product approvals and/or certification process and some of our customers also perform their own quality checks to ensure that our products meet their demands and comply with the requirements.

HUMAN RESOURCES AND EMPLOYEE TRAINING

Our workforce is a critical factor in maintaining quality and safety which strengthens our competitive position. We are largely dependent on our highly skilled and technically competent workforce for timely completion of our projects. We train our employees on a regular basis, providing them with hands on experience on software like AutoCAD (2D & 3D), AutoCAD Mechanical 2022, Aveva PDMS, Aveva Everything 3D, CAD with Pro Engineers, Smart Plant 3D, and Piping Design and Drafting Sofcon Training.

We also hire contract labour for our Manufacturing Facilities, from time to time. As of June 30, 2023, we had 1,033 full time employees.

We seek to maintain a high performance work culture based on values of development and collaboration. The key elements driving our practices include customer focus, process orientation, people focus, drive for results, business acumen and communication. Our employees are not part of any union and we have not experienced any work stoppages due to labour disputes or cessation of work in the recent past.

HEALTH, SAFETY AND ENVIRONMENT

We endeavour to adhere to laws and regulations relating to protection of health, employee safety and the environment. Our activities are subject to the environmental laws and regulations of India and other jurisdictions, which govern, among other aspects, air emissions, waste water discharge, the handling, storage and disposal of hazardous substances and waste, the remediation of contaminated sites, natural resource damage, and employee health and employee safety.

We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks by providing appropriate training to our management and our employees. We have adopted an employee health and safety policy to ensure compliance with legal and other requirements related to environment and occupational health safety, in addition to ensuring resource conservation, prevention of pollution, injury and ill health of employees. The policy endeavours to ensure better health and safety of our employees through training on system awareness, risk management and consistently improving our processes to mitigate risks associated with them. We aim to ensure safe and healthy environment and further provide for medical checkups and safety measures in order to achieve zero accidents on a sustainable basis. We take initiatives to reduce the risk of accidents at our manufacturing facilities including by providing training and safety manuals to our employees and by conducting safety audits periodically. Our employees are provided appropriate personal protection equipment and we have a dedicated environment, health and safety team which is responsible to ensure adherence to safety norms. We also conduct mock drills to ensure compliance with safety norms.

Our Manufacturing Facilities are certified with ISO 9001 specification (international standard on quality management), ISO 45001 (international standard on occupational health and safety) and ISO 14001 standard (international standard on environmental management system). We are focused on environment and sustainability and by 2021 had achieved a reduction of more than 191,067 tons of CO_2 emissions by producing green power through the use of biomass like paddy straw and other biofuels such as cotton stalks, wheat stalks and mustard straw.

INFORMATION TECHNOLOGY

Investment in information technology ("**IT**") infrastructure is essential to improve our operational efficiencies, improve scale and enhance productivity. We currently use advanced information technology systems, which assists us with various functions including material management, production planning, plant maintenance, sales and distribution, financial and accounting, quality management, governance, risk and compliance and human resource functions. These systems facilitate the flow of real-time information across departments and allows us to make information driven decisions and manage performance. All electronic files created, sent, received or stored on any system owned, leased or administered equipment or otherwise under the custody and control of our Company is our property. Our IT systems are vital to our business, and we have established a differentiated technology infrastructure with web-based integrated systems, analytical tools, infrastructure monitoring and information security monitoring tools to assist us in our operations. In order to maintain data security and comply with data protection laws, we have strengthened our cyber security environment by building layered cyber defences, implementing internal controls, critical transactions logging and monitoring mechanisms.

We have implemented an enterprise resource planning solution, Microsoft Dynamics 365 Business Central, to streamline and automate business processes, enabling us to manage our business efficiently. We have also implemented and integrated an IT enabled project management system which assists us in delivering projects on time while conforming to safety standards. We have also adopted a data management system for consistency and accuracy of data and to enable better decision making. Our data management system is aimed towards improving productivity, reducing interruptions, better inter-departmental exchange of information and involves a move towards paperless working.

We have implemented an IT policy to maintain the confidentiality, integrity and availability of information and supporting information systems. The policy is committed to protecting our authorised users, partners and us from illegal or damaging actions by individuals. We are committed to safeguarding confidentiality, and we ensure the integrity and availability of all physical and electronic information assets of facilities where we operate, to ensure that legal, regulatory, and operational requirements are fulfilled. For security and network maintenance, we authorise individuals within the Company IT Department to monitor equipment, systems and network traffic at any point of time, further we reserve the right to audit networks and systems on a periodic basis to ensure compliance with the IT policy. We continue to actively revise our IT policy and upgrade our technology infrastructure and applications to keep pace with the changing and dynamic environment. We will continue to focus on increasing operational efficiency through technology initiatives.

For information on the risk to our IT systems, see *"Risk Factors – We may be exposed to the risks of significant breaches of data security, and malfunctions or disruptions of information technology systems"* on page 61.

INSURANCE

Our operations are subject to certain hazards such as work accidents, fire, earthquakes, flood and other force majeure events and explosions and those hazards which are inherent to piping companies such as destruction of property and inventory, losses resulting from defects or damages arising during transit of our products in addition to risk of equipment failure, acts of terrorism and environmental damage. We may also be subject to claims from our customers if the products that we manufacture are not in compliance with regulatory standards and the terms of our contractual arrangements.

We maintain insurance policies that we believe are customary for companies operating in our industry and which are necessary for our business. Our principal types of insurance coverage include, *inter alia,* contractor's plant and machinery policy, public liability industrial policy, burglary insurance policy, standard fire and special perils policy and general liability insurance. We typically obtain marine single transit inland policy and marine export import insurance open policy for the transit of goods. We have also obtained a group medical policy, group personal accident insurance, group term policy, directors and officers liability insurance and workmen's' compensation policy for our employees. We obtain other specific insurance as may be required by our customers under the scope of work which we undertake.

These insurance policies are generally valid for a year and are renewed annually. We believe that the level of insurance we maintain is appropriate for the risks of our business. However, we cannot assure you that our current insurance policies will insure us fully against all risks and losses that may arise in future. Even if such losses are insured, we may be required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. In addition, we cannot assure you that we will be able to renew these policies on similar or otherwise acceptable terms, or at all. See '*Risk Factors –Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject and this may have an adverse effect on our business*' on page 59.

CORPORATE SOCIAL RESPONSIBILITY

Our Company has constituted a Corporate Social Responsibility (**"CSR"**) Committee in compliance with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 notified by Central Government and amendments thereto and formulated a CSR policy to govern such initiatives. The CSR activities undertaken by our Company include (i) education of the girl child including contribution to the "*Beti Bachao - Beti Padhao*" scheme of the government of India, reimbursement of education fees and scholarships for girl students of families which are below the poverty line; (ii) providing financial assistance during natural calamities such as floods, earthquakes, and tsunamis in India and in neighbouring countries; and (iii) contributions towards initiatives like "*Swachh Bharat - Swastha Bharat*" scheme of the government of India which is aimed towards enhancing the cleanliness and upliftment of rural areas.

We have incurred ₹ 6.17 million, ₹ 7.18 million and ₹ 7.62 million in Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively, towards our corporate social responsibility activities.

AWARDS AND ACCREDITATIONS

For details of the awards and accreditations received by our Company, see "*History and Certain Corporate Matters – Key awards, accreditations, certifications and recognitions received by our Company*" on page 228 .

INTELLECTUAL PROPERTY RIGHTS

As on the date of this Draft Red Herring Prospectus, the Company has the following registered trademark:

Sr. No	Name of the IPR registration/ license	Issuing Authority	Whether registered/ applied for/ unregistered	Trademark Number	Date of registration/ application	Class	Date of Expiry
1.	DEE piping systems	Registrar of Trade Marks, Trade Marks Registry, Government of India	Registered	2556954	July 1, 2023	6	June 30, 2033

For further details, see "*Government Approvals- Our Intellectual Property*" on page 397. For risks associated with intellectual property, see, "*Risk Factors – We may not be able to adequately protect our intellectual property or may unintentionally infringe upon the intellectual property rights of others which could substantially harm our business.*" on page 49.

PROPERTIES

Our Registered and Corporate Office is located at Unit 1, Prithla –Tarapur Road, Village Tarapur, District, Palwal, Haryana-121102. We have six Manufacturing Facilities, one heavy fabrication facility, one satellite facility, two biomass power plants and one engineering facility. We have also acquired land for setting up our new manufacturing facilities at Numaligarh, Assam and at Anjar, Gujarat.

The following table sets forth details of our principal properties:

S. No	Property	Location / district*	Nature of holding*	Square Meter*
1.	Registered and Corporate Office and Palwal Facility I	Plant-1, Unit-I, Prithla Road, Village Tatarpur, Tehsil/Dist. Palwal, Haryana-121102	Owned	17,846.30
2.	Palwal Facility II	Plant-1, Unit-II Prithla Road, Village Tatarpur, Tehsil/Dist. Palwal, Haryana-121102	Leased and Owned	4,527.42 (leased land) and 13,784.60 (owned land)
3.	Palwal Facility III	Plant-3 Asavati Jatola Road, Village Tatarpur, Tehsil/Dist. Palwal, Haryana-121102	Leased and Owned	86,970.40 (leased land) and 53,713.86 (owned land)
4.	New Anjar Facility	Village Lakhapar, Tehsil Anjar, Dist. Kachch, Gujarat	Owned	176,849.00
5.	Anjar Facility I	Village Ajapar, Tehsil Anjar, Dist. Kachch, Gujarat	Leased	31,842.97
6.	Anjar Heavy Fabrication Facility	Village Ajapar, Taluka Anjar, District Kutchh, Gujarat	Leased	88,429.61
7.	Barmer Facility	Plot No. 917, 918 & 919, Village Manjhiwala, Tehsil	Leased	72,843.38

S. No	Property	Location / district*	Nature of holding*	Square Meter*
		Pachpadra, District Barmer, Rajastan-344022		
8.	Numaligarh Facility	2 no. Rongajan Bagan Gaon, Mouza Moukhowa, Dist. Golaghat, Assam	Leased	10,167.30
9.	Chennai Engineering Facility	Unit No. 11, 12 & 13 Block II, SIDCO Electronics Complex, Thiru Vi Ka Industrial Estate, Guindy, Chennai,600032	Owned	485.98
10.	Abohar Biomass Power Plant	Village Gaddadhob, Tehsil Abohar, Dist. Fazilka, Punjab	Leased and Owned	1,03,548.95 (leased land) and 1,02,132.53 (owned land)
11.	Muktsar Biomass Power Plant	Muktsar Biomass Power Plant	Leased and Owned	45,780.07 (leased land) and 96,049.60 (owned land)
12.	Bangkok Facility	59, 59/8 Moo 6, Tambol Tha-Kham, Amphur Bangpakong, Chachoengsao province, 24130 Thailand	Owned	55,620

* *As certified by V.K. Wadhawan, Chartered Engineer, by certificate dated August 25, 2023.*

COMPETITION

We face competition from domestic as well as overseas companies which either operate in the same line of business as us or offer similar products and services. Our competition varies by market, geographic areas and type of product or service. The process piping solutions industry presents significant entry barriers, including customer validation and approvals, expectation from customers for high quality standards and stringent specifications. Investing in new equipment and fabrication techniques are some of the measures adopted by companies in this sector to stay ahead of the competition (*Source: D&B Report*)

We obtain a part of our business through a competitive bidding process in which we compete for projects based on, among other factors, pricing, technological capabilities, and performance, as well as reputation for quality, experience, past track record, and financing capabilities. The competitive bidding process entails managerial time to prepare bids and proposals for contracts and at times requires us to resort to aggressive pricing to be able to be awarded the contracts.

To remain competitive in our markets, we must continuously strive to reduce our costs of production, through automation and innovation and improve our operating efficiencies. Some of our competitors have greater financial and other resources and better access to capital than we do, which may enable them to compete more effectively, or better geographical reach which gives them the ability to quote competitively as the transportation costs are limited. However, depending on various factors, and the extent of our presence in the relevant geographical region, we are able to leverage our experience, established relationships and familiarity with the industry to provide cost effective products than our competitors or offer a better value proposition.

For details, see *"Industry Overview*" beginning on page 136.

KEY REGULATIONS AND POLICIES

The following is an overview of the relevant sector specific laws and regulations which are applicable to our business and operations in India. The information detailed below has been obtained from publications available in the public domain. The description of laws and regulations set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law, and remain subject to judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions. For details of government approvals obtained by our Company, see "Government and Other Approvals" beginning on page 391.

A. Laws in relation to our business

National Steel Policy, 2017 ("NSP 2017")

The NSP 2017 covers, inter alia, steel demand, steel capacity, raw materials, including iron ore, iron ore pellets, manganese ore, chromite ore, ferroalloys, land, water, power, infrastructure and logistics, and environmental management. The NSP 2017 seeks to enhance domestic steel production with focus on creating a technologically advanced and globally competitive steel industry in India that promotes economic growth. The NSP 2017 aims to create an environment for attaining self-sufficiency in steel production by providing policy support and guidance to private manufacturers. The intent is to strengthen the research and development of national importance in the iron and steel sector by utilizing tripartite synergy among industry, national research and development laboratories and academic institutions.

Steel and Steel Products (Quality Control) Order, 2020 (the "Quality Control Order 2020")

The Steel and Steel Products (Quality Control) Order, 2020, as amended, was notified by the Ministry of Steel, Government of India, to bring certain steel products under mandatory BIS certification. All manufacturers of steel and steel products are required to apply to the Bureau of Indian Standards for certification and ensure compliance with the Quality Control Order 2020. The Quality Control Order 2020 further provides that every steel and steel products stated therein shall bear the standard mark under a license from Bureau of Indian Standards as provided in Bureau of Indian Standards (Conformity Assessment) Regulations, 2018.

Bureau of Indian Standards Act, 2016 (the "BIS Act")

The BIS Act has been brought into force with effect from October 12, 2017, repealing and replacing the Bureau of Indian Standards Act, 1986. The BIS Act establishes Bureau of Indian Standards (BIS) as the National Standards Body of India. The BIS Act has enabling provisions for the Government to bring under compulsory certification regime any goods or article of any scheduled industry, process, system or service which it considers necessary in the public interest or for the protection of human, animal or plant health, safety of the environment, or prevention of unfair trade practices, or national security The BIS Act also allows multiple type of simplified conformity assessment schemes including self-declaration of conformity against a standard which will give simplified options to manufacturers to adhere to the standards and get certificate of conformity Further, the BIS Act also provides for repair or recall, including product liability of the products bearing a standard mark but not conforming to the relevant Indian Standard.

Bureau of Indian Standards Rules, 2018 (the "Bureau of Indian Standards Rules")

The Bureau of India Standards Rules, 2018 have been notified, in supersession of the Bureau of Indian Standards Rules, 1987, in so far as they relate to Chapter IV A of the said rules relating to registration of the articles notified by the Central Government, and in supersession of the Bureau of Indian Standards Rules, 2017 except in relation to things done or omitted to be done before such supersession. Under the Bureau of Indian Standards Rules, the bureau is required to establish Indian standards in relation to any goods, article, process, system or service and shall reaffirm, amend, revise or withdraw Indian standards so established as may be necessary.

Legal Metrology Act, 2009 (the "Legal Metrology Act")

The Legal Metrology Act has been in force since April 1, 2011 and replaced the Standards of Weights and Measures Act, 1976. The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure, or number. The Legal Metrology Act provides that no person shall manufacture, repair or sell, or offer, expose or possess for repair or sale, any weight or measure unless he holds a licence issued by the controller. The key features of the Legal Metrology Act are (a) appointment of Government approved test centres for verification of weights and measures; (b) allowing the companies to nominate a person who will be held responsible for breach of provisions under the Legal metrology Act; (c) requirement of licenses for companies in order to manufacture and sell products; and (d) stringent punishment for violation of provisions.

Consumer Protection Act, 2019 (the "CPA")

The CPA provides for a three-tier consumer grievance redressal mechanism at the national, state and district levels. Non-compliance of the orders of the redressal commissions attracts criminal penalties. The CPA introduced a Central Consumer Protection Council to promote, protect and enforce the rights of consumers executive agency to provide relief to a class of consumers. The CPA also provides for mediation cells for early settlement of the disputes between the parties.

The Indian Boilers Act, 1923 ("Boilers Act") and the Indian Boiler Regulations, 1950 ("Boiler Regulations")

The Boilers Act seeks to regulate *inter alia,* the manufacture, possession, repair, operations and use of boilers. In terms of the provisions of the Boilers Act, an owner of a boiler is required to get the boiler registered and certified for its use, by an inspector appointed by the relevant State Government. The Boiler Regulations have been framed under the Boilers Act. The Boiler Regulations deal with the materials, procedure and inspection techniques to be adopted for the manufacture of boilers and boiler mountings and fittings. In the event of the use of boilers in non-compliance with the Boilers Act, a fine may be imposed on the owners of such boilers and in certain cases, imprisonment as well.

***Public Liability Insurance Act, 1991 ("Public Liability Act*")**

The Public Liability Act provides for public liability insurance for the purpose of providing immediate relief to the persons affected by accident occurring while handling any hazardous substance and for matters connected therewith or incidental thereto. The Public Liability Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification dated March 24, 1992. The owner or handler is also required to take out one or more insurance policies insuring against liability under the legislation and renew the same periodically. The Public Liability Act also provides for the establishment of the Environmental Relief Fund, which shall be utilised towards payment of relief granted under the Public Liability Act. The rules made under the Public Liability Act mandate that the employer has to contribute towards the Environment Relief Fund, a sum equal to the premium paid on the insurance policies. This amount is payable to the insurer.

Electricity Act, 2003 (the "Electricity Act")

The Electricity Act is the central legislation which covers, among others, generation, transmission, distribution, trading and use of electricity. Under the Electricity Act, the transmission, distribution and trade of electricity are regulated activities that require licenses from the Central Electricity Regulatory Commission ("CERC"), the State Electricity Regulatory Commissions ("SERCs") or a joint commission (constituted by an agreement entered into by two or more state governments or the central government in relation to one or more state governments, as the case may be). The generating company is required to establish, operate and maintain generating stations, tie-lines, sub-stations and dedicated transmission lines. Further, the generating company may supply electricity to any licensee or even directly to consumers and have a right to open access, for the purpose of carrying electricity subject to availability of adequate transmission and distribution systems and payment of transmission charges, including wheeling charges and open access charges, as may be determined by the appropriate electricity regulatory commission. In terms of the Electricity Act, 'open' access means the non-discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or system, by any licensee or consumer or a person engaged in generation in accordance with the regulations specified by the appropriate electricity regulatory commission. Under the Electricity Act, the appropriate commission shall specify the terms and conditions for the determination of tariff. Pursuant to the powers granted under the Electricity Act, various regulations and guidelines have been framed by the CERC and SERCs for determination of tariff for thermal producers and generation, distribution, transmission, allowing open access, among others. The Electricity (Amendment) Bill, 2014 was introduced to amend certain provisions of the Electricity Act. Among others, the amendment empowers the GoI to establish and review a national tariff policy and electricity policy.

B. Laws in relation to the environment

Environment Protection Act, 1986 (the "Environment Act")

The Environment Act has been enacted with an objective of protection and improvement of the environment and for matters connected therewith. As per this Act, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the Act, including the power to direct the closure, prohibition or regulation of any industry, operation or process.

Environment (Protection) Rules, 1986 (the "Environment Rules")

In exercise of powers conferred under the Environment Act, the Central Government notified the Environment Rules. Pursuant to Environment Rules, every person who carries on an industry, operation or process requiring consent under Water (Prevention and Control of Pollution) Act, 1974 or Air (Prevention and Control of Pollution) Act, 1981 or shall submit to the concerned Pollution Control Board ("***PCB***") an environmental statement for that financial year in the prescribed form.

Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act")

The Air Act requires that any individual, industry, or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the State PCB prior to commencing any activity. The consent may contain conditions relating to specifications of pollution control equipment to be installed. Within a period of four (4) months after the receipt of the application for consent the State PCB shall, by order in writing and for reasons to be recorded in the order, grant the consent applied for subject to such conditions and for such period as may be specified in the order, or refuse consent.

Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State Pollution Control Board (the "State PCB"). The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the "Hazardous Wastes Rules")

The Hazardous Waste Rules define the term "hazardous waste" and any person who has control over the affairs of a factory or premises or any person in possession of the hazardous or other waste is classified as "an occupier" . In terms of the Hazardous Waste Rules, occupiers have been, inter alia, made responsible for safe and environmentally sound handling of hazardous wastes generated in their establishments and are required to obtain license/ authorisation from the respective State PCB for generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer, or similar activities in relation to hazardous waste. Further, State PCBs are mandated to prepare an inventory of the waste generated, waste recycled, recovered and utilised including co-processed, re-exported and disposed, based on annual returns received from occupiers and operators, and submit it to the Central Pollution Control Board on an annual basis.

Water (Prevention & Control of Pollution) Cess Act, 1977 (the "Water Cess Act") and Water (Prevention & Control of Pollution) Cess Rules, 1978 (the "Water Cess Rules")

The Water Cess Act has been enacted to provide for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the central and State PCB for the prevention and control of water pollution constituted under the Water Act. The Water Cess Rules have been notified under Section 17 of the Water Cess Act and provide, inter alia, for the standards of the meters and places where they are to be affixed and the furnishing of returns by consumers.

C. Laws in relation to Intellectual Property

Trademarks Act, 1999 (the "Trade Mark Act")

The Indian law on trademark is enshrined in the Trade Marks Act of 1999. Under the existing Trade Mark Act, a trademark is a mark used in relation to goods and/or services so as to indicate a connection between the goods or services being provided and the proprietor or user of the mark. A 'Mark' may consist of a word or invented word, signature, device, letter, numeral, brand, heading, label, name written in a particular style, the shape of goods other than those for which a mark is proposed to be used, or any combination thereof or a combination of colours and so forth. The trademark once it is applied for is advertised in the trademarks journal, oppositions, if any, are invited and after satisfactory adjudication of the same, is given a certificate of registration. The right to use a mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is ten years, which may be renewed for similar periods on payment of prescribed renewal fees.

D. Industrial and Labour related Laws

In addition to the above legislations that are applicable to our Company in India, other legislations that may be applicable to our operations include:

Factories Act, 1948 (the "Factories Act")

Factories Act defines a 'factory to cover any premises which employs ten or more workers on any day of the preceding twelve months and in which manufacturing process is carried on with the aid of power or any premises where at least twenty workers are employed in a manufacturing process. Each state government has enacted rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that an occupier of a factory i.e. 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. There is a prohibition on employing children below the age of fourteen years in a factory. The Factories Act also provides for imposition of fines and imprisonment of the manager and occupier of the factory in case of any contravention of the provisions of the Factories Act. In addition to the Factories Act, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following in an indicative list of labour laws which may be applicable to our Company due to the nature of our business activities:

- The Contract Labour (Regulation and Abolition) Act, 1970
- The Employees' Compensation Act, 1923
- The Employees' State Insurance Act, 1948
- The Industrial Disputes Act, 1947
- The Industrial Employment (Standing orders) Act, 1946
- Industries (Development and Regulation) Act, 1951
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
- The Child Labour and Adolescent (Prohibition and Regulation) Act, 1986
- The Payment of Bonus Act, 1965
- The Minimum Wages Act, 1948
- The Payment of Wages Act, 1936
- The Equal Remuneration Act, 1976
- Maternity Benefit Act, 1961
- The Apprentices Act, 1961
- The Payment of Gratuity Act, 1972
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In order to rationalise and reform labour laws in India, the Government has enacted the following codes:

- Code on Wages, 2019, which regulates and amalgamates wage and bonus payments and subsumes 4 existing laws namely –the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees.

- Industrial Relations Code, 2020, which consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes. It subsumes the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.

- Code on Social Security, 2020, which amends and consolidates laws relating to social security, and proposes to subsume various social security related legislations, inter alia including the Employee's 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. It governs the constitution and functioning of social security organisations such as the Employee's Provident Fund and the Employee's State Insurance Corporation, regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees may suffer, among others. The Ministry of Labour and Employment has by way of notifications, implemented only certain provisions of the Code on Social Security, 2020, including the repeal of certain provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

- The Occupational Safety, Health, and Working Conditions Code, 2020, consolidates and amends the laws regulating the occupational safety and health and working conditions of the persons employed in an establishment. It replaces 13 old central labour laws including the Contract Labour (Regulation and Abolition) Act, 1970 and received the presidential assent on September 28, 2020. It proposes to subsume several separate legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.

E. Taxation Laws

The Goods and Services Tax (**GST**) is levied on supply of goods or services or both jointly by the Central Government and State Governments. GST provides for imposition of tax on the supply of goods or services and will be levied by the Central Government and by the state government including union territories on intra-state supply of goods or services. Further, Central Government levies GST on the inter-state supply of goods or services. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (**CGST**), relevant state's Goods and Services Act, 2017 (**SGST**), Union Territory Goods and Services Act, 2017 (**UTGST**), Integrated Goods and Services Act, 2017 (**IGST**), Goods and Services (Compensation to States) Act, 2017 and various rules made thereunder.

Further, the Income-tax Act, 1961 (**Income Tax Act**) is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or rules made there under 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 those relating to tax deduction at source, advance tax, minimum alternative tax, etc. In 2019, the Government has also passed an amendment act pursuant to which concessional rates of tax are offered to a few domestic companies and new manufacturing companies.

The Customs Act, 1962 as amended, 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 importing or exporting goods is first required to get registered under the Customs Act and obtain an Importer Exporter Code under FTDR. Customs duties are administrated by Central Board of Indirect Tax and Customs under the Ministry of Finance, Government of India

Foreign Investment Regulations

Foreign Trade (Development and Regulation) Act, 1992 (the "FTA")

The FTA seeks to increase foreign trade by regulating imports and exports to and from India. The FTA read with the Indian Foreign Trade Policy, 2015-20 provides that a person or company can make no exports or imports without having obtained an importer exporter code number unless such person or company is specifically exempt. An importer exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories.

The Foreign Trade Policy, 2023 (the "Foreign Trade Policy")

The Foreign Trade (Development & Regulation) Act, 1992 empowers the Central Government to formulate and announce, by way of a notification, the foreign trade policy from time to time. The Foreign Trade Policy, which came into effect from April 1, 2023, contains provisions relating to export and import of goods and services.

The Foreign Trade Policy provides the general provisions governing imports and exports in India, duty exemption or remission schemes, and policies relating to various export promotion schemes, export oriented units, electronics hardware technology parks, software technology parks and bio-technology parks, among others.

The Foreign Trade Policy mandates all importers and exporters of goods to obtain Importer Exporter Code (**IEC**) from the Director General of Foreign Trade (**DGFT**). According to the Foreign Trade Policy, exports and imports shall be 'free' except when regulated by way of 'prohibition', 'restriction' or 'exclusive trading through state trading enterprises' as laid down in the Indian Trade Classification (Harmonised System) for Exports and Imports Items (**ITC (HS)**). The import and export policies for all goods are indicated against each item in the ITC (HS). In terms of the Foreign Trade Policy, domestic laws or technical specification or environmental/safety and health laws that are applicable to domestically produced goods shall apply mutatis mutandis on imports unless the same are explicitly exempted. However, goods to be utilised/consumed for manufacture of export products, may be exempted by the DGFT from application of the domestic standards or quality specifications.

The Foreign Trade Policy empowers the DGFT to impose prohibitions or restrictions on the import or export of certain goods, for reasons including the protection of public morals, protection of human, animal or plant life or health, and the conservation of national resources. The Foreign Trade Policy also prescribes restrictions on imports or exports in relation to specific countries, organizations, groups, individuals or products.

Remission of Duties and Taxes on Exported Products Scheme (the "RoDTEP")

RoDTEP scheme was announced by GoI on September 14, 2019 to boost exports by allowing reimbursement of taxes and duties, which are not refunded under any other scheme. RoDTEP is a combination of the current Merchandise Export from India Scheme and Rebate of State and Central Taxes and Levies and has replaced the other schemes. Earlier, embedded duties and taxes, which are not refunded under any other scheme, range from 1-3%. Under this scheme, rebate of these taxes are given in the form of duty credit/electronic scrip. RoDTEP has been notified on August 17, 2021 with retrospective effect from January 1, 2021.

Export Promotion Capital Goods Scheme 2020 ("EPCG Scheme")

The EPCG Scheme provides that importers can benefit from reduced duties on the import of capital goods provided that they fulfil an export obligation to export a prescribed amount of their goods manufactured or services rendered (such amount being a multiple of the duty saved) within a specified period. Export obligations can be fulfilled by either through direct exports or through third parties. An EPCG authorization holder shall be liable to pay custom duties along with interest custom in the event of non-fulfilment of prescribed export obligations.

F. Key regulations and policies applicable to DEE Piping Systems (Thailand) Co. Limited

Set out below is a list of laws, decrees and policies that DEE Piping Systems (Thailand) Co. may be subject to in Thailand, where it is incorporated and from where it conducts its business operations-

- Accounting Act, 2000
- Announcement of Industry Ministry re Industrial Waste and Scraps (2005) (issued under the Factory Act 1992)
- Building Control Act, 1979
- Civil and Commercial Code's provisions concerning privately-held company
- Criminal Offences related to Registered Partnership, Limited Partnership, Limited Company, Association, and Foundation Act 1956
- Currency Exchange Control Act, 1942
- Customs Act, 2017
- Environmental Quality Enhancement and Conservation Act, 1992
- Factory Act, 1992
- Foreign Business Act, 1999
- Import & Export Act, 1979
- Investment Promotion Act, 1977
- Labour Protection Act, 1998
- Labour Relation Act, 1975
- Personal Data Protection Act, 2019
- Revenue Code
- Safety, Occupational Health & Work Environment Act, 2011
- Road Traffic Act

- Automobile Act

G. Other laws

In addition to the above, our Company is also required to comply with the legislations and other applicable statutes imposed by the Centre or the State Government including the (i) The Atomic Energy Act, 1962 and the rules thereunder; (ii) The New and Renewable Sources of Energy Policy (NRSE 2012); (iii) Collection of Statistics Act, 2008; (iv) Haryana Non-Biodegradable Garbage (Control) Act, 1998; (v) Haryana Water Resources (Conservation, Regulation And Management) Authority Act, 2020; (vi) The Punjab State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff from Renewable Energy Sources) Regulations, 2019; (vii) Punjab Electricity (Duty) Act, 1958; (viii) Haryana Fire and Emergency Services Act, 2022 and authorities for our day-to-day business and operations.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was originally incorporated as "DE Development Engineers Private Limited" a private limited company under the Companies Act, 1956 through certificate of incorporation dated March 21, 1988, issued by the RoC. Thereafter, the name of the Company was changed to "DEE Development Engineers Private Limited" pursuant to a Board resolution dated September 28, 1997 and a special resolution passed in the general meeting of the Shareholders held on October 22, 1997 and consequently a fresh certificate of incorporation dated January 8, 1998 was issued by the RoC to reflect the change in name.

Pursuant to an amendment in the Companies Act, 1956, our Company was deemed public under Section 43A (1A) of the Companies Act, 1956 with effect from July 1, 1998. Consequently, the word 'Private' was deleted from the name of our Company and the name was changed to "DEE Development Engineers Limited" pursuant to a Board resolution dated June 1, 1998.

Thereafter, our Company was converted into a private limited company pursuant to an amendment to Section 43A (1A) in Companies Act, 1956 by Section 43A (2A) of the Companies Amendment Act, 2000 with effect from July 16, 2004 and the name was changed to "DEE Development Engineers Private Limited" pursuant to a Board resolution dated July 16, 2004.

The name of our Company was changed to 'DEE Development Engineers Limited' upon conversion to a public limited company pursuant to a Board resolution dated December 29, 2009 and a resolution passed in the extra-ordinary general meeting of the Shareholders held on January 18, 2010 and consequently a fresh certificate of incorporation dated March 11, 2010, was issued by the RoC.

Changes in Registered Office

The following table sets forth the details of the change in registered office of the Company since its date of incorporation:

Date of Board resolution	Details of change in address of our registered office	Reason for change
May 29, 2023	Change in the registered office of the Company from 1255 Sec-14 Faridabad Haryana 121002, India to 1255 Sector-14, Escortsnagar, Faridabad Haryana-121007, India.	The pin code mentioned in the address of our Company was updated to reflect the corrected pin code in the MCA Master Data.
September 2, 2023	Change in registered office of the Company from 1255, Sector 14, Escortsnagar, Faridabad, Haryana-121007 to Unit 1, Prithla-Tatarpur Road, Village Tatarpur, Dist. Palwal, Faridabad, Haryana – 121102, India	With a view to increase the operational efficiency and for smooth, effective and efficient functioning of the business of the Company.

The Registered and Corporate Office of our Company is currently situated at Unit 1, Prithla-Tatarpur Road, Village Tatarpur, Dist. Palwal, Faridabad, Haryana – 121102, India.

Main Objects of our Company

The main objects of our Company contained in its Memorandum of Association are as disclosed below:

1. *To do the business of manufacturing, fabrication and supply of pre-fabricated or shop fabricated pipings of metal, steel, structure, structural works and components for process industry, power industry, oil & gas, railways, roads, infrastructure projects etc;*

2. *To provide technical know-how, consultation in the manufacturing or processing of goods or materials, or in the installations, erection and surveillance of plant for such manufacturing or processing, or in the working of a power generation, mine, oil, well or other sources of mineral deposits or in the search for or discovery or testing of the same;*

3. *To provide technical know-how of any patent, invention, model, design, secret formula or process or similar property, right or information concerning industrial, commercial, or scientific knowledge, experience, or skill made available or provided or agreed to be made available on turnkey basis in connection therewith;*

4. *To do the business of Power Generation, Distribution and Transmission and provide the raw material for Power Generation Plants act as an agro forestry (agricultural activities);*

5. *Designing, development and manufacturing of pilot plants which are small-scale versions of industrial plants or processes that are used to test and optimize new technologies, processes, or products before they are implemented on a larger scale and providing services but not limited to erection, maintenance and all other techniques for designing, development and manufacturing of pilot plants;*

6. *Designing, development and manufacturing of various lab equipment's and systems allowing engineers and scientists to evaluate the feasibility, efficiency, safety of the proposed lab equipment's and conducting research and development studies and providing services but not limited to erection, maintenance and all other techniques for designing, development and manufacturing of lab equipment's and systems;*

7. *Designing and development of various electronics, computerized, Al based and digital devices which may be attached to various other systems and equipment's to make various pilot plants and lab equipment systems more effective.*

The objects clause as contained in the Memorandum of Association enables our Company to carry on the business presently being carried out.

Amendments to the Memorandum of Association

The amendments to the Memorandum of Association of our Company in the 10 years immediately preceding the date of this Draft Red Herring Prospectus are as detailed below.

Date of Shareholders' Resolution/ Effective Date	Nature of Amendment
July 27, 2023	Clause III of the MoA, the object clause was amended to reflect the following addition to the main objects *"Designing, development and manufacturing of pilot plants which are small-scale versions of industrial plants or processes that are used to test and optimize new technologies, processes, or products before they are implemented on a larger scale and providing services but not limited to erection, maintenance and all other techniques for designing, development and manufacturing of pilot plants;* *Designing, development and manufacturing of various lab equipment's and systems allowing engineers and scientists to evaluate the feasibility, efficiency, safety of the proposed lab equipment's and conducting research and development studies and providing services but not limited to erection, maintenance and all other techniques for designing, development and manufacturing of lab equipment's and systems;* *Designing and development of various electronics, computerized, Al based and digital devices which may be attached to various other systems and equipment's to make various pilot plants and lab equipment systems more effective."*
	Clause III of the MoA, the object clause was amended to delete the main heading of "other objects" and reclassify such other objects under the heading of "ancillary objects".
	Clause V of the MoA was amended to reflect the increase in authorised capital to ₹ 750,000,000 divided into 68,750,000 Equity Shares of ₹ 10 each and 6,250,000 Preference Share of ₹ 10 each.
April 6, 2022	Clause III of the MoA, the object clause was amended to align the MoA with the provisions of the Companies Act, 2013.
	The MoA was amended pursuant to the reclassification of the authorised share capital of the Company from "the authorised share capital of the Company is ₹ 250,000,000 divided into 18,750,000 Equity Shares of ₹ 10 each and 6,250,000 Compulsory Convertible Preference Share (CCPS) of ₹ 10 each" to "the authorised share capital of the Company is ₹ 250,000,000 divided into 18,750,000 Equity Shares of ₹ 10 each and 6,250,000 Preference Share of ₹ 10 each.
	Clause V of the MoA was amended to reflect the change in authorised capital to ₹ 250,000,000 divided into 18,750,000 Equity Shares of ₹ 10 each and 6,250,000 Preference Share of ₹ 10 each.

Major events and milestones of our Company

The table below sets forth some of the major events in the history of our Company:

Calendar Year	Major events and milestones
2006	Established Unit I, Palwal Facility for manufacturing of other fabricated metal products along with the processing/re-rolling of metal scraps

Calendar Year	Major events and milestones
2010	Established Unit II, Palwal Facility for manufacturing of other fabricated metal products and the processing/re-rolling of metal scraps.
2013	Established Unit III, Palwal Facility for manufacturing of other fabricated metal products and the processing/re-rolling of metal scraps.
2013	Commenced receiving orders for production of HP piping from a client for a power project at Solapur.
2014	Commenced receiving orders for production of HP piping from a client for a power project at Meja.
2017	Commenced business operations at Bangkok Facility, through our subsidiary DEE Piping Systems (Thailand) Co., Limited
	Commenced supply of piping material for a petroleum refinery and polypropylene plant in Nigeria.
2020	Commenced business operations at Anjar Heavy Fabrication Facility in Gujarat, through our subsidiary DEE Fabricom India Private Limited, to manufacture wind turbine towers.
2022	Commenced business operations at Anjar Facility I in Gujarat to manufacture fabricated metal products.
	Commenced business operations at the Barmer Facility in Rajasthan for manufacture of fabricated metal products.

Key awards, accreditations, certifications and recognitions received by our Company

The table below sets forth certain key awards, accreditations, certifications and recognitions received by our Company:

Calendar Year	Award/Accreditation/Certification/Recognition
2007	• Certificate of appreciation in recognition of invaluable contribution to the success of Thermax, by Thermax
2013	• Construction Industry Development Council ("**CIDC**") Vishwakarma Award 2013 for Best Professionally Managed Company (Turnover ₹ 100-500 crores) by CIDC.
2014	• Pressure Equipment Directive 2014/68/EU ("**PED**") Quality Assurance certificate meeting the requirement of Module H of the PED for design, manufacture, final product inspection and testing of piping systems issued to Unit II, Palwal Facility by Hartford Steam Boiler Ireland Limited.
2018	• Star Performer Award for the year 2016-17 in the product group – Miscellaneous general purpose machinery (Large Enterprise) by National Award for Export Excellence, EEPC India
2020	• ISO 9001:2015 certificate for design and manufacture of pressure vessels and manufacture of pipe fittings and piping systems to National/International standards and customer specifications issued to Palwal Facility, Bangkok Facility, Anjar Facility I and Barmer Facility. • ISO 14001:2015 certificate for design and manufacture of pressure vessels and manufacture of pipe fittings and piping systems to National/International standards and customer specifications issued to Palwal Facility, Bangkok Facility, Anjar Facility I and Barmer. • ISO 45001:2018 certificate for design and manufacture of pressure vessels and manufacture of pipe fittings and piping systems to National/International standards and customer specifications issued to Palwal Facility, Bangkok Facility, Anjar Facility I and Barmer.
2021	• Certificate of authorisation from the American Society of Mechanical Engineers for the (i) manufacture and assembly of power boilers and (ii) fabrication and assembly of pressure piping issued to Unit I, Palwal Facility • Pressure Equipment Directive 2014/68/EU ("**PED**") Quality Assurance certificate for manufacture and supply of forged, seamless and welded fittings issued to the Palwal Facility by TUV Nord Systems GmbH & Co.
2022	• Certificate of authorisation from the American Society of Mechanical Engineers for the (i) manufacture and assembly of power boilers, (ii) manufacture of Class I and Class 2 pressure vessels and (iii) fabrication and assembly of pressure piping issued to Unit II, Palwal Facility. • Certificate of accreditation in accordance with the standard ISO/IEC 17025:2017, general requirements for the competence of testing and calibration laboratories issued to the Quality Control Lab, Palwal facility in the field of testing on by the National Accreditation Board for Testing and Calibration Laboratories. • Letter of validation granted by the Canadian Welding Bureau providing certification for fusion welding of steels in division 2 as per Canadian Standards Association ("**CSA**") W47.1, including fabrication of structural steel piping supports for petroleum industry, issued to the Company. • Certificate on DIN EN ISO 3834-2 issued to the Anjar Heavy Fabrication Facility.
2023	• Certificate on DIN EN ISO 3834-2 issued to the Palwal Facility. • ISO 9001:2015 certificate for manufacture of wind turbine towers, heavy fabricated structures for power plant and infrastructure projects issued to Anjar Heavy Fabrication Facility. • ISO 14001:2015 certificate for manufacture of wind turbine towers, heavy fabricated structures for power plant and infrastructure projects issued to Anjar Heavy Fabrication Facility.

Calendar Year	Award/Accreditation/Certification/Recognition
	• ISO 45001:2018 certificate for manufacture and supply of wind turbine towers, heavy fabricated structures for power plant and infrastructure projects issued to Anjar Heavy Fabrication Facility.

Other Details Regarding our Company

Significant financial and/or strategic partnerships

Except as disclosed below, our Company does not have any significant financial and strategic partners as of the date of this Draft Red Herring Prospectus.

Collaboration Agreement dated February 7, 2023 entered into by and amongst our Company and a confidential party ("Collaboration Agreement")

Our Company and a confidential party have entered into the Collaboration Agreement in order to use and/ or incorporate each other's intellectual property for mutual business benefits in relation to a pipe fabrication automation trial/ test by utilising certain automation equipment. Each party shall bear its own fees, expenses and/or costs of any kind in respect of its roles and responsibilities. Upon completion of the pipe fabrication automation trial/ test, if in the sole opinion of the confidential party it evaluates and decides that the results of the trial/ test are technically and commercially viable, the parties intend to negotiate in good faith to enter into a definitive agreement for the performance of pipework fabrication. The Collaboration Agreement is valid for a term of three years from the effective date, i.e., February 7, 2023, or the completion of the development as determined by the confidential party whichever is earlier.

Defaults or rescheduling of borrowings from financial institutions or banks

No payment defaults or rescheduling have occurred in relation to any borrowings availed by our Company from any financial institutions or banks, nor have any such borrowings or loans been converted into Equity Shares.

Time and cost overruns

Other than in the ordinary course of business, there have been no time and cost over-runs in respect business operations.

Launch of key products or services, entry into new geographies or exit from existing markets, capacity/ facility creation or location of plants

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets and capacity/facility creation to the extent applicable, see "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 186 and 344, respectively.

Holding Company

As of the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Joint Ventures and Associate Companies

As of the date of this Draft Red Herring Prospectus, our Company does not have any joint ventures or associate companies.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations, and revaluation of assets, if any, in the last ten years

Our Company has not made any material acquisitions or divestments of business or undertakings, mergers, amalgamations or any revaluation of assets in the last 10 years immediately preceding the date of this Draft Red Herring Prospectus.

Shareholders' Agreements

As on the date of this Draft Red Herring Prospectus there are no agreements entered into by and between our Company and Shareholders of our Company or any inter-se Shareholders with regard to rights and obligations in connection with the securities of our Company.

Agreements with Key Managerial Personnel, Directors, Promoter, or any other employee

There are no agreements entered into by our Promoter, Key Managerial Personnel or Directors or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Guarantees given by the Promoter participating in the Offer for Sale

Our Promoter, Krishan Lalit Bansal, who is also the Selling Shareholder, has issued personal guarantees in relation to loans availed by our Company and the Subsidiaries. Set out below are the details of the said personal guarantees:

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In relation to the facilities availed from the Bank of India consortium by the Company:

Name of the Lender	Type of Facility	Sanctioned Amount (*in ₹ million*)	Security	Obligation on our Company	Obligation of the Promoter offering their shares in the Offer for Sale	Reason	Consideration
Bank of India	Term loan and working capital	2,824.10	**<u>Principal</u>** (i) Fund based working capital limit - hypothecation on the current assets (including stocks and book debts) of both the piping units on 1^{st} pari passu basis. (ii) Non fund based limits - hypothecation on the current assets including stocks and book-debts of piping units on 1^{st} pari passu basis in the form of cash/transferable development rights as per the sanction of respective banks. (iii) Term loan – 1^{st} charge on the fixed assets of the piping unit of the Company. **<u>Collateral (for working capital limits)</u>** (i) 2^{nd} charge on pari passu basis on the fixed block including land and building of piping unit no. I of the Company (excluding term loans outstanding of piping unit, property, machineries charged to under external commercial borrowings loan) & immovable property, Tatarpur Road, Village Tatarpur, 45 km, Delhi Mathura Road, Tehsil and Dist Palwal, 62 kanai 14 marla, Haryana (i.e. 1770 square yards) charged under 1^{st} pari-passu charge) (1^{st} charge being in favour of Bank of India for term loans outstanding) (ii) 2^{nd} charge on pari passu basis on the fixed block including land and building of piping unit no. II of the Company (excluding term loans outstanding of piping unit, property machineries charged under external commercial borrowings loan &	Till all the facilities are repaid by the Company	Till all the facilities are repaid by the Company	Personal guarantee in respect of term loan and working capital facilities availed from the Bank of India consortium availed by our Company	Nil
Punjab National Bank	Working capital	1,470.00					
HDFC Bank	Working capital	450.00					
Union Bank of India	Working capital	440.00					
Export - Import Bank of India	Working capital	450.00					
IndusInd Bank	Working capital	615.00					
Yes Bank	Term loan and working capital	690.00					

Name of the Lender	Type of Facility	Sanctioned Amount (*in ₹ million*)	Security	Obligation on our Company	Obligation of the Promoter offering their shares in the Offer for Sale	Reason	Consideration
			immovable property charged under 1st pari passu charge) (1st charge being in favour of Bank of India for term loans outstanding) Village Maidapur, Ashwati (Jatola) Road, Tatarpur Industrial Area, Off Shoot 45 kms, Stone, Delhi Mathura Road, Tehsil and Distt. Palwal, area 103 kanai 05 marla) (iii) 1st pari-passu charge on the fixed block including land and building situated at Jatola Road, Village Tatarpur, Tatarpur Industrial Area Maidapur, Tehsil & Distt. Palwal measuring 1770.00 square yards for working capital limits. (iv) 1st pari passu charge on net block including land and building of power division of the company at Firozpur in favour of the working capital lenders of the Company. (v) Equitable Mortgage of immoveable property including on the fixed block including land and building situate at Unit No. 11, Block No. II, SIDCO Electronic Complex at Thiru VI Ka Industrial Estate, Guindy, Chennai 600032 admeasuring 1026 square feet respectively on 1st pari passu basis. (vi) Equitable Mortgage of immoveable property situated at Unit no. 12, Block no. II, SIDCO Electronic Complex at Thiru VI Ka Industrial Estate, Guindy, Chennai – 600032 admeasuring 1027 square feet respectively on 1st pari passu basis. (vii) 2nd charge on pari passu basis by way of equitable mortgage over residential land and building house situated at 1255, Sector 14, Faridabad, ownership				

Name of the Lender	Type of Facility	Sanctioned Amount (*in ₹ million*)	Security	Obligation on our Company	Obligation of the Promoter offering their shares in the Offer for Sale	Reason	Consideration
			in the name of Mr. K. L. Bansal (area – 500 square yards). (viii) 1st pari passu charge on the transferable development rights for ₹1.62 crores and ₹1.88 crores.				

In relation to the facilities availed from TATA Capital Financial Services Limited by the Company:

Name of the Lender	Type of Facility	Sanctioned Amount (*in ₹ million*)	Security	Obligation on our Company	Obligation of the Promoter offering their shares in the Offer for Sale	Reason	Consideration
TATA Capital Financial Services Limited	Term–loan - 1	35.00	**Collateral** i. First and exclusive charge on by way of Equitable Mortgage over following Properties: - C-515, Block - C, Vipul Plaza, Sector 81, Faridabad, Haryana - 121002 in the name of Madhu Bala, having clear and marketable title. - Flat no. 1103, 11th Floor, Eleganza Tower, Imperial Estate, Sector 82, Faridabad, Haryana - 121002 in the name of Madhu Bala, having clear and marketable title. - Module No. 13, First Floor, Electronic complex, Block II, Thiru VI Ka Industrial Estate, Guindy, Chennai, Tamil Nadu in the name of Krishan Lalit Bansal, having clear and marketable title.	Till all the facilities are repaid by the Company	Till all the facilities are repaid by the Company	Personal guarantee in respect of term loan availed by our Company.	Nil
	Term–loan - 2	40.00	Not Applicable	Till all the facilities are repaid by the Company	Till all the facilities are repaid by the Company		Nil

In relation to the facilities availed from Bandhan Bank by the Company:

Name of the Lender	Type of Facility	Sanctioned Amount (*in ₹ million*)	Security	Obligation on our Company	Obligation of the Promoter offering their shares in the Offer for Sale	Reason	Consideration
Bandhan Bank	Cash credit, working capital demand loan, term loan, capex letter of credit.	300.00	**<u>Working capital (cash credit and working capital demand loan)</u>** **<u>Primary</u>** i. Hypothecation on the entire current assets of the piping unit on 1st pari passu basis with other working capital lenders. **<u>Collateral</u>** i. First pari passu charge by way of Equitable Mortgage of immoveable property situated at Unit No. 11, Block No. II, SIDCO Electronic Complex at Thiru VI Ka Industrial Estate, Guindy, Chennai admeasuring 1026 square feet in the name of the company. & First pari passu charge by way of Equitable Mortgage of immoveable property situate at Unit No. 12, Block No. II, SIDCO Electronic Complex at Thiru VI Ka Industrial Estate, Guindy, Chennai admeasuring 1027 square feet in the name of the company. Valuation at ₹1.80 crore – lead bank valuation. ii. First pari passu charge by way of Equitable Mortgage on the property situated at Jatola Road, Tatarpur Industrial Area, Village Maidapur, Tehsil and Distt. Palwal, admeasuring 1770 square yards- valuation at ₹ 3.17 crores – lead bank valuation. iii. First pari passu charge by way of equitable mortgage on the net block of the power unit at Gaddadhab, Teh-Abohar, Dist - Firozpur, Punjab valuation at ₹ 28.42 crores.	Till all the facilities are repaid by the Company	Till all the facilities are repaid by the Company	Personal guarantee in respect of fund based working capital facility, term loan, working capital loan availed by our Company	Nil

Name of the Lender	Type of Facility	Sanctioned Amount (*in ₹ million*)	Security	Obligation on our Company	Obligation of the Promoter offering their shares in the Offer for Sale	Reason	Consideration
			iv. First pari passu charge on fixed deposits of ₹ 1.88 crores kept with Bank of India. v. First pari passu charge on fixed deposits of ₹ 1.62 crores kept with Bank of India. vi. 2nd charge on pari passu basis on the fixed assets of piping unit of the company (excluding term loans outstanding of piping unit, machineries under external commercial borrowing loan and immovable properties i.e 1770 square yards charged under 1st pari passu basis) valuation at ₹ 99.36 crores. vii. 2nd charge on pari passu basis by way of equitable mortgage on land and building situated at Plant no. 1 & 2, Tatarpur Road, Distt Palwal, (area 165km and 19m) ₹ 40.18 crores and 76.09 crores – as per consortium valuation. viii. 2nd charge on pari-passu basis by way of equitable mortgage over residential house situated at 1255, Sector – 14, Faridabad, ownership in the name of Krishan Lalit Bansal (area – 500 square yards) (market value ₹ 8.28 crores with outstanding ₹ 0.96 crores) i.e. ₹ 7.32 crores. *security structure for the working capital facility will be in line with the consortium. **Term Loan and Capex LC** **Primary** i. Pari-passu charge with other term lender for the new unit on the project asset funded out of term				

Name of the Lender	Type of Facility	Sanctioned Amount (*in ₹ million*)	Security	Obligation on our Company	Obligation of the Promoter offering their shares in the Offer for Sale	Reason	Consideration
			loan by way of hypothecation on entire plant and machineries and MFA of that unit. ii. Pari-passu charge by way of equitable mortgage of factory land and building at the proposed plant measuring 9 acres (approx) situated at Revenue Survey No. 28 P/1,–Village - Lakhapar, State Highway Satapar Lakhapar Road, Taluka Anjaar, Dist Kutch, Gujarat, with other term lender of the new unit. iii. Pari-passu charge by way of equitable mortgage of factory land, building and sheds at the proposed plant on land measuring of 34 acres 28 guntha (approx), with other term lender of the new unit.				

In relation to the vehicle loans availed by the Company:

Name of the Lender	Type of Facility	Sanctioned Amount (*in ₹ million*)	Security	Obligation on our Company	Obligation of the Promoter offering their shares in the Offer for Sale	Reason	Consideration
HDFC Bank	Auto loan	0.38	Hypothecation of vehicles for which the auto loan was sanctioned.	Till all the facilities are repaid by the Company	Till all the facilities are repaid by the Company	Personal guarantee in respect of purchase of a vehicle	Nil
Bank of India	Auto loan	18.42	Hypothecation of vehicles for which the auto loan was sanctioned.	Till all the facilities are repaid by the Company	Till all the facilities are repaid by the Company	Personal guarantee in respect of purchase of a vehicle	Nil
Union Bank of India	Auto loan	12.38	Hypothecation of vehicles for which the auto loan was sanctioned.	Till all the facilities are repaid by the Company	Till all the facilities are repaid by the Company	Personal guarantee in respect of	Nil

Name of the Lender	Type of Facility	Sanctioned Amount (*in ₹ million*)	Security	Obligation on our Company	Obligation of the Promoter offering their shares in the Offer for Sale	Reason	Consideration
						purchase of a vehicle	

In relation to the lease financing availed by the Company

Name of the Lender	Type of Facility	Sanctioned Amount (*in ₹ million*)	Security	Obligation on our Company	Obligation of the Promoter offering their shares in the Offer for Sale	Reason	Consideration
Siemens Financial Services Private Limited	Lease financing	21.65	Not Applicable	Nil	Nil	Personal guarantee in respect of lease financing availed for purchase of equipments/ machinery	Nil
Tata Capital Financial Services Limited	Lease financing	130.00	Not Applicable	Nil	Nil	Personal guarantee in respect of lease financing availed for purchase of equipments/ machinery	Nil

In relation to the facilities availed by the Subsidiaries:

Name of the Subsidiaries	Name of the Lender	Type of Facility	Sanctioned Amount (*in ₹ million*)	Security	Reason	Consideration
DEE Fabricom India Private Limited	Yes Bank	Term loan and working capital	310.41	i. Exclusive charge by way -.of hypothecation on all existing and future current assets of borrower	Personal guarantee in respect of working capital availed by DEE	Nil

Name of the Subsidiaries	Name of the Lender	Type of Facility	Sanctioned Amount (*in ₹ million*)	Security	Reason	Consideration
				ii. Exclusive charge by way of hypothecation on all existing and future movable fixed assets of borrower excluding specifically charged to the financial institution	Fabricom India Private Limited.	
Malwa Power Private Limited	Bank of India	Term loan and working capital	114.90	**Primary** i. Hypothecation of stock for working capital fund based loan. ii. Hypothecation of book debts for working capital fund based loan. iii. Hypothecation of plant and machinery. iv. Mortgage of industrial land owned by Malwa Power Private Limited at Gulabwala, measuring 44 kanals, 1.5 marlas. **Collateral** i. Mortgage of industrial land and building owned by Malwa Power Private Limited at Gulabwala, measuring 29 kanals, 1.5 marlas ii. Mortgage of industrial land and building owned by Malwa Power Private Limited at Gulabwala, measuring 58 kanals, 2 marlas iii. Mortgage of industrial land owned by Malwa Power Private Limited at Gulabwala, measuring 27 kanals, 3 marlas	Personal guarantee in respect of term loan availed by Malwa Power Private Limited.	Nil

Name of the Subsidiaries	Name of the Lender	Type of Facility	Sanctioned Amount (*in ₹ million*)	Security	Reason	Consideration
				iv. Mortgage of industrial land owned by Malwa Power Private Limited at Gulabwala, measuring 30 kanals, 16 marlas v. Hypothecation of plant and machinery for term loan. vi. Other fixed assets including land and plant and machinery.		
DEE Piping Systems (Thailand) Co., Limited	Siam Commercial Bank	Term loan	814.69 *	Collateral i. Mortgage of land and building, title deeds no. 5266, 11569, 12408, 12409, 17952, 28118 and 28121 total 7 title deeds total area 34-3-05.0 Rai, located at 59, 59/8 Moo 6 Soi Thetsaban 6/2, Kasem Chatikavanich Road, Thakham, Bangpakong, Chachoengsao. Ownership DEE Piping Systems (Thailand) Co. Ltd. ii. Business collateral registration No. 1 type of machinery and equipment (with machinery registration number) 41 items, located at 59, 59/8 Moo 8, Thakham, Bangpakong, Chachoengsao. Ownership DEE Piping Systems (Thailand) Co, Ltd. **iii.** Business collateral registration No. 1 type of machinery and equipment (without machinery registration number) 77 items, located at 59, 59/8 Moo 6 Thakham,	Personal guarantee in respect of term loan availed by DEE Piping Systems (Thailand) Co., Limited	Nil

Name of the Subsidiaries	Name of the Lender	Type of Facility	Sanctioned Amount (*in ₹ million*)	Security	Reason	Consideration
				Bangpakong, Chachoengsao Ownership DEE Piping Systems (Thailand) Co.,Ltd.		

* *An exchange rate of ₹ 2.39488 for 1 THB has been considered as on July 31, 2023 (www.xe.com)*
\# *An exchange rate of ₹ 82.2481 for 1 USD has been considered as on July 31, 2023 (www.fbil.org.in)*

In relation to the vehicle loans availed by the Subsidiaries:

Name of the Subsidiaries	Name of the Lender	Type of Facility	Sanctioned Amount (*in ₹ million*)	Security	Obligation on our Company	Obligation of the Promoters offering their shares in the Offer for Sale	Reason	Consideration
DEE Fabricom India Private Limited	HDFC Bank	Auto loan	1.45	Hypothecation of vehicles for which the auto loan was sanctioned.	Till all the facilities are repaid by the Company	Till all the facilities are repaid by the Company	Personal guarantee in respect of purchase of a vehicle	Nil
Malwa Power Private Limited	Yes Bank	Auto loan	1.06	Hypothecation of vehicles for which the auto loan was sanctioned.	Till all the facilities are repaid by the Company	Till all the facilities are repaid by the Company	Personal guarantee in respect of purchase of a vehicle	Nil

The abovementioned guarantees have been issued in connection with loans availed by our Company and the Subsidiaries. Pursuant to the terms of the guarantees, the obligation of our Promoter includes repayment of the guaranteed sum in case of default by the Company or the Subsidiaries. The financial implications in case of default by the Company or the Subsidiaries are that the lender would be entitled to invoke the guarantees to the extent of the outstanding loan amount, together with any interests, costs or charges due to the respective lenders. The guarantees are effective for a period until the underlying loan is to be repaid by the Company or the Subsidiaries.

OUR SUBSIDIARIES

Our Subsidiaries

As on the date of this Draft Red Herring Prospectus, our Company has four Subsidiaries, the details of which are below.

Indian Subsidiaries

1. DEE Fabricom India Private Limited;

2. Malwa Power Private Limited; and

3. Atul Krishan Bansal Foundation.

Foreign Subsidiary

1. DEE Piping Systems (Thailand) Co., Limited.

Set out below are the details of our Subsidiaries.

Indian Subsidiaries

1. DEE Fabricom India Private Limited

Corporate Information

DEE Fabricom India Private Limited was incorporated as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated October 9, 2018 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi. Its CIN is U28990HR2018PTC076325, and its registered office is situated at 1255, Sector-14, Faridabad, Haryana – 121007.

Nature of business

DEE Fabricom India Private Limited is engaged in *inter alia* the business of manufacturing, fabrication and supply of metal structure and components for power (renewable and non-renewable), oil and gas, railways, roads, infrastructure projects.

Capital structure

Particulars	No. of equity shares of face value of ₹ 10 each
Authorised share capital of ₹ 100,000,000	10,000,000
Issued, subscribed and paid-up equity share capital of ₹ 90,000,000	9,000,000

Shareholding pattern

The shareholding pattern of DEE Fabricom India Private Limited as on the date of this Draft Red Herring Prospectus is as follows:

Name of the shareholder	No. of equity shares (of ₹ 10 each) held	Percentage of total capital (%)
DEE Development Engineers Limited	8,999,999	99.99
Krishan Lalit Bansal (Nominee of DEE Development Engineers Limited)	1	Negligible
Total	**9,000,000**	**100.00**

2. Malwa Power Private Limited

Corporate Information

Malwa Power Private Limited was incorporated as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated January 7, 2002 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi. Its CIN is U40107HR2002PTC067195, and its registered office is situated at 1255, Sector-14, Faridabad, Haryana – 121007.

Nature of business

Malwa Power Private Limited is engaged in the business of power generation, distribution and transmission.

Capital structure

Particulars	No. of equity shares of face value of ₹ 10 each
Authorised share capital of ₹ 130,000,000	13,000,000
Issued, subscribed and paid-up equity share capital of ₹ 122,096,800	12,209,680

Shareholding pattern

The shareholding pattern of Malwa Power Private Limited as on the date of this Draft Red Herring Prospectus is as follows:

Name of the shareholder	No. of equity shares (of ₹ 10 each) held	Percentage of total capital (%)
DEE Development Engineers Limited	12,209,679	99.99
Krishan Lalit Bansal (Nominee of DEE Development Engineers Limited)	1	Negligible
Total	**12,209,680**	**100.00**

3. **Atul Krishan Bansal Foundation**

Corporate Information

Atul Krishan Bansal Foundation is a company limited by shares incorporated under Section 8 of the Companies Act, 2013, pursuant to a certificate of incorporation dated January 22, 2021 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi. Its CIN is U85300DL2021NPL376061, and its registered office is situated at 2375/78/86/88/90, No. 12, Pratap Chambers, 2387/89/90 Gurdwara Road, Karol Bagh, New Delhi – 110005.

Nature of business

Atul Krishan Bansal Foundation is engaged in activities aimed at *inter alia* eradicating hunger, poverty and malnutrition, promoting health care including preventive health care sanitation, contribution to the Swach Bharat Kosh setup by the Government of India for the promotion of sanitation and making safe drinking water available; promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancing projects; promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups; and contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM CARES Fund) or any other fund set up by the Government of India for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women and other rural development projects.

Capital structure

Particulars	No. of equity shares of face value of ₹ 10 each
Authorised share capital of ₹ 100,000	10,000
Issued, subscribed and paid-up equity share capital of ₹ 100,000	10,000

Shareholding pattern

The shareholding pattern of Atul Krishan Bansal Foundation as on the date of this Draft Red Herring Prospectus is as follows:

Name of the shareholder	No. of equity shares (of ₹ 10 each) held	Percentage of total capital (%)
DEE Development Engineers Limited	9999	99.99
Krishan Lalit Bansal (Nominee of DEE Development Engineers Limited)	1	0.01

Name of the shareholder	No. of equity shares (of ₹ 10 each) held	Percentage of total capital (%)
Total	**10,000**	**100.00**

Foreign Subsidiary

1. DEE Piping Systems (Thailand) Co., Limited

Corporate Information

DEE Piping Systems (Thailand) Co., Limited was incorporated as a private company on October 7, 2014 under Thailand's Civil and Commercial Code concerning private company. Its registration number is 0105557148913 and its registered office is situated at Nos. 59 and 59/8, Village No. 6, Thakham Sub-district, Bangpakong District, Cha-choeng-sao Province.

Nature of business

DEE Piping Systems (Thailand) Co., Limited is engaged in *inter alia* activities related to piping systems, pipe wielding work systems, valves, pressure adjustments systems flanges and parts, waste water and effluent treatment systems, waste disposal systems, water draining systems, public utility systems, which the aforesaid activities include purchase, sale, production, invention/creation, provision of services, provision of advisory service, project management, design, setting systems' parameters, installation, production development, product development, assembly, disassembling and reassembling, planning, provision of technical advices, product researches and development, construction, services and maintenance, production operations.

Capital structure

Particulars	No. of shares of face value of THB 5 each
Authorised share capital of THB 248,316,500	49,663,300
Issued, subscribed and paid-up share capital of THB 248,316,500	49,663,300

Shareholding pattern

The shareholding pattern of DEE Piping Systems (Thailand) Co., Limited as on the date of this Draft Red Herring Prospectus is as follows:

Name of the shareholder	No. of shares (of THB 5 each) held	Percentage of total capital (%)
Dee Development Engineering Limited	49,663,150	99.99
Krishan Lalit Bansal (nominee of our Company)	50	Negligible
Ashima Bansal (nominee of our Company)	50	Negligible
Shikha Bansal (nominee of our Company)	50	Negligible
Total	**49,663,300**	**100.00**

Common pursuits

Except our Subsidiaries, DEE Fabricom India Private Limited, Malwa Power Private Limited and DEE Piping Systems (Thailand) Co., Limited which are engaged in the same line of business as that of our Company, there are no common pursuits between our Subsidiaries and our Company

Our Company ensures necessary procedure and practices as permitted by laws and regulatory guidelines to address any conflict situations as and when they arise. Our Company has not encountered any such instances of conflict in the past.

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of our Subsidiaries, which are not accounted for by our Company.

Business interest between our Company and our Subsidiaries

None of our Subsidiaries have any business interest in our Company other than as stated in *"Our Business"* and "*Other Financial Information - Related Party Transactions*", on pages 186 and 340 respectively.

Other confirmations

Listing

None of our Subsidiaries are listed on any stock exchange in India or abroad. Further, neither have any of our Subsidiaries been refused listing in the last ten years by any stock exchange in India or abroad, nor have any of our Subsidiaries failed to meet the listing requirements of any stock exchange in India or abroad.

OUR MANAGEMENT

Board of Directors

In accordance with the Companies Act and our Articles of Association, our Company is required to have not less than three Directors and not more than fifteen Directors, or such higher number as determined by our Company after passing a special resolution in its general meeting.

As of the date of this Draft Red Herring Prospectus, our Board comprises of six Directors, of whom three are Executive Directors and three are Independent Directors (including one woman Independent Director).

The following table sets forth details regarding our Board as of the date of this Draft Red Herring Prospectus:

Name, DIN, designation, date of birth, address, occupation, term, and period of directorship of our Directors	Age (years)	Other directorships
Krishan Lalit Bansal ***DIN****:* 01125121 ***Designation***: Chairman and Managing Director ***Date of birth****:* April 22, 1955 ***Address:*** 1255, Sector-14, Faridabad, Haryana, India 121007 ***Occupation*****:** Professional ***Current term****:* For a period of five years, with effect from April 1, 2022 ***Period of directorship***: Since March 21, 1988	68	***Indian Companies:*** • Malwa Power Private Limited • DEE Fabricom India Private Limited • Atul Krishan Bansal Foundation ***Foreign Companies:*** • DEE Piping Systems (Thailand) Co. Limited
Ashima Bansal ***DIN****:* 01928449* ***Designation***: Whole-time Director ***Date of birth:*** August 4, 1954 ***Address:*** House No. 1255, Sector-14, Faridabad, Haryana, India 121007 ***Occupation*****:** Service ***Current term****:* For a period of five years, with effect from October 1, 2022 ***Period of directorship***: Since April 30, 2007	69	***Indian Companies:*** • Malwa Power Private Limited • DEE Fabricom India Private Limited ***Foreign Companies:*** Nil
Shikha Bansal ***DIN****:* 02712175 ***Designation***: Whole-time Director ***Date of birth****:* March 18, 1982 ***Address:*** H No. 1255, Sector-14, Faridabad, Haryana, India 121007 ***Occupation*****:** Service	41	***Indian Companies:*** • Atul Krishan Bansal Foundation ***Foreign Companies:*** • DEE Piping Systems (Thailand) Co. Limited

Name, DIN, designation, date of birth, address, occupation, term, and period of directorship of our Directors	Age (years)	Other directorships
Current term**:* For a period of five years, with effect from December 1, 2020 ***Period of directorship: Since December 1, 2020		
Bhisham Kumar Gupta ***DIN**:* 09493608 ***Designation***: Independent Director ***Date of birth**:* June 5, 1952 ***Address:*** Flat no. – 3096, Sector – C, Pkt-3. Vasant Kunj, South West Delhi, Delhi, India – 110070 ***Occupation*****:** Service ***Current term**:* For a period of five years, with effect from July 12, 2023. ***Period of directorship***: Since July 12, 2023	71	***Indian Companies:*** • Nil ***Foreign Companies:*** • Nil
Shilpi Barar ***DIN**:* 09030808 ***Designation***: Independent Director ***Date of birth**:* August 28, 1983 ***Address:*** House no. 472, Sector-14, Faridabad, Escortsnagar, Haryana – 121007 ***Occupation*****:** Business ***Current term**:* For a period of five years, with effect from July 12, 2023 ***Period of directorship***: Since July 12, 2023	40	***Indian Companies:*** • Nil ***Foreign Companies:*** • DEE Piping Systems (Thailand) Co. Ltd.
Ashwani Kumar Prabhakar ***DIN**:* 10198026 ***Designation***: Independent Director ***Date of birth**:* July 20, 1956 ***Address:*** Flat no. 321, Plot no. 10, New Ashiyana CGHS LTD, Sector-6, Dwarka, South West Delhi, Delhi – 110075. ***Occupation*****:** Retired ***Current term**:* For a period of five years, with effect from July 12, 2023 ***Period of directorship***: Since July 12, 2023	67	***Indian Companies:*** • Nil ***Foreign Companies:*** • Nil

* *At the time of initial appointment of Ashima Bansal, a separate DIN – 01488099 was used which has lapsed as on the date of this Draft Red Herring Prospectus.*

Brief Profiles of our Directors

Krishan Lalit Bansal is the Chairman and Managing Director of our Company. He holds a bachelors' degree in mechanical engineering from Punjab Engineering College, Chandigarh. He has been associated with the Company since its inception in 1988. He incorporated a partnership concern, Development Engineers pursuant to a deed of partnership dated August 12, 1986 which was later dissolved pursuant to a deed of dissolution dated April 1, 1988. He has been conferred with various awards including 'Business Leader of the Year' in 2011 and 'Lifetime Achievement Award' in 2016 by the Faridabad Industrial Association. He was also conferred with the 'Business Excellence Award' by International Study Circle and the 'Rashtriya Rattan Award' by the All-India National Unity Council for his contributions to the industry.

Ashima Bansal is a Whole-time Director of our Company. She holds a bachelors' degree in education from D.S. College of Education for Women, Ferozepur City, Panjab University and a masters' degree in arts from Panjab University. She has been associated with our Company since April 30, 2007.

Shikha Bansal is a Whole-time Director of our Company. She holds a bachelors' degree in commerce from University of Delhi and ' masters' degree in commerce from Himachal Pradesh University. She has been associated with our Company since December 1, 2020.

Bhisham Kumar Gupta is an Independent Director of our Company. He holds a bachelors' of science degree in engineering from Panjab University. He was previously associated with Engineers India Limited as the Executive Director.

Shilpi Barar is an Independent Director of our Company. She holds a bachelors' degree in commerce from Hemwati Nandan Bahuguna Garhwal University. She was previously associated with Sita Singh & Sons Private Limited as the Head of Operations

Ashwani Kumar Prabhakar is the Independent Director of our Company. He holds a bachelors' of science degree in engineering from Panjab University and is registered with the Institute of Cost Works Accountant of India. He was previously associated with Ministry of Defence, Kolkata, Government of India as the Director General of Ordnance Factories and Chairman of the Ordnance Factory Board.

Confirmations

None of our Directors is or was a director of any company listed on any stock exchange, whose shares have been or were suspended from being traded during the five years preceding the date of this Draft Red Herring Prospectus, during the term of his/her 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 his/her directorship in such company.

Except as stated below, none of our Directors are related to each other:

1. Krishan Lalit Bansal, Chairman and Managing Director, is the spouse of Ashima Bansal, Whole-time Director;

2. Shikha Bansal, Whole-time Director is the daughter-in-law of Krishan Lalit Bansal, Chairman and Managing Director and Ashima Bansal, Whole-time Director.

Except as stated above and as disclosed in "*Our Management – Relationship among Key Managerial Personnel and/or Senior Management Personnel*", our Directors are not related to any of the Key Managerial Personnel and Senior Management Personnel of our Company

No consideration, either in cash or shares or in any other form has been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help any of them qualify as a director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

Arrangement or understanding with major shareholders, customers, suppliers or others

None of our Directors were appointed as Directors of our Company pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

Service contracts with Directors

Other than the statutory benefits available to the Executive Directors, none of our Directors have entered into service contracts with our Company which provide benefits upon termination of employment.

Borrowing Powers of our Board

In accordance with the Articles of Association of our Company, Section 180(1)(a) and Section 180(1)(c) of the Companies Act, our Shareholders have pursuant to a special resolution passed at their meeting dated September 23, 2023, authorised our Board with the borrowing power, to borrow any sum or sums of money for the ordinary course of business of the company, together with the moneys already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) will exceed the aggregate of paid up capital and free reserves (not set apart for any specific purpose), provided that, the total amount up to which moneys may be borrowed by the board of directors shall not exceed ₹ 12,000 million.

Terms of Appointment of the Executive Directors of our Company

Chairman and Managing Director

Krishan Lalit Bansal

Krishan Lalit Bansal is the Chairman and Managing Director of our Company and has been associated with our Company since its incorporation. He was reappointed as a Chairman and Managing Director of our Company pursuant to the resolution passed by our Board at its meeting dated March 29, 2022 and the special resolution passed by our Shareholders' on April 6, 2022 for a period of five years with effect from April 1, 2022.

Further, pursuant to the employment agreement dated March 31, 2022 between the Company and Krishan Lalit Bansal and the resolution passed by the Board on March 29, 2022 and the resolution passed by the Shareholders' on April 6, 2022, he is entitled to a car with chauffeur and free telephone at his residence along with the following remuneration and perquisites with effect from April 1, 2022:

Sr. No.	Category	Remuneration per annum
1.	Basic salary	₹ 2,551,667 per month
2.	Perquisites	*Housing*: If the Managing Director is provided accommodations owned by the Company, he will pay 10% of his salary towards house rent. In case, he stays in his own accommodation, house rent allowance shall be paid to the Managing Director as per the policy of the Company. The expenditure of the Company on leasing a furnished accommodation shall not exceed 50% of the salary.
		Gas, electricity, water and furnishings: The expenditure on gas, electricity, water, and furnishing will be borne by the Company and the market value will be evaluated as per Income Tax Rules, 1962.
		Medical reimbursement: Medical expenses incurred on self, spouse and dependent children will be reimbursed to him, subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
		Club fees: Fees for two clubs, subject to a maximum of two clubs, excluding admission and life membership fees.
		Annual leave: 15 days annual leave with pay for every completed service of eleven and half months.
		Leave travel concession: Leave travel concession for the director and his family once a year, in accordance with the rules of the company.
		Personal Accident Insurance: Personal Accident Insurance for the director and his family once a year, in accordance with the rules of the company.
		Provident fund and superannuation: a. The contribution of the Company towards provident fund, as per rules of the Company, and towards the superannuation fund, shall not exceed 25%. b. The amount of gratuity payable at the rate of half month's salary for each completed year of service with a service of six months or more being treated as a full year. c. Encashment of leave at the end of tenure.
		Entertainment and traveling expenses incurred by the director in his capacity as the Chairman and Managing Director in connection with the Company's business.
3.	Commission	Not Applicable

Whole-time Directors

Ashima Bansal

Ashima Bansal is the Whole-time Director of our Company and has been associated with our Company since April 30, 2007 She was re-appointed as the Whole-time Director of our Company pursuant to the resolution passed by our Board at its meeting dated September 24, 2022 and by our Shareholders pursuant to their meeting dated September 30, 2022 for a period of five years with effect from October 1, 2022, liable to retire by rotation.

Further, pursuant to the employment agreement dated October 1, 2022 between the Company and Ashima Bansal and the resolution passed by the Board on September 24, 2022 and the resolution passed by our Shareholders on September 30, 2022 she is entitled to a car with chauffeur and free telephone at her residence along with the following remuneration and perquisites with effect from October 1, 2022:

Sr. No.	Category	Remuneration
1.	Basic salary	₹ 675,000 per month
2.	Perquisites and facilities	*Housing*: If the Whole-time Director is provided accommodations owned by the Company, she will pay 10% of her salary towards house rent. In case, she stays in her own accommodation, house rent allowance shall be paid to the Whole-time Director as per the policy of the Company. The expenditure of the Company on leasing a furnished accommodation shall not exceed 50% of the salary.
		Gas, electricity, water and furnishings: The expenditure on gas, electricity, water and furnishing will be borne by the company and the market value will be evaluated as per Income-tax Rules, 1962.
		Medical reimbursement: Medical expenses incurred on self, spouse and dependent children will be reimbursed to her, subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
		Club fees: Fees for two clubs, subject to a maximum of two clubs, excluding admission and life membership fees.
		Annual leave: 15 days annual leave with pay for every completed service of eleven and half months.
		Leave travel concession: Leave travel concession for the director and her family once a year, in accordance with the rules of the company.
		Personal accident insurance: Personal accident insurance for the director and her family once a year, in accordance with the rules of the company
		Provident fund and superannuation: a. The contribution of the Company towards provident fund, as per rules of the Company, and towards the superannuation fund, shall not exceed 25%. b. The amount of gratuity payable at the rate of half month's salary for each completed year of service with a service of six months or more being treated as a full year. c. Encashment of leave at the end of tenure.
		Entertainment and traveling expenses incurred by the Whole-time Director in connection with the Company's business.
3.	Commission	Not Applicable

Shikha Bansal

Shikha Bansal was appointed as the Additional Whole-time Director of our Company pursuant to the resolution passed by our Board at its meeting dated December 31, 2020 and her appointment was regularised as a Whole-time Director of our Company pursuant to the resolution passed by our Shareholders pursuant to their meeting dated May 8, 2021 for a period of five years with effect from December 1, 2020, liable to retire by rotation.

Further, pursuant to the agreement dated May 10, 2021 between the Company and Shikha Bansal and the resolution passed by the Board on December 31, 2020 and the resolution passed by our Shareholders on May 8, 2021 she is entitled to a car with chauffeur and free telephone at her residence along with the following remuneration and perquisites with effect from December 1, 2020:

Sr. No.	Category	Remuneration per annum
1.	Basic salary	₹ 300,000 per month
2.	Perquisites and facilities	*Housing*: If the Whole-time Director is provided accommodations owned by the Company, she will pay 10% of her salary towards house rent. In case, she stays in her own accommodation, house rent allowance shall be paid to the Whole-time Director as per the policy of the Company. The expenditure of the Company on leasing a furnished accommodation shall not exceed 50% of the salary.
		Gas, electricity, water and furnishings: The expenditure on gas, electricity, water and furnishing will be borne by the company and the market value will be evaluated as per Income-tax Rules, 1962.
		Medical reimbursement: Medical expenses incurred on self, spouse and dependent children will be reimbursed to her, subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
		Club fees: Fees for two clubs, subject to a maximum of two clubs, excluding admission and life membership fees.
		Annual leave: 15 days annual leave with pay for every completed service of eleven and half months.

Sr. No.	Category	Remuneration per annum
		Leave travel concession: Leave travel concession for the director and her family once a year, in accordance with the rules of the company.
		Personal accident insurance: Personal accident insurance for the director and her family once a year, in accordance with the rules of the company
		Provident fund and superannuation: a. The contribution of the Company towards provident fund, as per rules of the Company, and towards the superannuation fund, shall not exceed 25%. b. The amount of gratuity payable at the rate of half month's salary for each completed year of service with a service of six months or more being treated as a full year. c. Encashment of leave at the end of tenure.
		Entertainment and traveling expenses incurred in her capacity as the Whole-time Director in connection with the Company's business.
3.	Commission	Not Applicable

Our Company has paid the following remuneration to our Executive Directors in Fiscal 2023:

S. No.	Name of Director	Total remuneration (in ₹ million)
1.	Krishan Lalit Bansal	18.66
2.	Ashima Bansal	8.21
3.	Shikha Bansal	10.64
	Total	**37.51**

Terms of appointment of our Non-Executive Directors

Our Non-Executive Directors may be entitled to receive sitting fees, as determined by our Board from time to time, for attending meeting of our Board and committees of the Board thereof.

Pursuant to a Board resolution dated July 12, 2023, the Independent Directors are entitled to receive sitting fees of ₹ 25,000 per meeting for attending meetings of the Board, the Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee, within the limits prescribed under the Companies Act, and the rules made thereunder.

Our Independent Directors, Bhisham Kumar Gupta, Shilpi Barar, and Ashwani Kumar Prabhakar were appointed in Fiscal 2024 and were accordingly not paid any sitting fees for Fiscal 2023 by our Company.

Remuneration paid or payable to our Directors by Subsidiaries

Except as stated below, none of our directors have received or were entitled to receive any remuneration, sitting fees or commission from any of our Subsidiaries for the Fiscal Year 2023:

Krishan Lalit Banal receives remuneration of ₹ 8.40 million from Malwa Power Private Limited by virtue of being a director in Malwa Power Private Limited.

Shikha Banal receives remuneration of ₹ 4.79 from DEE Piping Systems (Thailand) Co. Ltd. by virtue of being a director in DEE Piping Systems (Thailand) Co. Ltd.

Contingent or Deferred Compensation to our Directors

There is no contingent or deferred compensation payable to our Directors which does not form part of their remuneration.

Shareholding of Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

Except as disclosed below, as on date of this Draft Red Herring Prospectus, none of our Directors hold any Equity Shares in our Company:

Sr. No.	Name of Director	Number of Equity Shares	Percentage shareholding (%)
1.	Krishan Lalit Bansal	39,639,185	74.74
2.	Ashima Bansal	4,399,900	8.30
3.	Shikha Bansal	1,467,130	2.76

Bonus or profit-sharing plan of the Directors

None of our Directors are party to any bonus or profit-sharing plan of our Company.

Interest of Directors

All our Non-Executive Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board and/or committees , the reimbursement of expenses payable to them, and commission as approved by our Board from time to time.

All Directors may be deemed to be interested to the extent of reimbursement of expenses payable to them, if any and the remuneration payable to such Directors as decided by the Board from time to time. Our Executive Directors are interested to the extent of remuneration , payable to them for services rendered as an officer or employee of our Company or our Subsidiaries. Our Independent Directors are interested to the extent of the sitting fees. Further, certain of our Directors are also on the board of some of our Subsidiaries and one of our Independent Directors, Shilpi Barar has also been appointed as an independent director of our Material Subsidiary and accordingly may be deemed to be interested to the extent of the sitting fees, commission and remuneration payable to them by such Subsidiaries.

Our Directors may be interested to the extent of Equity Shares, if any, held by them, their relatives (together with other distributions in respect of Equity Shares), or held by the entities in which they are associated as partners, promoters, directors, proprietors, members or trustees, or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer and any dividend and other distributions payable in respect of such Equity Shares.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company which is promoted by them or in which they hold directorships or any partnership firm in which they are partners in the ordinary course of business. Further, our Directors may be interested to the extent of employee stock options that may be granted to them from time to time under the DEE ESOP Scheme 2023 and any other employee stock option schemes that may be formulated by our Company from time to time.

Interest of Directors in the promotion or formation of our Company

Except Krishan Lalit Bansal, who is the Promoter of our Company, none of our Directors have any interest in the promotion or formation of our Company as on the date of this Draft Red Herring Prospectus. Also see, "*Our Promoter and Promoter Group*" on page 263.

Interest in land and property

Our Directors do not have any interest in any property acquired or proposed to be acquired of or by our Company.

Further, our Directors do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery during the three years preceding the date of this Draft Red Herring Prospectus.

Business interest

Except in the ordinary course of business and as disclosed in "*Other Financial Information - Related Party Transactions*" at page 340, our Directors do not have any other business interest in our Company.

Loans to Directors

Our Directors have not availed any loans from our Company.

Changes to our Board in the last three years

The changes in our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below:

Name	Date of appointment/ cessation reappointment/resignation/ regularisation	Designation (at the time of appointment/ cessation reappointment/resignation/ regularisation)	Reason
Atul Krishan Bansal	November 16, 2020	Non-Executive Director	Cessation due to demise
Shikha Bansal	December 1, 2020	Additional Whole-time Director	Appointment
Shikha Bansal	May 8, 2021	Whole-time Director	Regularization
Neeraj Bhardwaj	May 17, 2021	Nominee Director	Resignation

Name	Date of appointment/ cessation reappointment/resignation/ regularisation	Designation (at the time of appointment/ cessation reappointment/resignation/ regularisation)	Reason
Samyak Daga	May 17, 2021	Nominee Director	Resignation
Satish Kumar	March 8, 2022	Independent Director	Re-appointment
Krishan Lalit Bansal	April 1, 2022	Chairman and Managing Director	Re-appointment
Ashima Bansal	October 1, 2022	Whole-time Director	Re-appointment
Satish Kumar	April 20, 2023	Independent Director	Resignation
Ajay Kumar Manchanda	April 20, 2023	Independent Director	Resignation
Bhisham Kumar Gupta	July 12, 2023	Additional Independent Director	Appointment
Shilpi Barar	July 12, 2023	Additional Independent Director	Appointment
Ashwani Kumar Prabhakar	July 12, 2023	Additional Independent Director	Appointment
Bhisham Kumar Gupta	July 13, 2023	Independent Director	Regularization
Shilpi Barar	July 13, 2023	Independent Director	Regularization
Ashwani Kumar Prabhakar	July 13, 2023	Independent Director	Regularization

Corporate Governance

The provisions of the Companies Act, 2013 along with the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations in respect of corporate governance in accordance with the SEBI Listing Regulations, and the Companies Act, 2013, pertaining to the constitution of the Board and committees thereof and formulation and adoption of policies. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of SEBI Listing Regulations and the Companies Act, 2013.

Committees of our Board

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board-level committees:

(a) Audit Committee;

(b) Nomination and Remuneration Committee;

(c) Stakeholders' Relationship Committee;

(d) Corporate Social Responsibility Committee; and

(e) Risk Management Committee.

Audit Committee

The Audit Committee was constituted by our Board on September 21, 2011 and was last re-constituted pursuant to a resolution passed by our Board at its meeting held on September 22, 2023. The Audit Committee is in compliance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations.

The members of the Audit Committee are:

Name of the Director	Position in the Committee	Designation
Ashwani Kumar Prabhakar	Chairperson	Independent Director
Krishan Lalit Bansal	Member	Chairman and Managing Director
Bhisham Kumar Gupta	Member	Independent Director

The Company Secretary shall act as the secretary to the Audit Committee.

Scope and terms of reference: The terms of reference of the Audit Committee shall include the following:

The Audit Committee shall have powers, including the following:

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;

2. Recommending to the Board the appointment, re-appointment, replacement, remuneration and terms of appointment of the statutory auditor and the fixation of the audit fee of the Company;

3. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;

4. Approving payments to statutory auditors for any other services rendered by the statutory auditors;

5. To review, monitor and approve the key performance indicators being included in the offer documents in connection with the proposed initial public offer by the Company;

6. Formulating a policy on related party transactions, which shall include materiality of related party transactions

7. 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 I of sub-section 3 of Section 134 of the Companies Act;

    b. Changes, if any, in accounting policies and practices and reasons for the same;

    c. Major accounting entries involving estimates based on the exercise of judgment by management;

    d. Significant adjustments made in the financial statements arising out of audit findings;

    e. Compliance with listing and other legal requirements relating to financial statements;

    f. Disclosure of any related party transactions; and

    g. Modified opinion(s) in the draft audit report.

8. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

9. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, 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;

10. Approval or any subsequent modifications 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 Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013*;

11. Reviewing, at least on a quarterly basis, the details of the related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

12. Laying down the criteria for granting omnibus approval in line with the Company's policy on related party transactions;

13. Scrutinising of inter-corporate loans and investments;

14. Valuation of undertakings or assets of the Company, wherever it is necessary;

15. Evaluating of internal financial controls and risk management systems;

16. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances, 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;

17. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

18. 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;

19. Discussing with internal auditors on any significant findings and follow up thereon;

20. 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;

21. Discussing 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;

22. Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

23. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

24. Reviewing the functioning of the whistle blower mechanism;

25. Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;

26. Monitoring the end use of funds raised through public offers and related matters;

27. 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;

28. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority;

29. Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as per applicable law;

30. Formulating a policy on related party transactions, which shall include materiality of related party transactions;

31. Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

32. Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders; and

33. 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.

The powers of the Audit Committee shall include 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; and

4. To secure attendance of outsiders with relevant expertise if it considers necessary.

5. Such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

The Audit Committee shall mandatorily review the following information:

1. Management's discussion and analysis of financial condition and results of operations;

2. Management letters / letters of internal control weaknesses issued by the statutory auditors;

3. Internal audit reports relating to internal control weaknesses;

4. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;

5. Statement of deviations:

   (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the Listing Regulations; and

   (ii) annual statement of funds utilised for purposes other than those stated in the document/prospectus/notice in terms of the Listing Regulations."

6. Review the financial statements, in particular, the investments made by any unlisted subsidiary;

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted by our Board on December 27, 2014 and was last re-constituted pursuant to a resolution passed by our Board at its meeting held on July 27, 2023. The Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act and Regulation 19 of the SEBI Listing Regulations.

The members of the Nomination and Remuneration Committee are:

Name of the Director	Position in the Committee	Designation
Shilpi Barar	Chairperson	Independent Director
Ashwani Kumar Prabhakar	Member	Independent Director
Bhisham Kumar Gupta	Member	Independent Director

Scope and terms of reference: The terms of reference of the Nomination and Remuneration Committee shall include the following:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

   The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

   a. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

   b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;

2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge, and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Nomination and Remuneration Committee may:

   a. use the services of an external agencies, if required;

   b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

   c. consider the time commitments of the candidates

3. Formulating of criteria for evaluation of the performance of the independent directors and the Board;

4. Devising a policy on Board diversity;

5. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;

6. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

7. Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;

8. Analysing, monitoring and reviewing various human resource and compensation matters;

9. 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;

10. Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

11. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

12. Performing 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;

13. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

    a. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or

    b. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended.

14. Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority; and

15. Recommend to the Board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted by the meeting of the Board held on July 27, 2023. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The members of the Stakeholders' Relationship Committee are:

Name of the Director	Position in the Committee	Designation
Shilpi Barar	Chairperson	Independent Director
Krishan Lalit Bansal	Member	Chairman and Managing Director
Ashima Bansal	Member	Whole Time Director

The terms of reference of the Stakeholders' Relationship Committee are as follows:

1. Consider and resolve grievances of security holders of the Company, including complaints related to transfer/transmission of shares non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, dematerialisation and re-materialisation of shares, non-receipt of balance sheet, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;

2. Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;

4. Considering and specifically looking into various aspects of interest of shareholders, debenture holders and other security holders;

5. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

6. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;

7. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;

8. To approve, register, refuse to register transfer or transmission of shares and other securities and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

9. To sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;

10. Allotment and listing of shares;

11. To authorise affixation of common seal of the Company;

12. To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;

13. To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;

14. To dematerialise the issued shares;

15. Ensure proper and timely attendance and redressal of investor queries and grievances;

16. Carrying out any other functions contained in the Companies Act, 2013 and/or equity listing agreements (if applicable), as and when amended from time to time; and

17. To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

Corporate Social Responsibility Committee

Our Corporate Social Responsibility Committee was constituted by our Board on March 31, 2021 and last re-constituted on by our Board on May 28, 2014. The Corporate Social Responsibility Committee is in compliance with Section 135 of the Companies Act.

The members of the Corporate Social Responsibility Committee are:

Name of the Director	Position in the Committee	Designation
Krishan Lalit Bansal	Chairperson	Chairman and Managing Director
Shilpi Barar	Member	Independent Director
Ashima Bansal	Member	Independent Director

The terms of reference of the Corporate Social Responsibility Committee include the following:

1. To formulate and recommend to the Board of Directors, the CSR Policy, indicating the CSR activities to be undertaken as specified in Schedule VII of the Companies Act, 2013, as amended;

2. formulate and recommend an annual action plan in pursuance of its Corporate Social Responsibility Policy which shall list the projects or programmes undertaken, manner of execution of such projects, modalities of utilisation of funds, monitoring and reporting mechanism for the projects.

3. identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

4. delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

5. review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

6. To recommend the amount of expenditure to be incurred on the CSR activities, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy;

7. To monitor the CSR Policy and its implementation by the Company from time to time;

8. To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act, 2013, as amended and the rules framed thereunder.

Risk Management Committee

Our Risk Management Committee was constituted pursuant to a resolution approved by our Board on July 27, 2023. The Risk Management Committee is in compliance with Regulation 21 of the SEBI Listing Regulations.

The members of the Risk Management Committee are:

Name of the Director	Position in the Committee	Designation
Krishan Lalit Bansal	Chairperson	Chairman and Managing Director
Ashwani Kumar Prabhakar	Member	Independent Director
Shilpi Barar	Member	Independent Director

The terms of reference of the Risk Management Committee 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 listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

    b. Measures for risk mitigation including systems and processes for internal control of identified risks.

    c. Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

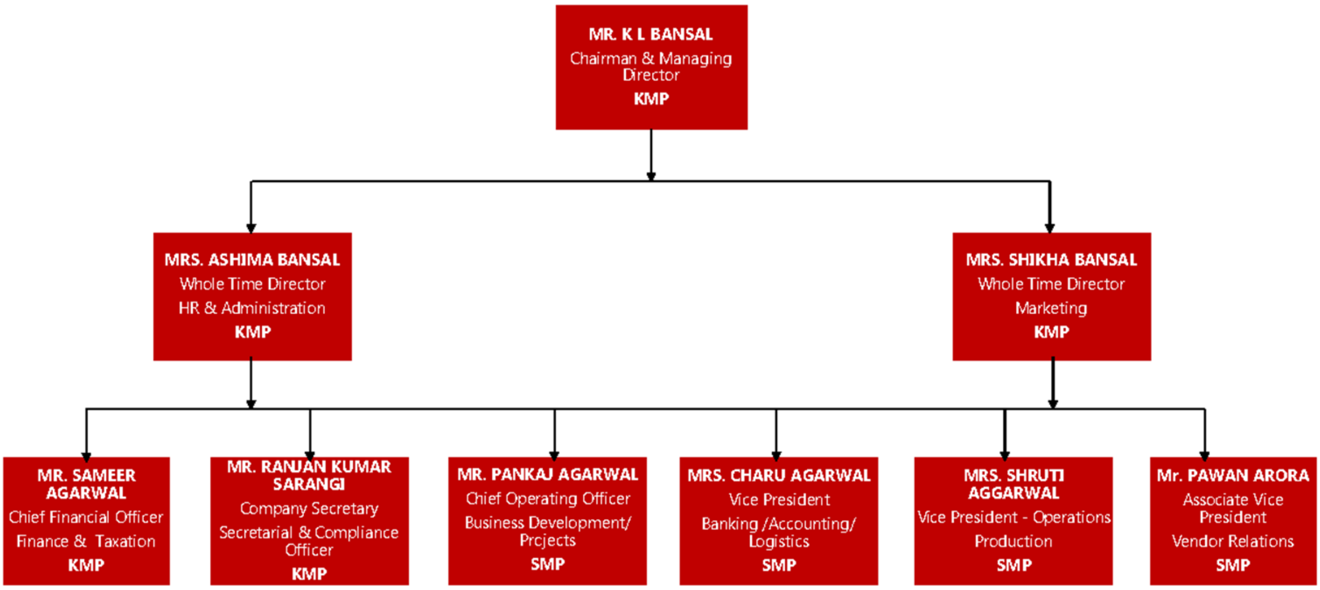
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

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;

Management organization chart



Key Managerial Personnel and Senior Management Personnel

Key Managerial Personnel

In addition to Krishan Lalit Bansal, our Chairman and Managing Director, and Ashima Bansal and Shikha Bansal, our Whole-time Directors, whose details have been provided under the paragraph '*Our Management – Brief profile of our Directors'* on page 247, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus, are as follows:

1. Sameer Agarwal, Chief Financial Officer;

2. Ranjan Kumar Sarangi, Company Secretary and Compliance Officer;

Sameer Agarwal is the Chief Financial Officer of our Company. He has been associated with our Company since March 4, 2023. He holds a bachelors' degree in science from RMP Degree College affiliated to Kanpur University and is registered with the Institute of Chartered Accounts of India. Prior to joining our Company, he was associated with Jugal Arora and Company, Chartered Accountants. For Fiscal 2023, he was paid an aggregate compensation of ₹ 3.37 million.

Ranjan Kumar Sarangi is the Company Secretary and Compliance Officer of our Company. He has been associated with our Company as a Company Secretary from February 14, 2011 and was appointed as a Compliance Officer of our Company with effect from July 12, 2023. He holds a bachelors' degree in science (honours) from Aanchal College, Padampur affiliated to Sambalpur University, Odisha and a bachelors' degree in law from L. R. Law College, Sambalpur affiliated to Sambalpur University, Odisha. He is also registered with the Institute of Company Secretaries of India. Prior to joining our Company, he was associated with MGRM Medicare Limited, Delhi as a Company Secretary and Gold Plus Toughened Glass Limited, Delhi as Company Secretary. For Fiscal 2023, he was paid an aggregate compensation of ₹ 1.62 million.

Senior Management Personnel

Except Sameer Agarwal, Chief Financial Officer and Ranjan Kumar Sarangi, Company Secretary and Compliance Officer who are also our Key Managerial Personnel and whose details are mentioned above, the details of our Senior Management Personnel as on the date of this Draft Red Herring Prospectus are as set forth below:

Pankaj Agarwal is the Chief Operating Officer of our Company, working in the customer relations department of our Company. He has been designated as a Chief Operating Officer in the customer relations department with effect from July 1, 2023. He has passed the senior school certificate (science group) examination of the Jamia Millia Islamia, New Delhi. He has been associated with our Company since July 25, 1994 as the marketing manager. He is involved in the strategic, financial, and operational development of the Company. For Fiscal 2023, he was paid an aggregate compensation of ₹ 6.49 million.

Charu Agarwal is the Vice President in the accounts department of our Company. She has been designated as a Vice President in the accounts department with effect from July 1, 2023. She holds a bachelors' degree in commerce from Punjab University. and is registered with the Institute of Chartered Accountants of India. She has been associated with our Company since September 1, 2004 as a manager in the accounts department. She is involved in strategic planning for the development of long term goals for the Company. For Fiscal 2023, she was paid an aggregate compensation of ₹ 3.76 million.

Shruti Aggarwal is the Vice-President (Operations) of our Company. She has been designated as a Vice-President (Operations) with effect from April 1, 2023. She holds a bachelors' degree in commerce from University of Delhi and is a chartered financial analyst from the Institute of Chartered Financial Analysts of India University, Tripura. She also holds a post graduate diploma in management with a specialisation in finance from the Shri Ram Institute of Management, New Delhi. She has been associated with our Company since October 10, 2011 as a senior manager in the operations department. She is involved in the budgeting, forecasting, costing & profitability analysis and management reporting for the Company. For Fiscal 2023, she was paid an aggregate compensation of ₹ 6.65 million.

Pawan Arora is the Associate Vice President, Vendor Relations Department of our Company. He has been associated with our Company since March 8, 2011 when he was designated as the head of the strategic cost control department. He holds a bachelors' degree in mechanical engineering from Lingaya's Institute of Management & Technology, Faridabad in Maharshi Dayanand University, Rohtak. He also holds a state board diploma in Mechanical Engineering from the Government Polytechnic, Nilokheri in the State Board of Technical Education, Haryana along with a post graduate diploma in materials management from the Indian Institute of Materials Management, Mumbai and a post graduate diploma in management from the Management Development Institute, Gurgaon. Prior to joining our Company, he was associated with Carrier Air-Conditioning and Refrigeration Limited as a Senior Manager, Sourcing. For Fiscal 2023, he was paid an aggregate compensation of ₹ 3.51 million.

Retirement and termination benefits

Except applicable statutory benefits, none of our Key Managerial Personnel or Senior Management Personnel would receive any benefits on their retirement or on termination of their employment with our Company.

Relationship among Key Managerial Personnel and/or Senior Management Personnel

Other than as disclosed in "*Our Management – Confirmations*" on page 247 and as stated below, none of our Key Managerial Personnel or Senior Management Personnel are related to any of our Directors or other Key Managerial Personnel or Senior Management Personnel.

1. Sameer Agarwal, the Chief Financial Officer is the spouse of Charu Agarwal, Vice President in the accounts department.

2. Shruti Aggarwal, Vice-President (Operations) is the daughter of Krishan Lalit Bansal, Chairman and Managing Director and Ashima Bansal, Whole time Director and the sister-in-law of Shikha Bansal, Whole time Director.

Arrangements and understanding with major Shareholders, customers, suppliers or others

None of our Key Managerial Personnel or Senior Management Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

Status of Key Managerial Personnel and Senior Management Personnel

All our Key Managerial Personnel and Senior Management are permanent employees of our Company.

Attrition of Key Managerial Personnel and Senior Management vis-à-vis industry

The rate of attrition of our Key Managerial Personnel and Senior Management is not high in comparison to the industry in which we operate.

Shareholding of Key Managerial Personnel and Senior Management Personnel

Except for Equity Shares held by our Chairman and Managing Director and Whole-time Directors as mentioned at '*Shareholding of Directors in our Company*' on page 250 above and 50 equity shares each held by Shruti Aggarwal and Charu Agarwal in our Company, none of our Key Managerial Personnel and Senior Management Personnel hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

Service contracts with Key Managerial Personnel and Senior Management Personnel

Our Key Managerial Personnel and Senior Management Personnel are governed by the terms of their appointment letters/ employment contracts and have not entered into any service contracts with our Company.

Contingent and deferred compensation payable to Key Managerial Personnel and Senior Management Personnel

There is no contingent or deferred compensation payable to the Key Managerial Personnel and Senior Management Personnel, which does not form part of their remuneration.

Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management Personnel

None of our Key Managerial Personnel and Senior Management Personnel are party to any bonus or profit-sharing plan of our Company other than performance based discretionary incentives given to the Key Managerial Personnel and Senior Management Personnel.

Interest of Key Managerial Personnel and Senior Management Personnel

Other than as disclosed in "*Our Management – Interest of Directors*" on page 251, Our Key Managerial Personnel (other than our Directors) and our Senior Management Personnel are interested in our Company to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service. Further, some of our Key Managerial Personnel and our Senior Management Personnel are interested to the extent of Equity Shares held by them, their relatives or by entities in which they are associated as a director and to the extent of benefits arising out of such shareholding. Our Key Managerial Personnel, and Senior Management may be interested to the extent of employee stock options that may be granted to them from time to time under the DEE ESOP Scheme 2023 and any other employee stock option schemes that may be formulated by our Company from time to time.

Changes in the Key Managerial Personnel or Senior Management Personnel in last three years

Other than as disclosed in "*Our Management – Changes to our board in last three years*" on page 251,The changes in our Key Managerial Personnel and our Senior Management Personnel during the 3 years immediately preceding the date of this Draft Red Herring Prospectus, are set forth below:

Name	Date of appointment/ resignation	Designation (at the time of appointment/ resignation)	Reason
Gaurav Narang	March 3, 2023	Chief Financial Officer	Resignation
Sameer Agarwal	March 4, 2023	Chief Financial Officer	Appointment

Payment or benefit to officers of our Company

No non-salary related amount or benefit has been paid or given since incorporation or intended to be paid or given to any officer of our Company, including our Directors, Key Managerial Personnel and Senior Management Personnel other than in the ordinary course of their employment.

Employee Stock Option

For details of our DEE ESOP Scheme 2023 implemented by our Company, see "*Capital Structure – Employee Stock Option Plan*" on page 103.

OUR PROMOTER AND PROMOTER GROUP

Our Promoter

Krishan Lalit Bansal is the Promoter of our Company.

As on the date of this Draft Red Herring Prospectus, our Promoter holds 39,639,185 Equity Shares, representing 74.74 % of the paid-up Equity Share capital of our Company. For details, see "*Capital Structure – Details of Build-up, Contribution and Lock-in of Promoter's Shareholding and Lock-in of other Equity Shares*" on page 96.

Details of our Promoter is as follows:

<u>*Individual Promoter*</u>

Krishan Lalit Bansal

	Krishan Lalit Bansal, aged 68 years, is a Promoter, and is also the Managing Director and Chairman of our Company. He is a resident of 1255, Sector-14, Faridabad, Haryana, India 121007. ***DIN:*** 01125121 ***Date of birth:*** April 22, 1955 ***Permanent account number***: AAHPB6940P For the complete profile of Krishan Lalit Bansal, along with details of his educational qualifications, professional experience, position/posts held in the past and directorships held, see "*Our Management – Board of Directors*" on page 245.

Our Company confirms that the permanent account number, bank account number(s), passport number, Aadhaar card number and driving license number of Krishan Lalit Bansal shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

Change in the management and control of our Company

Our Promoter, Krishan Lalit Bansal is the original promoter of our Company, and there has been no change in control of our Company in the five years preceding the date of this Draft Red Herring Prospectus. For details in relation to the shareholding of our Promoter and 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*" on page 90.

Interests of our Promoter

Our Promoter is interested in our Company to the extent: (i) to the extent that he has promoted our Company; (ii) to the extent of his direct and indirect shareholding in our Company, the shareholding of his relatives and entities in which our Promoter is interested and which hold Equity Shares in our Company; (iii) and other distributions in respect of the Equity Shares held by our Promoter; (iv) to the extent of his directorship in our Company and our Subsidiary; and (v) to the extent of his remuneration and employment benefits for being the director in our Company and our Subsidiaries. For further details, see "*Capital Structure*" on page 90. Additionally, our Promoter may be interested in transactions entered into by our Company with him, his relatives or other entities which are controlled by our Promoter.

Our Promoter is not interested as a member of a firm or company and no sum has been paid or agreed to be paid to our Promoter or to any such firm or company in cash or shares or otherwise by any person either to induce him to become, or to qualify him as, a director, or otherwise, for services rendered by such Promoter or by such firm or company in connection with the promotion or formation of our Company.

Interest in property, land, construction of building and supply of machinery

Our Promoter does not have an interest in any property acquired by our Company during the three preceding years immediately 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 machinery.

Payment or benefits to Promoter or Promoter Group

Except as disclosed herein and as stated in "*Other Financial Information - Related Party Transactions*" and *"Our Management- Terms of Appointment of Executive Directors of the Company"* on pages 340 and 248, respectively, there has been no payment or benefits by our Company to our Promoter or any of the members of the Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoter or Promoter Group as on the date of this Draft Red Herring Prospectus.

Companies or firms with which our Promoter have disassociated in the last three years

Except as stated below, Our Promoter has not dissociated himself from any companies or firms in the three years preceding the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Promoter	Name of the company/ firm disassociated from	Date of disassociation	Reasons for and circumstances leading to disassociation and terms of disassociation
1.	Krishan Lalit Bansal	ASV Fabrication Private Limited	March 1, 2023	Resignation as a director due to personal reasons and transfer of shares.
2.	Krishan Lalit Bansal	DEE Green Energy Private Limited	March 1, 2023	Resignation as a director due to personal reasons and transfer of shares.

Material guarantees

While, as on the date of this Draft Red Herring Prospectus, our Promoter has not given any material guarantee to any third party with respect to the Equity Shares.

Promoter Group

In addition to our Promoter, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations are set out below:

Natural persons who are part of our Promoter Group

The natural persons who are part of our Promoter Group, other than our Promoter, are as follows:

S. No.	Name of member of our Promoter Group	Relationship with our Promoter
1.	Ashima Bansal	Spouse
2.	Saroj Gupta	Sister
3.	Madhu Bala	Sister
4.	Sunita Aggarwal	Sister
5.	Geeta Gupta	Sister
6.	Anita Rani	Sister
7.	Shruti Aggarwal	Daughter
8.	Pradeep Kumar Gupta	Spouse's brother
9.	Sudhir Kumar Gupta	Spouse's brother
10.	Pratima Garg	Spouse's sister

Persons whose shareholding is aggregated under the heading "shareholding of the promoter group" as per regulation 2 (1)(pp)(v) of the SEBI ICDR Regulations:

1. Shikha Bansal

Entities forming part of the Promoter Group

The entity forming part of our Promoter Group, are as follows:

1. DDE Piping Components Private Limited;

2. DEE Group Trust;

3. Gupta Stores;

4. Vishavnain Medical Store;

5. Krishna Medical Store;

6. Krishan Lalit Bansal HUF;

7. Atul Krishan Lalit Bansal HUF.

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term "group companies", includes (i) such companies (other than promoter(s) and subsidiaries with which there were related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Additionally, pursuant to the Materiality Policy, for the purposes of (ii) above, a company (other than our Subsidiaries and companies categorised under (i) above) have been considered material and shall be disclosed as a group company in this Draft Red Herring Prospectus if: (i) such is a member of the Promoter Group; (ii) our Company has entered into one or more transactions with such company during the Fiscal 2023, in respect of which Restated Consolidated Summary Statements are included in the Offer documents, which cumulatively exceeds 10% of the total revenue of our Company for the last fiscal year derived from the Restated Consolidated Summary Statements.

Accordingly, in terms of the Materiality Policy, our Board by way of its resolution dated September 25, 2023 has resolved that there are no companies with which our Company has had any related party transactions and there are no companies considered material by the Board. Accordingly, as on the date of this Draft Red Herring Prospectus, there are no group companies of our Company in terms of the SEBI ICDR Regulations.

DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association and the applicable law, including the Companies Act. The dividend policy of our Company was adopted and approved by our Board in their meeting held on September 7, 2023

The quantum of dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions and overall financial position of our Company.

Any future determination as to the declaration of and payment of dividend will be based on the recommendation of our Board, and will depend on a number of factors, such as (i) the inadequacy of profits or our Company has incurred losses; (ii) our Company undertakes or proposes to undertake any significant business, expansion, investment or acquisitions; (iii) significant working capital requirement affecting free cash flow; (iv) our Company proposes to utilise surplus cash for buy-back of securities or setting off of the previous year losses or losses of its Subsidiaries; or (v) the declaration of dividend is prohibited by any regulatory body. In addition, our ability to pay dividends may be impacted by a number of other factors, including restrictive covenants under the loan or financing documents, our Company is currently a party to or may enter into from time to time.

For more information on restrictive covenants under our loan agreements, see "*Financial Indebtedness*" beginning on page 342.

No dividend on has been paid by our Company during the last three Fiscals preceding the date of this Draft Red Herring Prospectus nor since April 1, 2023 until the date of this Draft Red Herring Prospectus.

There is no guarantee that any dividends will be declared or paid in the future. For more details, see "*Risk Factors – We cannot assure payment of dividends on the Equity Shares in the future. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements."* on page 59.

SECTION V: FINANCIAL INFORMATION

RESTATED CONSOLIDATED SUMMARY STATEMENTS

[*The remainder of this page has intentionally been left blank*]

Independent Auditors' Examination Report on the Restated Consolidated Summary Statement of assets and liabilities as at March 31, 2023, 2022 and 2021, Restated Consolidated Summary Statement of profit and loss (including other comprehensive income), the Restated Consolidated Summary Statement of changes in equity and the Restated Consolidated Summary Statement of Cash Flows for each of the financial years ended March 31, 2023, 2022 and 2021, and the Summary Statement of Significant Accounting Policies and other explanatory information of DEE Development Engineers Limited, its subsidiaries together with its jointly controlled entity (collectively, the "Restated Consolidated Summary Statements")

To
The Board of Directors
DEE Development Engineers Limited
Unit 1, Prithla-Tatarpur Road,
Village Tatarpur, Dist. Palwal,
Haryana- 121102, India

Dear Sirs,

1. We, S. R. Batliboi & Co. LLP ("SRBC") have examined the attached Restated Consolidated Summary Statements of DEE Development Engineers Limited (the "Company") and its subsidiaries (the Company and its subsidiaries together with its jointly controlled entity are hereinafter collectively referred to as the "Group"), as at and for each of the financial years ended March 31, 2023, 2022 and 2021 annexed to this report and prepared by the Company for the purpose of inclusion in the Draft Red Herring Prospectus (the "DRHP") proposed to be filed with the Securities and Exchange Board of India ("SEBI"), BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges") and the Registrar of Companies, in connection with the proposed initial public offer of equity shares of face value of Rs.10 each of the Company (the "Offering"). The Restated Consolidated Summary Statements, which have been approved by the Board of Directors of the Company at their meeting held on September 25, 2023, have been prepared in accordance with the requirements of:

    a. section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act");

    b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and

    c. the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

Management's Responsibility for the Restated Consolidated Summary Statements

2. The preparation of the Restated Consolidated Summary Statements, which are to be included in the DRHP, is the responsibility of the Board of Directors of the Company for the purpose set out in paragraph 17 below. The Restated Consolidated Summary Statements have been prepared by the management of the Company on the basis of preparation stated in Note 2 of Annexure V to the Restated Consolidated Summary Statements. The Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Summary Statements. The Board of Directors are also responsible for identifying and ensuring that the Group complies with the Companies Act, 2013 ('the Act'), ICDR Regulations and the Guidance Note.

Auditors' Responsibilities

3. We have examined such Restated Consolidated Summary Statements taking into consideration:

    a. the terms of reference and terms of our engagement agreed with you vide engagement letter dated June 19, 2023 between the Company and SRBC requesting us to carry out the assignment, in connection with the proposed Offering of the Company;

    b. The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

    c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Summary Statements; and

    d. the requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the Offering.

4. The Company proposes to make an initial public offering of its equity shares of face value of Rs.10 each, which comprises of fresh issue of equity shares and an offer for sale by certain existing shareholders of the Company at such premium arrived at by the book building process (referred to as the 'Offer'), as may be decided by the Company's Board of Directors.

Restated Consolidated Summary Statements as per audited consolidated financial statements

5. The Restated Consolidated Summary Statements have been compiled by the management of the Company from the audited consolidated financial statements of the Group as at and for each of the financial years ended March 31, 2023, 2022 and 2021 prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (referred to as "Ind AS") specified under Section 133 of the Act, read with the 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 September 22, 2023, September 24, 2022 and September 20, 2021, respectively (collectively "Consolidated Financial Statements");

6. For the purpose of our examination, we have relied on Auditors' Report issued by SRBC, dated September 22, 2023, September 24, 2022 and September 20, 2021, respectively on the Consolidated Financial Statements of the Group as at and for each of the years ended March 31, 2023, 2022 and 2021, respectively, as referred in paragraph 5 above.

7. As indicated in our audit reports referred to in Para 6, we did not audit the financial statements of 3 subsidiaries of the Company as at and for the years ended March 31, 2023, 2022 and 2021, which are audited by the other auditors, whose financial statements reflect total assets, total revenues and net cash inflows/(outflows) for the relevant year as mentioned below:

(Rs. in Lakhs)

Particulars	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021
Total Assets	22,975.66	20,626.53	20,280.57
Total Revenue	11,851.38	10,119.83	8,921.86
Net Cash inflows/(outflows)	122.97	(116.93)	(211.55)

These financial statements have been audited by other firms of chartered accountants, whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in the financial statements referred to in Para 5 above are based solely on the report of other auditors.

8. As also indicated in our audit reports referred to in Para 6 above, we did not audit the financial statements, in respect of a jointly controlled entity of the Company which are audited by the other auditors, whose Group's share of net profit included in the Consolidated Financial Statements of the Group as at and for the years ended March 31, 2022 and March 31, 2021 is as below:

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Group's Share of Net Profit	-	12.06

These financial statements have been audited by other firms of chartered accountants, whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in the financial statements referred to in Para 5 above are based solely on the report of other auditors.

9. The restated summary statements in relation to the Company's subsidiaries as listed in Annexure A, were examined by the other auditors, whose reports have been received and included in the Restated Consolidated Summary Statements. These other auditors, as mentioned in Annexure A for the subsidiaries, have confirmed that the restated financial information of such entities:

   i) have been made after incorporating adjustments for changes in accounting policies, material errors and regrouping/reclassifications retrospectively in respective financial years to reflect the same accounting treatment as per accounting policies and grouping/classifications followed as at and for the year ended March 31, 2023;

   ii) does not contain any qualifications requiring adjustments; and

   iii) in respect of the companies incorporated in India, have been prepared in accordance with the the Act, ICDR Regulations and Guidance Note.

10. The audit report on consolidated financial statements of the Group as at and for the year ended March 31, 2022 referred to in paragraph 5 above included following emphasis of matter as disclosed in Part D of Annexure VI to Restated Consolidated Summary Statements which is reproduced below:

    We draw attention to the note 40 of consolidated Ind AS financial statements (Part D of Annexure VI), which explained the uncertainties and the management's assessments of financial impact related to CoVID-19 pandemic situation, for which a definitive assessment of the impact in subsequent period was dependent on future economic developments and circumstance as they evolve. Our opinion is not modified in respect of this matter.

    The above matter do not require any corrective adjustment in the Restated Consolidated Summary Statements.

11. The audit report on consolidated financial statements of the Group as at and for the year ended March 31, 2021 referred to in paragraph 5 above included following emphasis of matter as disclosed in Part D of Annexure VI to Restated Consolidated Summary Statements which is reproduced below:

    We draw attention to the note 40 of consolidated Ind AS financial statements (Part D of Annexure VI), which explained the uncertainties and the management's assessments of financial impact related to CoVID-19 Pandemic situation, for which a definitive assessment of the impact in subsequent period was dependent on future economic developments and circumstance as they evolve. Our opinion is not modified in respect of this matter.

    The above matter do not require any corrective adjustment in the Restated Consolidated Summary Statements.

12. Based on our examination and according to the information and explanations given to us and as per the reliance placed on the examination reports submitted by other auditors, we report that the Restated Consolidated Summary Statements:

    a) have been prepared after incorporating adjustments for changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 to reflect the same accounting treatment as per the accounting policies and groupings/classifications as at and for the year ended March 31, 2023;

    b) do not require any adjustment for modification as there is no modification in the underlying audit reports for the year ended March 31, 2023, 2022 and 2021. However, those qualifications included in the Annexure to the auditors' report issued under Companies (Auditor's Report) Order, 2020 as applicable on the financial statements for the years ended March 31, 2023 and March 31, 2022, and Companies (Auditor's Report) Order, 2016, as applicable on the financial statements for the year ended March 31, 2021, which do not require any corrective adjustment in the Restated Consolidated Summary Statements have been disclosed in Part C of Annexure VI to the Restated Consolidated Summary Statements;

    c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

13. The Restated Consolidated Summary Statements do not reflect the effect of events that occurred subsequent to the respective dates of the reports on audited Consolidated Financial Statements mentioned in paragraph 6 above.

14. We have not audited any financial statements of the Group as of any date or for any period subsequent to March 31, 2023. Accordingly, we express no opinion on the financial position, results of operations, cash flows and changes in equity of the Group as of any date or for any period subsequent to March 31, 2023.

15. This report should not be in any way construed as a reissuance or re-dating of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to herein.

16. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

17. Our report is intended solely for use of the Board of Directors of the Company for inclusion in the DRHP to be filed with SEBI, the Stock Exchanges and the Registrar of Companies in connection with the proposed Offering. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Amit Yadav
Partner
Membership Number: 501753
UDIN: 23501753BGXRXA4068

Place of Signature: New Delhi
Date: September 25, 2023

Annexure A

List of the financial statements and other financial information in relation to the Company's subsidiaries, which are audited by the other auditors and included in the Restated Consolidated Summary Statements of the Company:

Name of the Entity	Relationships	Name of Audit Firm	Period examined by other auditors	Examination Reports dated on Restated Summary Statements
DEE Piping Systems (Thailand) Co. Limited	Subsidiary	A.K. Puniani & Associates	2022-23 2021-22 2020-21	September 21, 2023
DEE Fabricom Private Limited	Subsidiary	SANMARKS & Associates	2022-23 2021-22 2020-21	September 21, 2023
Malwa Power Private Limited	Subsidiary	JKVS & Co.	2022-23 2021-22 2020-21	September 21, 2023

(All amounts in INR Millions, unless otherwise stated)

Annexure I
Restated Consolidated Statement of Assets and Liabilities

Particulars	Annexure VII Notes	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
ASSETS				
Non-current assets				
Property, plant and equipment	3	3,647.56	3,453.92	3,600.74
Capital work-in-progress	3	34.91	42.65	20.02
Goodwill	3 (A)	27.12	27.12	27.12
Other intangible assets	3 (A)	26.52	18.55	22.63
Right to use assets	39	104.08	43.41	45.93
Financial assets				
(i) Investments	4	0.10	0.10	0.10
(ii) Other financial assets	5 (D)	73.84	92.73	53.50
Deferred tax asset (net)	15 (C)	31.97	24.80	20.70
Other non-current assets	6	96.56	54.30	25.32
Total non-current assets		**4,042.66**	**3,757.58**	**3,816.06**
Current assets				
Inventories	7	2,891.82	2,420.32	1,842.60
Financial assets				
i) Trade receivables	5 (A)	1,727.83	1,534.34	1,984.59
ii) Cash and cash equivalents	5 (B)	18.18	3.39	50.53
iii) Bank balances other than (ii) above	5 (C)	309.76	249.33	274.35
iv) Other financial assets	5 (D)	80.95	6.96	12.26
Other current assets	6	591.39	482.05	378.37
Total current assets		**5,619.93**	**4,696.39**	**4,542.70**
Total assets		**9,662.59**	**8,453.97**	**8,358.76**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	8	106.08	106.08	156.93
Other equity	9	4,130.36	4,013.74	4,386.25
Total equity		**4,236.44**	**4,119.82**	**4,543.18**
Non-current liabilities				
Financial liabilities				
i) Borrowings	10(A)	618.19	468.21	513.11
ii) Lease liabilities	11A	88.17	40.42	40.63
Deferred tax liabilities (net)	15(C)	197.05	202.97	212.34
Net employee defined benefit liabilities	12	1.49	1.37	10.47
Other non current liabilities	14	20.91	9.59	9.33
Total non-current liabilities		**925.81**	**722.56**	**785.88**
Current liabilities				
Financial liabilities				
i) Borrowings	10(B)	2,908.03	2,385.37	2,058.54
ii) Lease liabilities	11A	23.20	9.90	9.43
iii) Trade payables				
- (a) Total outstanding dues of micro enterprises and small enterprises	16	43.41	44.99	23.82
- (b) Total outstanding dues of creditors other than micro enterprises and small enterprises	16	1,277.34	991.31	751.06
iv) Other financial liabilities	11	81.62	41.25	29.11
Net employee defined benefit liabilities	12	24.83	19.42	13.98
Other current liabilities	14	112.30	115.28	142.38
Liabilities for current tax (net)	13	29.61	4.07	1.38
Total current liabilities		**4,500.34**	**3,611.59**	**3,029.70**
Total equity and liabilities		**9,662.59**	**8,453.97**	**8,358.76**

The above Statement should be read with the Annexure V - Significant Accounting Policies and Other Explanatory Notes to Restated Consolidated Summary Statements, Annexure VI - Statement of Restatement Adjustments to Audited Consolidated Financial Statements and Annexure VII - Notes to Restated Consolidated Summary Statements.

As per our report of even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Amit Yadav**
Partner
Membership No: 501753

Place : New Delhi
Date : September 25, 2023

For and on behalf of the Board of Directors of
DEE Development Engineers Limited

K.L. Bansal
Chairman & Managing Director
DIN No. 01125121

Ashima Bansal
Director
DIN No. 01928449

Ranjan Sarangi
Company secretary
FCS-8604

Sameer Agarwal
Chief Financial Officer

Place : Palwal
Date : September 25, 2023

DEE Development Engineers Limited
(All amounts in INR Millions, unless otherwise stated)

Annexure II
Restated Consolidated Statement of Profit and Loss

	Particulars	Annexure VII Notes	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
I	**Income**				
	Revenue from contracts with customers	17	5,954.95	4,609.16	4,952.17
	Other income	18	188.25	99.23	178.09
	Total income (I)		**6,143.20**	**4,708.39**	**5,130.26**
II	**Expenses**				
	Cost of raw materials consumed	19	2,261.00	1,948.97	1,984.71
	Purchases of traded goods		28.90	11.35	9.57
	(Increase) in inventories of finished goods, traded goods and work-in-progress	20	(387.68)	(242.10)	370.04
	Employee benefits expenses	21	1,109.47	792.98	739.63
	Finance costs	24	299.02	253.37	271.28
	Depreciation and amortization expenses	22	377.27	358.99	355.37
	Other expenses	23	2,251.50	1,451.89	1,311.38
	Total expenses (II)		**5,939.48**	**4,575.45**	**5,041.98**
	Restated Profit before tax (I-II)		**203.72**	**132.94**	**88.28**
	Share of profit of a jointly controlled entity (refer note no 29)		**-**	**-**	**1.21**
III	**Restated Profit before tax (I-II)**		**203.72**	**132.94**	**89.49**
IV	**Tax expenses**				
	Current tax	15A	85.25	67.75	73.08
	Adjustment of tax related to earlier years	15A	(0.34)	(2.98)	(1.27)
	Deferred tax charge/(credit)	15A	(10.91)	(13.80)	(124.37)
	Total tax expense (IV)		**74.00**	**50.97**	**(52.56)**
V	**Restated Profit for the year (III-IV)**		**129.72**	**81.97**	**142.05**
VI	**Restated other comprehensive income/(loss)**				
	Items that will not be reclassified to profit or loss				
	Re-measurement gain/ (loss) on defined benefit plans	25	(8.63)	1.31	3.45
	Income tax effect	25	2.18	(0.33)	(0.88)
			(6.45)	**0.98**	**2.57**
	Items that will be reclassified to statement of profit or loss:				
	Exchange differences on translation of foreign operations	9(E)	(6.65)	(2.91)	19.63
	Restated Other comprehensive income/(loss) for the year, net of tax (VI)		**(13.10)**	**(1.93)**	**22.20**
VII	**Restated total comprehensive income for the year, net of tax (V-VI)**		**116.62**	**80.04**	**164.25**
	Restated earnings per equity share [nominal value of shares INR 10 each (Previous year INR 10 each)]				
	- Basic earnings per share	26	2.45	1.53	2.44
	- Diluted earnings per share	26	2.45	1.53	2.44

The above Statement should be read with the Annexure V - Significant Accounting Policies and Other Explanatory Notes to Restated Consolidated Summary Statements, Annexure VI - Statement of Restatement Adjustments to Audited Consolidated Financial Statements and Annexure VII - Notes to Restated Consolidated Summary Statements.

As per our report of even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Amit Yadav**
Partner
Membership No: 501753

Place : New Delhi
Date : September 25, 2023

For and on behalf of the Board of Directors of
DEE Development Engineers Limited

K.L. Bansal
Chairman & Managing Director
DIN No. 01125121

Ashima Bansal
Director
DIN No. 01928449

Ranjan Sarangi
Company secretary
FCS-8604

Sameer Agarwal
Chief Financial Officer

Place : Palwal
Date : September 25, 2023

(All amounts in INR Millions, unless otherwise stated)

Annexure III
Restated Consolidated Statement of Cash Flows

Particulars		For the year ended 31 March, 2023	For the year ended 31 March, 2022	For the year ended 31 March, 2021
A. Operating activities				
Restated profit before tax		**203.72**	**132.94**	**89.49**
Adjustments to reconcile restated profit before tax to net cash flows:				
Depreciation and amortization expenses		377.27	358.99	355.37
Profit/ loss on sale /discard of property, plant and equipment (net)		(19.80)	0.60	2.52
Finance income		(15.32)	(13.48)	(22.31)
Liabilities no longer required written back		(36.20)	-	-
Unrealized (gain) on foreign exchange (net)		(64.21)	(26.84)	(21.43)
Amortization of deferred revenue		(1.65)	-	(5.55)
Finance costs		299.02	253.37	271.28
Sundry balances written off		14.05	(0.14)	0.37
Operating profit before working capital changes		**756.88**	**705.44**	**669.74**
Working capital adjustments :				
(Increase)/ decrease in trade receivables		(212.88)	454.82	0.38
(Increase) in inventories		(471.49)	(576.46)	635.78
(Increase) in financial assets		(140.95)	(1.58)	(2.00)
(Increase) in other assets		(88.06)	(119.70)	(61.52)
Increase in trade payables		334.62	241.48	65.36
Increase/(decrease) in provisions		4.40	(3.07)	(0.56)
Increase in financial liabilities		41.73	41.63	8.34
(Decrease) in other liabilities		(25.81)	(7.46)	(289.34)
Cash generated from operations		**198.44**	**735.10**	**1,026.18**
Income tax paid (net of refund)		(59.05)	(63.63)	(70.76)
Net cash flows from operating activities	**(A)**	**139.39**	**671.47**	**955.42**
B. Investing activities :				
Purchase of property, plant and equipment, capital work in progress and intangible assets		(586.45)	(263.17)	(168.63)
Proceeds from sale of property, plant & equipment		28.23	24.98	13.08
Investment in wholly owned subsidiary company		-	-	(0.10)
Investments in bank deposits		(264.34)	(133.16)	(158.71)
Proceeds from redemption/ maturity of bank deposits		224.62	86.52	168.84
Interest received		78.21	63.37	77.79
Net cash flows used in investing activities	**(B)**	**(519.73)**	**(221.46)**	**(67.73)**
C. Financing activities :				
Proceeds from long term borrowings		926.08	258.44	380.51
Repayment of long term borrowing		(710.32)	(337.84)	(530.63)
Proceeds/(repayment) short term borrowings (net)		551.22	384.31	(398.84)
Interest paid		(350.80)	(287.04)	(318.41)
Principle repayment of lease liabilities		(12.53)	(6.75)	(4.51)
Interest paid on lease liabilities		(8.52)	(4.87)	(3.99)
Buy back of equity shares		-	(503.40)	-
Net cash flows from/(used) in financing activities	**(C)**	**395.13**	**(497.15)**	**(875.87)**
Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	14.79	(47.14)	11.82
Cash and cash equivalents at the beginning of the year		3.39	50.53	38.71
Cash and cash equivalents at year end (refer note 5(B))		**18.18**	**3.39**	**50.53**
Cash and cash equivalents comprise (refer note 5(B)) :				
Cash on hand		0.83	0.53	0.48
Balance with banks		17.35	2.86	50.05
		18.18	**3.39**	**50.53**

The above Statement should be read with the Annexure V - Significant Accounting Policies and Other Explanatory Notes to Restated Consolidated Summary Statements, Annexure VI - Statement of Restatement Adjustments to Audited Consolidated Financial Statements and Annexure VII - Notes to Restated Consolidated Summary Statements.

As per our report of even date
For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Amit Yadav**
Partner
Membership No: 501753

Place : New Delhi
Date : September 25, 2023

For and on behalf of the Board of Directors of
DEE Development Engineers Limited

K.L. Bansal
Chairman & Managing Director
DIN No. 01125121

Ashima Bansal
Director
DIN No. 01928449

Ranjan Sarangi
Company secretary
FCS-8604

Sameer Agarwal
Chief Financial Officer

Place : Palwal
Date : September 25, 2023

Annexure IV
Restated Consolidated Statement of Changes in Equity

A) Equity share capital

Particulars	**Equity Shares** No. in millions	**Equity Shares** INR millions
For the year ended 31 March 2023		
Equity shares of INR 10 each issued, subscribed and fully paid		
At 1 April 2022	10.61	106.08
Changes in equity share capital due to prior period errors	-	-
Restated balance as at 1 April 2022	**10.61**	**106.08**
Issue of equity share capital	-	-
At 31 March 2023	**10.61**	**106.08**
For the year ended 31 March 2022		
Equity shares of INR 10 each issued, subscribed and fully paid		
At 1 April 2021	15.69	156.93
Changes in equity share capital due to prior period errors	-	-
Restated balance as at 1 April 2021	**15.69**	**156.93**
Buyback of equity share capital (refer note 9)	(5.08)	(50.85)
At 31 March 2022	**10.61**	**106.08**
For the year ended 31 March 2021		
Equity shares of INR 10 each issued, subscribed and fully paid		
At 1 April 2020	15.69	156.93
Changes in equity share capital due to prior period errors	-	-
Restated balance as at 1 April 2020	**15.69**	**156.93**
Issue of equity share capital	-	-
At 31 March 2021	**15.69**	**156.93**

B) Other equity

	Reserves and Surplus				**Other Comprehensive Income**	**Total**
	Securities Premium	**General reserve**	**Capital Redemption Reserve**	**Retained earnings**	**Foreign Currency Translation Reserve**	
Balance as at 1 April 2022	**1,673.09**	**407.72**	**50.85**	**1,826.79**	**55.29**	**4,013.74**
Changes in accounting policies or prior period errors	-	-	-	-	-	-
Restated balance as at 01 April 2022	**1,673.09**	**407.72**	**50.85**	**1,826.79**	**55.29**	**4,013.74**
Add/ (less):						
Profit/(loss) for the year	-	-	-	129.72	-	129.72
Other comprehensive income for the year	-	-	-	(6.45)	-	(6.45)
Exchange difference on translation of foreign operations					(6.65)	(6.65)
Balance As at 31 March 2023	**1,673.09**	**407.72**	**50.85**	**1,950.06**	**48.64**	**4,130.36**
Balance as at 1 April 2021	**1,673.09**	**458.57**		**2,196.39**	**58.20**	**4,386.25**
Changes in accounting policies or prior period errors	-	-	-	-	-	-
Restated balance as at 01 April 2021	**1,673.09**	**458.57**	**-**	**2,196.39**	**58.20**	**4,386.25**
Add/ (less):						
Profit/(loss) for the year	-	-	-	81.97		81.97
Other comprehensive income for the period	-	-		0.98		0.98
Adjustment on account of buyback of shares (refer note 9)		(50.85)	50.85	(452.55)		(452.55)
Exchange difference on translation of foreign operations	-	-	-	-	(2.91)	(2.91)
Balance As at 31 March 2022	**1,673.09**	**407.72**	**50.85**	**1,826.79**	**55.29**	**4,013.74**
Balance as at 1 April 2020	**1,673.09**	**458.57**	**-**	**2,051.77**	**38.57**	**4,222.00**
Changes in accounting policies or prior period errors	-	-	-	-	-	-
Restated balance as at 01 April 2020	**1,673.09**	**458.57**	**-**	**2,051.77**	**38.57**	**4,222.00**
Add/ (less):						
Profit/(loss) for the year	-	-	-	142.05	-	**142.05**
Other comprehensive income for the period	-	-		2.57	-	**2.57**
Exchange difference on translation of foreign operations	-	-	-	-	19.63	**19.63**
Balance As at 31 March 2021	**1,673.09**	**458.57**	**-**	**2,196.39**	**58.20**	**4,386.25**

The above Statement should be read with the Annexure V - Significant Accounting Policies and Other Explanatory Notes to Restated Consolidated Summary Statements, Annexure VI - Statement of Restatement Adjustments to Audited Consolidated Financial Statements and Annexure VII - Notes to Restated Consolidated Summary Statements.

As per our report of even date
For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Amit Yadav**
Partner
Membership No: 501753

Place : New Delhi
Date : September 25, 2023

For and on behalf of the Board of Directors of
DEE Development Engineers Limited

K.L. Bansal
Chairman & Managing Director
DIN No. 01125121

Ashima Bansal
Director
DIN No. 01928449

Ranjan Sarangi
Company secretary
FCS-8604

Sameer Agarwal
Chief Financial Officer

Place : Palwal
Date : September 25, 2023

Annexure v
Restated Consolidated Summary Statement of Significant Accounting Policies

1. Corporate Information

DEE Development Engineers Limited ("the DEE" or Holding Company" or the "Parent Company") is a public limited company domiciled in India and has its registered office at Unit 1, Prithla-Tatarpur Road, Village Tatarpur, Dist. Palwal, Haryana- 121102, India.

The Holding Company, its subsidiaries and jointly controlled entity (collectively referred as the "Group) are principally engaged in manufacturing of Pre-fabricated Engineering Products, Pipe Fittings, Piping Systems and Biomass based Power Generation. The Group has manufacturing facilities at Tatarpur (Haryana), Barmer (Rajasthan), , Gandhidham (Gujrat), Thailand and Power Generation plant at Abohar (Punjab), Muktasar (Punjab).

The restated consolidated summary statements was approved for issue in accordance with a resolution of the Board on September 25, 2023.

2 Significant Accounting Policies

a. Basis of preparation of Restated Consolidated Summary Statements

The Restated Consolidated Summary Statements of the Group comprise of the Restated Consolidated Statement of Assets and Liabilities as at 31 March 2023, 31 March 2022 and 31 March 2021, the related Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Cash Flows and the Restated Consolidated Statement of Changes in Equity for years ended 31 March 2023, 31 March 2022 and 31 March 2021, and the Significant Accounting Policies and explanatory notes (collectively, the 'Restated Ind AS Consolidated Summary Statements').

These Restated Ind AS Consolidated Summary Statements have been prepared by the Management of the Holding 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 ("ICDR Regulations") for the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP') in connection with its proposed initial public offering of its equity shares, prepared by the Holding Company in terms of the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");
b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "Guidance Note").

These Restated Consolidated Summary Statements have been compiled by the Management from:

Audited consolidated financials statements of the Group as at and for years ended March 31, 2023, March 31, 2022 and March 31, 2021 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on September 22, 2023, September 24, 2022 and September 30, 2021.

The accounting policies have been consistently applied by the Group in preparation of the Restated Consolidated Summary Statements and are consistent with those adopted in the preparation of Statutory restated consolidated summary statements for the year ended March 31, 2023. These Restated Consolidated Summary Statements have been prepared for the Group as a going concern on the basis of relevant Ind AS that are effective as at March 31, 2023.

The Restated Consolidated Summary Statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Defined benefits plan - plan assets measured at fair value;

The Restated Consolidated Summary Statements are presented in Indian Rupees "INR" or "Rs." and all values are stated as INR or Rs. millions, except when otherwise indicated.

Annexure v
Restated Consolidated Summary Statement of Significant Accounting Policies

b. Basis of consolidation

The Restated Consolidated Summary Statements comprises the summary statements of the Holding Company, its subsidiaries and jointly controlled entity. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:
► Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
► Exposure, or rights, to variable returns from its involvement with the investee, and
► The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
► The contractual arrangement with the other vote holders of the investee
► Rights arising from other contractual arrangements
► The Group's voting rights and potential voting rights
► The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Restated Consolidated Summary Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Restated Consolidated Summary Statements 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 Summary Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the Restated Consolidated Summary Statements to ensure conformity with the group's accounting policies.

The restated consolidated summary statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Parent Company i.e. year ended on March 31, 2023, March 31, 2022 and March 31, 2021.

Consolidation procedures are:

(i) Subsidiaries

(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 Summary Statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Restated Consolidated Summary Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
► Derecognises the assets (including goodwill) and liabilities of the subsidiary
► Derecognises the carrying amount of any non-controlling interests
► Derecognises the cumulative translation differences recorded in equity
► Recognises the fair value of the consideration received
► Recognises the fair value of any investment retained
► Recognises any surplus or deficit in profit or loss
► Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

ii)Investment in jointly controlled entity

A jointly controlled entity is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the jointly controlled entity. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group’s investments in its jointly controlled entity are accounted for using the equity method. Under the equity method, the investment in a jointly controlled entity is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group’s share of net assets of the jointly controlled entity since the acquisition date. Goodwill relating to the jointly controlled entity is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group’s share of the results of operations of the jointly controlled entity. Any change in OCI of those investees is presented as part of the Group’s OCI. In addition, when there has been a change recognised directly in the equity of the jointly controlled entity, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the jointly controlled entity are eliminated to the extent of the interest in the jointly controlled entity.

If Group’s share of losses of a jointly controlled entity equals or exceeds its interest in the jointly controlled entity (which includes any long term interest that, in substance, form part of the Group’s net investment in the jointly controlled entity), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the jointly controlled entity. If the jointly controlled entity subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group’s share of profit or loss of an associate and a jointly controlled entity is shown on the face of the Restated Consolidated Statement of Profit and Loss.

The Summary Statements of the jointly controlled entity are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its jointly controlled entity. At each reporting date, the Group determines whether there is objective evidence that the investment in the jointly controlled entity is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the jointly controlled entity and its carrying value, and then recognises the loss as ‘Share of profit of a jointly controlled entity in the statement of profit or loss.

Upon loss of significant influence over the joint control over the jointly controlled entity, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the jointly controlled entity upon loss of significant influence or joint control and the fair value of the retained investment less cost to sell is recognised in profit or loss.

The Group discontinue the use of equity method from the date the investment is classified as held for sale in accordance with Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations and measures the interest in associate and jointly controlled entity held for sale at the lower of its carrying amount and fair value less cost to sell.

c. Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

d. Use of Estimates

The preparation of Restated Consolidated Summary Statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of income and expenses of the period, reported balances of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Examples of such estimates include provisions for doubtful debts and advances, future obligations under employee retirement benefit plans, useful lives of fixed assets, contingencies, etc. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between actual result and estimates are recognised in the period in which the results are known/materialise.

e. Current vs Non Current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time 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.

f. Foreign currencies

The Group financial statements are presented in INR, which is also the Group's functional currency. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. For the purpose of consolidation into the financial statement of ultimate parent Group, these financial statements are presented in INR, being the functional and presentation currency of ultimate parent Group . The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Transaction and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.
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. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

g. Revenue from contract or services with customer

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group collects Goods and service tax (GST) on behalf of the government and therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of Goods

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the equipment. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.
In determining the transaction price for the sale of equipment, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Rendering of Services

Revenue from erection service and job work is recognised as per the contractual terms and as and when services are rendered. The Group collects Goods and service tax (GST) on behalf of the government and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue.

Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

Sale of Electricity

Revenue from sales of electricity is billed on the basis of recording of supply of electricity through installed meters. Revenue from sales of electricity is accounted for on the basis of billing to customers based on billing cycles followed by the group.

h. Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (w) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract

i. Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

j. Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. 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 provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax includes Minimum Alternate Tax (MAT) and recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have any convincing evidence that it will pay normal tax during the specified period.

For operations carried out under tax holiday period (80IA benefit of Income Tax Act, 1961), deferred tax asset or liabilities if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday period ends.

k. Property, Plant and Equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. All the property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The group, based on technical assessment made by technical expert and management estimate, depreciates plant and machineries of piping division over estimated useful lives of 15 to 25 years which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

In case of other assets, depreciation has been provided on straight line method on the economic useful life prescribed by Schedule II to the Companies Act'2013. Depreciation on addition to or on disposal of Fixed Asset is calculated on pro rata basis. Addition, to Fixed Assets costing less than or equal to Rs. 5,000 are depreciated fully in the year of purchase.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

l. 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.. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation of intangible assets is allocated on systematic basis over the best estimate of their useful life and accordingly software's are amortised on straight line basis over the period of six years or license period which ever is lower.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised. The Group has no intangible assets with an indefinite life.

m. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

n. 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 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.

(a) Right-of-use asset

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, as follows:

Particulars	Useful life (years) As per Management
Leasehold Land	5-10
Computer and data processing equipment	4
Plant & Machinery	5

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (2.n) Impairment of non-financial assets.

(b) 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 or a change in the assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

o. Inventories

Inventories

Raw materials, Stores, Spares, Packing materials and Traded Goods	Lower of cost and net realizable value. However, materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated, are expected to be sold at or above cost. Cost is determined on weighted average cost basis. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
Finished goods	Lower of cost and net realizable value. 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 cost basis. Cost of finished goods includes excise duty, wherever applicable.
Work in Progress	Work in Progress is valued at the lower of actual cost incurred or net realizable value. Net realisable value is determined after deducting estimated cost expected to be incurred for completion of work. Cost includes direct materials, labour and proportionate overheads. Cost is determined on weighted average cost basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

p. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

q. Provisions

A provision is recognised when Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. If the effect of time value of money is material, provisions are discounted using a pre-tax rate that reflects when appropriate, the risks specific to the liability.

r. Retirement and Other Employee Benefits

(i) Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

(ii) Gratuity is a defined benefit plan and provision is being made on the basis of actuarial valuation carried out by an independent actuary at the year end using projected unit credit method, and is contributed to the Gratuity fund managed by the Life Insurance Corporation of India.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
► The date of the plan amendment or curtailment, and
► The date that the Group recognises related restructuring costs
Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:
► Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
► Net interest expense or income

Compensated Absences

Accumulated leave which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to statement of Profit and Loss in the period in which they occur. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
► Debt instruments at amortised cost
► Debt instruments at fair value through other comprehensive income (FVTOCI)
► Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
► Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.
Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:
► The rights to receive cash flows from the asset have expired, or
► The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.
Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets. The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

► All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Group is required to use the remaining contractual term of the financial instrument

► Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the Profit and Loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, trade and other payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including cash credit and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

s. Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

t. Fair Value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

► In the principal market for the asset or liability, or

► In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

u. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions and contingent liabilities are reviewed at each balance sheet date.

v. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors identified as chief operating decision-maker (CODM). The CODM is responsible for allocating resources and assessing performance of the operating segments. Segments are organised based on type of services delivered or provided. Segment revenue arising from third party customers is reported on the same basis as revenue in the group Ind AS financial statements. Segment results represent profits before unallocated corporate expenses and taxes. "Unallocated Corporate Expenses" include expenses that relate to costs attributable to the Group as a whole and are not attributable to segments.

w. 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, which are subject to an insignificant risk of changes in value.
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above as they are considered an integral part of the Group's cash management.

x. Dividend Distributions

The Group recognises a liability to make cash to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

y. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (after Tax) for the year attributable to equity shareholders of holding Co. by the weighted average number of equity shares outstanding during the year.
Diluted earnings per share are calculated by dividing the net profit or loss (after Tax) for the year attributable to equity shareholders of holding Co. by the weighted average number of equity shares which would be issued on the conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

2.1 New and amended Standard

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, to amend the following Ind AS which are effective from April 01, 2022.

(i)Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

An onerous contract is a contract under which the unavoidable cost of meeting the obligations under the contract (i.e., the costs that the Group cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2022. This amendment had no impact on the Restated Consolidated Summary Statements of the Group.

(ii)Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Group applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the Restated Consolidated Summary Statements of the Group as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

(iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. These amendments had no impact on the Restated Consolidated Summary Statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

(iv) Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply the exemption in paragraph D16(a) of Ind AS 101 to measure cumulative translation differences for all foreign operations in its financial statements using the amounts reported by the parent, based on the parent's date of transition to Ind AS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also available to an associate or jointly controlled entity that uses exemption in paragraph D16(a) of Ind AS 101.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022 but do not apply to the Group as it is not a first-time adopter.

(v)Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

In accordance with the transitional provisions, the Group applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the Restated Consolidated Summary Statements of the Group as there were no modifications of the Group's financial instruments during the year.

(vi)Ind AS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of Ind AS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of Ind AS 41.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments had no impact on the Restated Consolidated Summary Statements of the Group as it did not have assets in scope of IAS 41 as at the reporting date.

Annexure v
Restated Consolidated Summary Statement of Significant Accounting Policies

2.2 Standards issued but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Group's financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.

The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The Group is currently assessing the impact of the amendments.

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DEE Development Engineers Limited
(All amounts in INR Millions, unless otherwise stated)

Annexure VI
Part A: Statement of Restatement Adjustments to Audited Consolidated Financial Statements

Reconciliation between total equity as per audited statutory financial statements and restated consolidated summary statements

Particulars	As at 31 March 2023	As at 31 March 2023	As at 31 March 2023
Total equity (as per audited statutory financial statements)	4,236.44	4,119.82	4,543.18
Adjustments	-	-	-
Total equity as per restated consolidated statement of assets and liabilities	**4,236.44**	**4,119.82**	**4,543.18**

Reconciliation between profit for the year after tax as per audited statutory financial statements and restated profit after tax as per restated consolidated statement of profit and loss

Particulars	As at 31 March 2023	As at 31 March 2023	As at 31 March 2023
Profit for the year after tax (as per audited statutory financial statements)	129.72	81.97	142.05
Restatement adjustments	-	-	-
Restated profit after tax for the year	**129.72**	**81.97**	**142.05**

Part B: Material regrouping

Appropriate regroupings have been made in the restated consolidated summary statements of assets and liabilities, restated consolidated statement of profit and loss and restated consolidated statements of cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the restated consolidated summary statements of the Group for the year ended March 31, 2023 prepared in accordance with Schedule III of 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.

As at March 31, 2022

Particulars	As at March 31 2022 (reported)	As at March 31 2022 (restated)	Change	Nature
Assets				
Current assets				
Financial assets				
Bank balances other than (ii) above	-	249.33	(249.33)	Reclassification
Others Financial Assets	256.29	6.96	249.33	
Consolidated Cash flow statement				
Cash flow from "Buy back of Shares" classified in "cash flow from investing activities" now classified in "cash flow from financing activities".	(503.40)	(503.40)	-	Reclassification

As at March 31, 2021

Particulars	As at March 31 2021 (reported)	As at March 31 2021 (restated)	Change	Nature
Assets				
Current assets				
Financial assets				
Bank balances other than (ii) above	-	274.35	(274.35)	Reclassification
Others	286.61	12.26	274.35	

The above reclassifications in March 31, 2022 and March 31, 2021 (previous years) have been made, wherever necessary to confirm to the current year classification/disclosure and do not have any impact on the profit, hence there is no change in the restated basic and diluted earnings per share of previous years. These reclassifications do not have any impact on the restated equity at the beginning of March 31, 2022 and March 31, 2021 respectively.

Part C: Non adjusting items

Audit qualifications for the respective years, which do not require any adjustments in the restated consolidated summary statement are as follows:

a) There are no audit qualification in auditor's report for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021.

b) Other audit qualifications included in the annexure to the Auditors' reports issued under Companies (Auditor's Report) Order, 2020, on the consolidated financial statements for the year ended March 31, 2023 and March 31, 2022, and audit qualifications included in the annexure to the Auditors' reports issued under Companies (Auditor's Report) Order, 2016 (as amended) on the standalone financial statements for the year ended March 31, 2021, which do not require any corrective adjustment in the Restated Consolidated Summary Statements are as follows:

As at and for the year ended March 31, 2023

Malwa Power Private Limited
Clause (vii)(a) of Companies (Auditor's Report) Order, 2020
The Company is generally regular in depositing undisputed statutory dues including goods and service tax, provident fund, employee state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues as applicable, with the appropriate authorities except payment of advance income tax. There were no undisputed outstanding statutory dues as at the year end for a period of more than six months from the date they became payable.

Annexure VI
Part A: Statement of Restatement Adjustments to Audited Consolidated Financial Statements

DEE Development Engineers Limited

Clause (ii)(b) of Companies (Auditor's Report) Order, 2020

The Company has been sanctioned working capital limits in excess of INR five crores in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/ statements filed by the Company with such banks and financial institutions are not in agreement with the unaudited books of account of the Company and the details are as follows:

Quarter ended	Value per books of account (A)	Value per quarterly return/statement (B)	Discrepancy (A-B)
Inventories			
June 30, 2022	1,993.35	1,918.12	75.23
September 30, 2022	1,995.02	1,865.17	129.85
December 31, 2022	2,393.04	2,303.65	89.39
March 31, 2023	2,425.97	2,445.83	(19.86)
Trade receivables			
June 30, 2022	1,114.09	1,111.69	2.40
September 30, 2022	1,323.71	1,278.57	45.14
December 31, 2022	1,264.33	1,269.44	(5.11)
March 31, 2023	1,367.96	1,311.31	56.65

As at and for the year ended March 31, 2022

Malwa Power Private Limited

Clause (i)(c) of Companies (Auditor's Report) Order, 2020

The title deeds of immovable properties included in Property, Plant and Equipment are held in the name of the Company. These title deeds and possession letters have been given as security deposit against the term and other loan taken from banks. The original title deeds are kept with the lenders as security and therefore same could not be made available for verification.

Clause (vii)(a) of Companies (Auditor's Report) Order, 2020

The Company is generally regular in depositing undisputed statutory dues including goods and service tax, provident fund, employee state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues as applicable, with the appropriate authorities except payment of advance income tax. There were no undisputed outstanding statutory dues as at the year end for a period of more than six months from the date they became payable.

Dee Fabricom India Private Limited

Clause (iv)(a) of Companies (Auditor's Report) Order, 2020

In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with except non charging of interest on the loan.

DEE Development Engineers Limited

Clause (ii)(a) of Companies (Auditor's Report) Order, 2020

The inventory has been physically verified by the management during the year except for inventories for regular consumables in the nature of stores, spares and packing material and inventories lying with third party, which have not been verified during or at the end of the year .

Clause (ii)(b) of Companies (Auditor's Report) Order, 2020

The Company has been sanctioned working capital limits in excess of INR five crores in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/ statements filed by the Company with such banks and financial institutions are not in agreement with the unaudited books of account of the Company and the details are as follows:

Quarter ended	Value per books of account (A)	Value per quarterly return/statement (B)	Discrepancy (give details) (A-B)
Inventories			
June 30, 2021	1,700.90	1,689.50	11.40
September 30, 2021	1,891.00	1,908.30	(17.30)
December 31, 2021	1,892.40	1,878.70	13.70
March 31, 2022	2,108.10	2,095.20	12.90
Trade receivables	-	-	
June 30, 2021	1,550.90	1,646.50	(95.60)
September 30, 2021	1,196.50	1,188.90	7.60
December 31, 2021	1,123.90	1,114.60	9.30
March 31, 2022	1,276.70	1,276.70	-

Clause (iii)(c) of Companies (Auditor's Report) Order, 2020

The Company has granted loans during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular, except for loan granted to wholly owned subsidiary, DEE Piping Systems (Thailand) Co. Ltd and DEE Fabricom India Private Limited that is repayable on demand. The company has not demanded repayment of such loan during the year, and thus, there has been no default on the part of parties to whom money has been lent.

Annexure VI
Part A: Statement of Restatement Adjustments to Audited Consolidated Financial Statements

As at and for the year ended March 31, 2021

Malwa Power Private Limited

Clause (i)(b) of Companies (Auditor's Report) Order, 2016

The Company has a regular programme of physical verification of its property, plant and equipment by which property, plant and equipment are verified in a phased manner over a period of three years, which is reasonable having regard to the size of the Company and nature its property, plant and equipment. In accordance with this programme, property, plant & equipment were not physically verified during the year.

Clause (i)(c) of Companies (Auditor's Report) Order, 2016

The title deeds of immovable properties included in Property, Plant & Equipment, are held in the name of the Company. These title deeds and possession letters have been given as security against the term and other loan taken from banks. The original title deeds are kept with the lenders as security and therefore same could not be made available for verification.

DEE Development Engineers Limited

Clause (i)(c) of Companies (Auditor's Report) Order, 2016

The title deeds of immovable properties included in fixed assets are pledged with the banks and not available with the Company and the same has not been independently confirmed by the banks.

Clause (ii) of Companies (Auditor's Report) Order, 2016

The management has conducted physical verification of inventory at reasonable intervals except for regular consumables in nature of stores, spares and packing material, which have not been verified during or at the end of the year.

Clause (iii) (b) of Companies (Auditor's Report) Order, 2016

The Company has granted loans to companies covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular, except for loan granted to wholly owned subsidiary, DEE Piping Systems (Thailand) Co. Ltd and Dee Fabricom India Private Limited that is re-payable on demand. The company has not demanded repayment of such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent.

Clause (vii) (a) of Companies (Auditor's Report) Order, 2016

Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

Part D: Emphasis of matter not requiring adjustment to Restated Consolidated Summary Statements.

DEE Development Engineers Limited

Emphasis of Matter - as included in the Auditor's Report on statutory Consolidated Financial Statements for the year ended March 31, 2022.

Auditor have drawn attention to the note 40 of consolidated Ind AS financial statements, which explained the uncertainties and the management's assessments of financial impact related to CoVID-19 Pandemic situation, for which a definitive assessment of the impact in subsequent period was dependent on future economic developments and circumstance as they evolve. The audit opinion was not modified in respect of this matter.

The related note 40 in the consolidated financial statement for the year March 31, 2022 is reproduced below:

Consequent to the uncertainties/ disruptions caused due to continuation of pandemic, the Company has made assessment of impact of this pandemic on its business operations and has made assessment of its liquidity position for the next one year and believes that there is no significant impact of Covid-19 on the Group's business operations. The Group has assessed the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventory, advances, trade receivables, other financial and non-financial assets etc. as at balance sheet date using various internal and external information up to the date of approval of these financial statements. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. Changing situation of pandemic is giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 pandemic which may be different from that estimated as at the date of approval of these standalone financial statements and the Company will continue to closely observe the evolving scenario and take into account any future developments arising out of the same.

DEE Development Engineers Limited

Emphasis of Matter - as included in the Auditor's Report on statutory Consolidated Financial Statements for the year ended March 31, 2021.

Auditor have drawn attention to the note 40 of consolidated Ind AS financial statements, which explained the uncertainties and the management's assessments of financial impact related to CoVID-19 Pandemic situation, for which a definitive assessment of the impact in subsequent period was dependent on future economic developments and circumstance as they evolve. The audit opinion was not modified in respect of this matter.

The related note 40 in the consolidated financial statement for the year March 31, 2021 is reproduced below:

The outbreak of Coronavirus (COVID -19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Consequent to these uncertainties/ disruptions caused due to continuation of pandemic, the group has made assessment of impact of this pandemic on its business operations and has made assessment of its liquidity position for the next one year. The group has assessed carrying value and the recoverability of its assets comprising property, plant and equipment, intangible assets, right of use assets, inventory, advances, trade receivables, other financial and non financial assets etc. and based on current Indicators of future economic conditions, the group expects to recover the carrying amount of these assets on the consolidated financial statement. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these consolidated financial statements. The group will continue to closely monitor any material changes to future economic conditions.

(All amounts in INR Millions, unless otherwise stated)

3 Property, plant and equipment

Particulars	Freehold land	Buildings	Furniture & Fittings	Plant & Machinery	Electrical Installations and Equipment	Office equipment	Motor Vehicles	Computers and Data processing team	Ropeway structure	Roads	Moulds & Dies	Hydraulic works and pipelines	Total	Capital work in Progress
Deemed cost (gross carrying amount)														
Balance as at 1 April 2020	**400.49**	**1,514.47**	**63.26**	**2,348.00**	**101.42**	**25.22**	**105.44**	**84.85**	**3.74**	**12.53**	**64.93**	**15.79**	**4,740.14**	**19.73**
Additions	-	13.08	2.39	79.41	1.31	2.05	13.98	13.19	-	-	5.36	-	130.77	14.16
Foreign exchange impact	2.73	13.17	0.07	8.89	0.09	0.27	0.71	0.32	-	-	-	-	26.25	-
Disposal/Adjustment	-	-	-	(15.79)	-	-	(12.22)	(15.23)	-	-	-	-	(43.24)	(13.87)
Balance As at 31 March 2021	**403.22**	**1,540.72**	**65.72**	**2,420.51**	**102.82**	**27.54**	**107.91**	**83.13**	**3.74**	**12.53**	**70.29**	**15.79**	**4,853.92**	**20.02**
Additions	-	69.52	13.66	121.52	6.07	1.09	4.81	12.74	-	-	-	-	229.41	74.59
Foreign exchange impact	(4.09)	(19.75)	(0.11)	(13.67)	(0.16)	(0.45)	(1.20)	(0.55)	-	-	-	-	(39.98)	-
Disposal/Adjustment	-	-	-	(7.89)	(1.23)	(0.08)	(3.18)	(1.67)	-	-	-	-	(14.05)	(51.96)
Balance As at 31 March 2022	**399.13**	**1,590.49**	**79.27**	**2,520.47**	**107.50**	**28.10**	**108.34**	**93.65**	**3.74**	**12.53**	**70.29**	**15.79**	**5,029.30**	**42.65**
Additions	43.37	114.16	14.10	269.66	14.26	11.02	22.34	19.60	-	6.08	-	-	514.59	131.01
Foreign exchange impact	6.67	32.16	0.21	22.26	0.27	0.74	1.92	0.96	-	-	-	-	65.19	-
Disposal/Adjustment	-	**(5.78)**	**(1.30)**	**(9.34)**	-	**(1.87)**	**(5.41)**	**(6.88)**	-	-	-	-	(30.58)	(138.75)
Balance As at 31 March 2023	**449.17**	**1,731.03**	**92.28**	**2,803.05**	**122.03**	**37.99**	**127.19**	**107.33**	**3.74**	**18.61**	**70.29**	**15.79**	**5,578.50**	**34.91**
Accumulated depreciation														
Balance as at 1 April 2020	**-**	**202.52**	**28.40**	**543.85**	**42.44**	**12.95**	**30.94**	**47.77**	**1.02**	**5.43**	**20.25**	**5.35**	**940.92**	**-**
Charge for the year	-	75.20	6.71	198.33	12.67	4.09	11.83	18.64	0.26	1.35	7.01	1.31	337.40	-
Foreign exchange impact	-	1.30	0.01	0.88	0.02	0.06	0.08	0.07	-	-	-	-	2.42	-
Disposal/Adjustment	-	-	-	(10.67)	-	-	(2.63)	(14.26)	-	-	-	-	(27.56)	-
Balance As at 31 March 2021	**-**	**279.02**	**35.12**	**732.39**	**55.13**	**17.10**	**40.22**	**52.22**	**1.28**	**6.78**	**27.26**	**6.66**	**1,253.18**	**-**
Charge for the year	-	84.02	7.10	198.66	11.98	3.93	11.69	15.81	0.26	1.35	7.06	1.31	343.17	-
Foreign exchange impact	-	(3.95)	(0.07)	(9.22)	(0.10)	(0.29)	(0.25)	(0.45)	-	-	-	-	(14.33)	-
Disposal/Adjustment	-	-	-	(2.10)	(1.13)	(0.03)	(2.05)	(1.33)	-	-	-	-	(6.64)	-
Balance As at 31 March 2022	**-**	**359.09**	**42.15**	**919.73**	**65.88**	**20.71**	**49.61**	**66.25**	**1.54**	**8.13**	**34.32**	**7.97**	**1,575.38**	**-**
Charge for the year	-	82.34	8.69	211.57	10.21	3.80	12.09	14.18	0.27	1.36	6.63	1.30	352.44	-
Foreign exchange impact	-	8.97	0.18	10.06	0.24	0.66	0.66	0.89	-	-	-	-	21.66	-
Disposal/Adjustment	-	(0.75)	(1.07)	(4.62)	-	(1.73)	(4.06)	(6.31)	-	-	-	-	(18.54)	-
Balance As at 31 March 2023	**-**	**449.65**	**49.95**	**1,136.74**	**76.33**	**23.44**	**58.30**	**75.01**	**1.81**	**9.49**	**40.95**	**9.27**	**1,930.94**	**-**
Net Block														
Balance As at 31 March 2021	**403.22**	**1,261.70**	**30.60**	**1,688.12**	**47.69**	**10.44**	**67.69**	**30.91**	**2.46**	**5.75**	**43.03**	**9.13**	**3,600.74**	**20.02**
Balance As at 31 March 2022	**399.13**	**1,231.40**	**37.12**	**1,600.74**	**41.62**	**7.39**	**58.73**	**27.40**	**2.20**	**4.40**	**35.97**	**7.82**	**3,453.92**	**42.65**
Balance As at 31 March 2023	**449.17**	**1,281.38**	**42.33**	**1,666.31**	**45.70**	**14.55**	**68.89**	**32.32**	**1.93**	**9.12**	**29.34**	**6.52**	**3,647.56**	**34.91**

Notes:

i) On transition to Ind AS (i.e. 1 April 2015), the Group has elected to continue with the carrying value of all property, plant and equipment measured as per previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

ii) Capital work-in-progress

Capital work-in progress is comprised of expenditure on buildings under course of construction in respect of factory buildings and expenditure on plant and machinery.

iii) Property plant and equipment pledged as security

Refer note 10(A) and 10(B) for information on property, plant and equipment pledged as security for borrowings by the Group.

iv) Assets lying with third parties

Plant and machinery includes gross block of INR Nil, net block of INR Nil .(31 March 2022: Gross Block of INR 9.79 millions, net block of INR 3.43 millions), (31 March 2021 : Gross Block of INR 16.65 millions, net block of INR 7.94 millions) lying with third parties.

v) Contractual obligations

Refer note 32A for disclosure of contractual commitments for the acquisition of property, plant and equipment

vi) Capitalised borrowing cost

No borrowing cost are capitalised during March 31,2023, March 31,2022 and March 31,2021.

vii) Assets held in the name of the Group

The title deeds of all immovable properties (i.e. Land and building) are held in the name of the Group as at 31 March 2023, 31 March 2022 and 31 March 2021 and are pledged with the banks as collateral against secured borrowings.

viii) Capital work in progress (CWIP) Ageing Schedule

As at 31 March 2023	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions
Projects in progress#	34.91	-	-	-	**34.91**
Projects temporarily suspended	-	-	-	-	**-**
Total	34.91	-	-	-	**34.91**

As at 31 March 2022	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions
Projects in progress#	35.84	2.31	4.50	-	**42.65**
Projects temporarily suspended	-	-	-	-	**-**
Total	35.84	2.31	4.50	-	**42.65**

As at 31 March 2021	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions
Projects in progress#	12.47	7.55	-	-	**20.02**
Projects temporarily suspended	-	-	-	-	**-**
Total	12.47	7.55	-	-	**20.02**

There are no projects where activity has been suspended. Also there are no projects as on the reporting date where completion is overdue or which has exceeded cost as compared to its original plan.

(All amounts in INR Millions, unless otherwise stated)

3A **Intangible assets**

Particulars	Goodwill*	Other intangible assets- Software	Total
Gross Block			
As at 1 April 2020	**27.12**	**63.96**	**91.08**
Additions	-	7.50	7.50
Foreign exchange impact	-	0.18	0.18
As at 31 March 2021	**27.12**	**71.64**	**98.76**
Additions	-	2.50	2.50
Foreign exchange impact	-	(0.27)	(0.27)
Disposal	-	(0.03)	(0.03)
As at 31 March 2022	**27.12**	**73.84**	**100.96**
Additions	-	17.39	17.39
Foreign exchange impact	-	0.45	0.45
Disposal	-	(5.19)	(5.19)
As at 31 March 2023	**27.12**	**86.49**	**113.61**
Accumulated Amortisation			
As at 1 April 2020	**-**	**38.66**	**38.66**
Charge for the year	-	10.29	10.29
Foreign exchange impact	-	0.06	0.06
As at 31 March 2021	**-**	**49.01**	**49.01**
Charge for the year (refer note 22)	-	6.56	6.56
Foreign exchange impact	-	(0.26)	(0.26)
Disposal	-	(0.02)	(0.02)
As at 31 March 2022	**-**	**55.29**	**55.29**
Charge for the year (refer note 22)	-	9.00	9.00
Foreign exchange impact	-	0.43	0.43
Disposal	-	(4.75)	(4.75)
As at 31 March 2023	**-**	**59.97**	**59.97**
Net Block:			
As at 31 March 2021	**27.12**	**22.63**	**49.75**
As at 31 March 2022	**27.12**	**18.55**	**45.67**
As at 31 March 2023	**27.12**	**26.52**	**53.64**

Note to the intangible assets:
On transition to Ind AS (i.e. 1 April 2015), the Group has elected to continue with the carrying value of all intangible measured as per previous GAAP and use that carrying value as the deemed cost of intangible assets.

* Goodwill arising out of consolidation

a) Goodwill impairment test
Goodwill is tested for impairment at least annually in accordance with the Company's procedure for determining the recoverable value of such assets. The recoverable value was determined using value-in-use (VIU). The VIU is determined as the discounted value of future cash flows by using cash flow projections approved by the senior management for the next five years and is based on internal forecasts, considering the current economic conditions, growth rates and anticipated future economic conditions.
Appropriate terminal growth rates of 2% (31 March 2022 - 2%, 31 March 2021- 2%) and discount rate of 14.13% (31 March 2022 - 13.68%, 31 March 2021 - 13.34%,) are used to forecasted cash flows where the rates are consistent with forecasts included in industry reports and reflects the specific risks in which Company operate. Based on the above, no impairment was identified as of 31 March 2023, 31 March 2022 and 31 March 2021 as the recoverable value of the cash generating unit exceeded the carrying values.
The management believes that any possible changes in the key assumptions would not cause the carrying amount to exceed the recoverable amount of cash generating unit.

Key assumptions used for value in use calculations:

The calculation of value in use is most sensitive to the following assumptions: -

Gross margins – Gross margins are based on average values achieved in the three years preceding the beginning of the budget period. These are increased over the budget period for anticipated efficiency improvements.

Discount rates - Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and is derived from its cost of equity. The cost of equity is derived from the expected return on investment by the Company's investors. Company-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and risk premium.

(All amounts in INR Millions, unless otherwise stated)

4 Investment

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Investments at cost:			
Unquoted			
Investment in foundation			
Atul Krishan Bansal Foundation*	0.10	0.10	0.10
- 10,000 (31 March 2022: 10,000) (31 March 2021: 10,000) equity shares of Rs. 10/- each fully paid up			
In DEE Fabricom LLC (jointly controlled entity)#			
Opening Investment	-	-	7.34
Add: Share of Profit of investment in jointly controlled entity	-	-	1.21
Closing Investment	-	-	8.55
Less : investment written off in earliers year	-	-	(8.55)
Net Investment	-	-	-
Total Investment	0.10	0.10	0.10
Aggregate amount of unquoted investment	0.10	0.10	0.10

* The Company has made investment in its wholly owned subsidiary, which is incorporated under Section 8 of Companies Act 2013 with the objective of carrying out charitable and non-profit activities. The Company is not having control on the activities of the subsidiary company and is not entitled for any variable returns for subsidiary company and thus any surplus or profit generated by the subsidiary company is not for the purpose of distribution among the members. Accordingly, the same has not be considered for consolidation.

In the previous year; the Company in its Board of Directors meeting held on September 20. 2021 passed a resolution approving winding up of its jointly controlled entity DEE fabricom LLC, Dubai and accordingly, initiated the completion of closure formalities. Accordingly; company had completed the completion formalities and trade licence had been deregistered as per UAE, laws on March 29, 2021 Further subsequent to deregistration of trade licence, VAT number had also been De- registered and Closure certificate is issued by the Federal Tax Authority dated 13th January, 2022 Thus, the jointly controlled entity stands closed and the same had been reported by the Company with RBI.

5 Financial assets

(A) Trade receivables

Particulars	Current		
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good			
Trade receivables	1,727.83	1,534.34	1,984.59
Total trade receivables	**1,727.83**	**1,534.34**	**1,984.59**

-No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member .

-No trade receivables are due from related party.

-Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.

Trade receivables Ageing Schedule

As at 31 March 2023

Particulars	Current but Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
- Considered good	1,181.44	454.27	79.72	5.77	2.30	0.33	1,723.83
- Significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Disputed							
- Considered good	-	-	-	-	-	4.00	4.00
- Significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
TOTAL	**1,181.44**	**454.27**	**79.72**	**5.77**	**2.30**	**4.33**	**1,727.83**

As at 31 March 2022

Particulars	Current but Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
- Considered good	1,124.64	273.10	53.06	16.67	42.30	-	1,509.77
- Significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Disputed							
- Considered good	-	-	-	-	-	24.57	24.57
- Significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
TOTAL	**1,124.64**	**273.10**	**53.06**	**16.67**	**42.30**	**24.57**	**1,534.34**

As at 31 March 2021

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
- Considered good	1,475.36	331.17	55.45	115.65	6.96	-	1,984.59
- Significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Disputed							-
- Considered good	-	-	-	-	-	-	-
- Significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
TOTAL	**1,475.36**	**331.17**	**55.45**	**115.65**	**6.96**	**-**	**1,984.59**

(All amounts in INR Millions, unless otherwise stated)

	Particulars	Current As at 31 March 2023	Current As at 31 March 2022	Current As at 31 March 2021
(B)	**Cash and cash equivalents**			
	Cash on hand	0.83	0.53	0.48
	Balances with banks:			
	- On current accounts	15.79	2.78	13.53
	- On cash credit accounts	1.56	0.08	36.52
	Total cash and cash equivalents	**18.18**	**3.39**	**50.53**
(C)	**Other bank balances other than cash and cash equivalents**			
	Bank deposits with			
	- Original maturity for more than three month but remaining maturity of less than 12 months*	309.76	249.33	274.35
	- Original maturity for more than three months and remaining maturity of more than 12 months*	55.58	76.29	39.22
		365.34	**325.62**	**313.57**
	Less: amount disclosed under other financial assets [refer note 5(D)]	(55.58)	(76.29)	(39.22)
	Total other bank balances	**309.76**	**249.33**	**274.35**

* Deposits given as margin money against non fund based facilities (Letter of credit, Buyer's credit, Bank Guarantee) and collateral security

As at March 31, 2023, the Group has available INR 197.34 millions (31 March 2022 : INR 133.61 Millions) (31 March, 2021: INR 607.25 Millions) of undrawn borrowing facilities from various banks.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Changes in liabilities arising from financing activities

This section sets out an analysis of changes in liabilities arising from financing activities for each of the periods presented.

Particulars	Lease Liabilities (a)	Non current Borrowing including current maturities (b)	Current Borrowing (c)	Total (d=a+b+c)
As at 1 April 2020	**27.76**	**1,013.19**	**2,118.93**	**3,159.88**
Cash flows	(4.51)	(150.12)	(398.84)	(553.47)
Additions	29.65	-	-	29.65
Deletions	(2.84)	-	-	(2.84)
Foreign exchange adjustments	-	-	44.12	44.12
Interest expenses	3.99	133.89	133.40	271.28
Interest paid	(3.99)	(133.89)	(180.53)	(318.41)
Transaction cost adjustment		(11.53)	3.03	(8.50)
As at 31 March 2021	**50.06**	**851.54**	**1,720.11**	**2,621.71**

Particulars	Buy back of equity shares (a)	Lease Liabilities (b)	Non current Borrowing (c)	Current Borrowing (d)	Total (e=a+b+c+d)
As at 1 April 2021	-	**50.06**	**851.54**	**1,720.11**	2,621.71
Cash flows	(503.40)	(6.75)	(79.40)	384.31	(205.24)
Additions	503.40	7.92	-	-	511.32
Deletions	-	(0.91)	-	-	(0.91)
Foreign exchange adjustments	-	-	-	(1.02)	(1.02)
Interest expenses	-	4.87	63.36	185.14	253.37
Interest paid	-	(4.87)	(63.36)	(218.81)	(287.04)
Transaction cost adjustment		-	0.06	11.65	11.71
As at 31 March 2022	**-**	**50.32**	**772.20**	**2,081.38**	**2,903.90**

Particulars	Lease Liabilities (a)	Non current Borrowing (b)	Current Borrowing (c)	Total (d=a+b+c)
As at 1 April 2022	**50.32**	**772.20**	**2,081.38**	**2,903.90**
Cash flows	(12.53)	215.76	551.22	754.45
Additions	88.42	-	-	88.42
Deletions	(14.84)	-	-	(14.84)
Foreign exchange adjustments	-	(86.37)	-	(86.37)
Interest expenses	8.52	75.55	214.95	299.02
Interest paid	**(8.52)**	(75.55)	(275.24)	(359.31)
Transaction cost adjustment	-	(7.99)	60.31	52.32
At 31 March 2023	**111.37**	**893.60**	**2,632.62**	**3,637.59**

(D) Other financial assets

Unsecured considered good unless otherwise stated

Particulars	Non - Current As at 31 March 2023	Non - Current As at 31 March 2022	Non - Current As at 31 March 2021	Current As at 31 March 2023	Current As at 31 March 2022	Current As at 31 March 2021
Financial assets classified at amortised cost:						
Bank deposits with original maturity beyond 12 months *	55.58	76.29	39.22	-	-	-
Interest receivable	-	-	-	1.23	0.10	0.98
Security deposits	18.26	16.44	14.28	3.78	1.09	0.84
Recoverable from customers**	-	-	-	75.94	-	-
Financial assets classified at fair value through profit or loss:						
Foreign exchange forward contracts (refer note below)	-	-	-	-	5.77	10.44
Total	**73.84**	**92.73**	**53.50**	**80.95**	**6.96**	**12.26**

* Deposits given as margin money against non fund based facilities (Letter of credit, Buyer's credit, Bank Guarantee) and collateral security

** Recoverable from customer towards freight and other charges reimbursement

Note:
Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

Breakup of financial assets carried at amortised cost

	Non - Current			Current		
Particulars	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
Trade receivables (refer note 5A)	-	-	-	1,727.83	1,534.34	1,984.59
Cash and cash equivalents (refer note 5(B))	-	-	-	18.18	3.39	50.53
Other bank balances (refer note 5(C))	-	-	-	309.76	249.33	274.35
Other financial assets (refer note 5(D))*	73.84	92.73	53.50	80.95	1.19	1.82
Total	**73.84**	**92.73**	**53.50**	**2,136.72**	**1,788.25**	**2,311.29**

6 Other assets

	Non - Current			Current		
Particulars	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
Unsecured considered good unless otherwise stated						
Capital advances	85.35	42.95	19.51	-	-	-
Prepaid expenses	11.21	11.35	5.81	66.62	39.54	42.15
Advance to suppliers	-	-	-	51.51	34.68	48.09
Export entitlement receivable	-	-	-	1.99	38.35	59.55
Advance to employees	-	-	-	4.47	1.45	1.17
Balance with government authorities	-	-	-	453.93	358.90	222.97
Income tax recoverable	-	-	-	12.87	9.13	4.44
Total other assets	**96.56**	**54.30**	**25.32**	**591.39**	**482.05**	**378.37**

7 Inventories
(Valued at lower of cost and net realizable value)

	As at 31 March 2023	**As at 31 March 2022**	**As at 31 March 2021**
Raw materials (In transit of INR 34.50 millions), (31 March 2022: INR 67.90 millions),and (31 March 2021: INR 26.53 millions)	1,482.05	1,447.43	1,204.21
Finished goods	159.88	199.94	88.29
Traded goods	3.16	5.27	2.48
Work in progress	931.45	501.60	373.94
Stores and spares	265.02	227.94	140.85
Packing materials	50.26	38.14	32.83
Total inventories	**2,891.82**	**2,420.32**	**1,842.60**

During the year ended 31 March 2023: INR Nil (31 March 2022: INR Nil) (31 March 2021: INR Nil) was recognised as an expense for inventories carried at net realisable value.

8 Equity share capital

(A) Authorised equity share capital:*

	Equity shares		Compulsorily convertible preference shares	
	Number of shares in Millions	**Amount in INR Millions**	**Number of shares in Millions**	**Amount in INR Millions**
As at 1 April 2020	**18.75**	**187.50**	**6.25**	**62.50**
Increase/ (decrease) during the year	-	-	-	-
As at 31 March 2021	**18.75**	**187.50**	**6.25**	**62.50**
Increase/ (decrease) during the year	-	-	-	-
As at 31 March 2022	**18.75**	**187.50**	**6.25**	**62.50**
Increase/ (decrease) during the year	-	-	-	-
As at 31 March 2023	**18.75**	**187.50**	**6.25**	**62.50**

*Subsequent to the year ended 31 March 2023, the authorized equity share capital was increased from 18.75 million equity shares of Rs. 10 each amounting to INR 187.50 million to 68.75 million equity shares of INR 10 each amounting to INR 687.50 million which was duly approved by the board in meeting dated July 27, 2023, and by the shareholders of the Company by means of an ordinary resolution dated July 27, 2023.

(B) i) Terms and rights attached to equity shares
The Company has only one class of equity shares having par value of INR 10 per share. Each shareholder is entitled to one vote per share. The dividend except interim dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

ii) Terms/ rights attached to preference shares
Each convertible preference share has a par value of INR 10 per share and is convertible at the option of the shareholders into equity shares of the Company. The preference shares rank ahead of the equity shares in the event of a liquidation. The Company has not issued the preference share capital.

(C) Issued, subscribed and fully paid-up shares #

(Equity shares of INR 10 each)	**Number in Millions**	**INR in Millions**
As at 1 April 2020	15.69	156.93
Increase/ (decrease) during the year	-	-
As at 31 March 2021	**15.69**	**156.93**
Increase/ (decrease) during the year (refer note 9)	(5.09)	(50.85)
As at 31 March 2022	**10.60**	**106.08**
Increase/ (decrease) during the year	-	-
As at 31 March 2023	**10.60**	**106.08**

The Board of Directors at its meeting held on September 7, 2023, had approved the bonus issue of four new equity share for every one share held on record date which was approved by the shareholders by means of a special resolution dated September 7, 2023. Through a Board resolution dated September 7, 2023, the Company has allotted 42,431,312 equity shares of Rs.10 each as bonus shares to the existing equity shareholders of the Company.

(D) Details of shareholders holding more than 5% shares in the Group:

Name of the shareholder	**As at 31 March 2023**		**As at 31 March 2022**		**As at 31 March 2021**	
	No. in millions	**%**	**No. in millions**	**%**	**No. in millions**	**%**
Mr. K. L. Bansal	7.93	74.74%	7.93	74.74%	7.93	50.52%
First Carlyle Ventures III	-	-	-	-	5.08	32.38%
DDE Piping Component Pvt. Ltd.	1.51	14.20%	1.51	14.20%	1.49	9.52%
Mrs. Ashima Bansal	0.88	8.30%	0.88	8.30%	0.88	5.61%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(E) Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date. (Also refer note 26)

- During the previous year, the Company has concluded the buyback of 5,084,891 equity shares of face value of INR 10/- each at a price of INR 99 per equity share (“Buyback”) for an aggregate amount of INR 503.40 millions, as approved earlier by the Board of Directors on May 07, 2021 and approval of shareholders through special resolution passed in extra ordinary general Meeting dated May 08, 2021.

(All amounts in INR Millions, unless otherwise stated)

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(F) Promoter shareholding :
Details of shares held by Promoter/Promoter Group

As at 31 March 2023

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	**Promoter**					
	Mr. Krishan Lalit Bansal	79,27,837	-	79,27,837	74.74%	-
	Promoter Group					
	DDE Piping Component P Ltd.	15,06,555	-	15,06,555	14.20%	-
	Mrs. Ashima Bansal	8,79,990	(10)	8,79,980	8.30%	-
	Mr. Atul Krishan Bansal	2,93,326	(2,93,326)	-	0.00%	100.00%
	Mrs. Shikha Bansal	100	2,93,326	2,93,426	2.77%	293326.00%
	Mrs. Shruti Aggarwal	10	-	10	0.00%	-
Total		**1,06,07,818**	**(10)**	**1,06,07,808**	**100.00%**	

As at 31 March 2022

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	**Promoter**					
	Mr. Krishan Lalit Bansal	79,27,837	-	79,27,837	74.74%	-
	Promoter Group					
	DDE Piping Component P Ltd.	14,93,811	12,744	15,06,555	14.20%	0.85%
	Mrs. Ashima Bansal	8,79,990	-	8,79,990	8.30%	-
	Mr. Atul Krishan Bansal	2,93,326	-	2,93,326	2.77%	-
	Mrs. Shikha Bansal	100	-	100	0.00%	-
	Mrs. Shruti Aggarwal	10	-	10	0.00%	-
Total		**1,05,95,074**	**12,744**	**1,06,07,818**	**100.00%**	

As at 31 March 2021

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	**Promoter**					
	Mr. Krishan Lalit Bansal	79,27,837	-	79,27,837	50.52%	-
	Promoter Group					
	DDE Piping Component P Ltd.	14,93,811	-	14,93,811	9.52%	-
	Mrs. Ashima Bansal	8,79,990	-	8,79,990	5.61%	-
	Mr. Atul Krishan Bansal	2,93,326	-	2,93,326	1.87%	-
	Mrs. Shikha Bansal	100	-	100	0.00%	-
	Mrs. Shruti Aggarwal	10	-	10	0.00%	-
Total		**1,05,95,074**	**-**	**1,05,95,074**	**67.52%**	

9 Other equity

	Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
(A)	**Securities premium**			
	Opening balance	**1,673.09**	**1,673.09**	**1,673.09**
	Increase/(decrease) during the year	-	-	-
	Closing balance	**1,673.09**	**1,673.09**	**1,673.09**
(B)	**General reserve**			
	Opening balance	**407.72**	**458.57**	**458.57**
	Increase/(decrease) during the year	-	(50.85)	-
	Closing balance	**407.72**	**407.72**	**458.57**
(C)	**Capital Redemption Reserve**			
	Opening balance	**50.85**	**-**	**-**
	Increase/ (decrease) during the year #		50.85	-
	Closing balance	**50.85**	**50.85**	**-**
(D)	**Retained earnings**			
	Opening balance	**1,826.79**	**2,196.39**	**2,051.77**
	Add: Profit for the year	129.72	81.97	142.05
	Other comprehensive income/ (loss) for the year*	(6.45)	0.98	2.57
	Less : Buy back of equity shares#	-	(452.55)	-
	Closing balance	**1,950.06**	**1,826.79**	**2,196.39**
(E)	**Foreign currency translation reserve**			
	Opening balance	**55.29**	**58.20**	**38.57**
	Add : Changes during the year	(6.65)	(2.91)	19.63
	Closing balance	**48.64**	**55.29**	**58.20**
	Total reserves	**4,130.36**	**4,013.74**	**4,386.25**

* The disaggregation of changes in OCI by each type of reserves in equity is disclosed in note 25.

#Buyback of Equity shares
During the previous year, the Company has concluded the buyback of 5,084,891 equity shares of face value of INR 10/- each at a price of INR 99 per equity share ("Buyback") for an aggregate amount of INR 503.40 millions, as approved earlier by the Board of Directors on May 07, 2021 and approval of shareholders through special resolution passed in extra ordinary general Meeting dated May 08, 2021. Buyback was done at record date of May 08, 2021 and the equity shares bought back were extinguished on May 17, 2021. Total outflow of INR 5,03.40 millions had been utilised from the share capital, general reserves and retained earnings, in line with the requirement under the Companies Act 2013. Additionally, Capital Redemption Reserve of INR 50.85 millions (equivalent to nominal value of the equity shares bought back) had been created out of retained earnings, in line with the requirement under the Companies Act 2013. Consequent to extinguishment of shares so bought back, the paid-up equity share capital had been reduced by INR 50.85 millions.

(All amounts in INR Millions, unless otherwise stated)

Nature and purpose of reserves :

Securities premium reserve
Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

General reserve
Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Capital redemption reserve
The Capital redemption reserve has been created in accordance with provision of the Companies Act, 2013 with respect to buy back of equity shares from the market during the previous year.

Foreign currency translation reserve
Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Retained earnings
Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

10 Borrowings

A) Non-current borrowings

Particulars	Non-current portion As at 31 March 2023	As at 31 March 2022	As at 31 March 2021	Current maturities As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Secured						
Term Loan						
a. From banks (refer (i) to (vii)	519.66	448.31	493.90	214.27	269.33	273.65
b. Vehicle loan from banks (refer (viii) to (ix)	24.93	19.90	19.21	10.05	8.08	9.27
Unsecured	-					
a. From directors (refer (xi)	32.50	-	-	30.54	-	-
b. From relative of directors (refer (xii)	32.88	-	-	-	-	-
c. Banyan Tree	-	-	-	20.55	26.58	55.51
d. Other loans (refer (x)	8.22	-	-	-	-	-
	618.19	**468.21**	**513.11**	**275.41**	**303.99**	**338.43**
Less: current maturities of long term debts disclosed under 'current borrowings' (refer note (B))	-	-	-	(275.41)	(303.99)	(338.43)
Total non-current borrowings	**618.19**	**468.21**	**513.11**	**-**	**-**	**-**

Repayment schedule of non-current borrowing :

	Particulars	Tenure	As at 31 March 2023 INR	Repayment Instalments	As at 31 March 2022 INR	Repayment Instalments	As at 31 March 2021 INR	Repayment Instalments
Secured								
(i)	1 YR MCLR of 7.25% + BSS of 0.30% +CRP of 0.40% presently effectively 7.95% p.a. (31 March 2022: 1 YR MCLR of 7.25% + BSS of 0.20% +CRP of 1.20% effectively 8.65%- 8.95% p.a.) (31 March 2021 : 1 YR MCLR of 7.35% + BSS of 0.20% +CRP of 1.40% effectively 8.80%- 8.95% p.a.) (refer note a)	June 2024	4.50	1 equal quarterly instalments	22.50	5 equal quarterly instalments	42.65	1-9 equal quarterly instalments
(ii)	3 Month TB + 2.46% presently effectively 9.53% p.a. (refer note a)	July, 2027	104.99	14 equal quarterly instalments	-		-	
(iii)	1 Year MCLR + 1%, presently 8.25% effectively with monthly rest (31 March 2022: 1 Year MCLR +1% , 8.25% effectively with monthly rest (March 31 2021: 7.35% effectively with monthly rest) (refer note a)	October, 2026	96.23	31 equal monthly instalments	133.49	43 equal monthly instalments	36.14	6 equal monthly instalments
(iv)	'Presently 7.5% p.a to 10.35% p.a (31 March 2022: 7.50% to 10.35% p.a. (31 March 2021:11.00%) (refer note b)	June, 2025	15.94	2-15 Equal monthly instalments	16.59	14-27 equal monthly instalments	27.34	24-39 equal monthly instalments
(v)	Presently MLR- 0.25% p.a., (31 March 2022: 3M LIBOR plus 3.30% p.a.), (31 March 2021: 3M LIBOR plus 3.30% p.a.) (refer note d)	Feb, 2028	202.98	47 Equal monthly instalments	108.65	4 equal quarterly instalments	216.59	8 equal quarterly instalments
(vi)	Presently 8% to 8.60% .(31 March 2022: 8% to 8.60%), (31 March 2021 : 10% to 10.10%) (refer note c)	Sep, 2026	79.45	5 equal quarterly instalments and 30 Monthly instalments	138.23	' 9 equal quarterly instalments and 42 Monthly instalments	171.18	13 equal quarterly instalments
(vii)	Repo rate+3.60% presently 10.10% (refer note c)	May,2025	15.57	14 equal monthly instalments	28.85	26 Monthly instalments	-	
(viii)	Presently 8.35% to 10.15%, (31 March 2022 : 8.35% to 10.15%) (31 March 2021: 8.35% to 10.15%.) (Refer Note f)	June, 2027	18.84	19-48 equal monthly instalments	9.15	1-20 equal monthly instalments	2.15	1-20 equal monthly instalments
(ix)	Presently 4.18% to 6.52% p.a. (31 March 2022 : 4.18% to 6.52% p.a.) - (31 March 2021: 4.18% to 6.52% p.a.) (refer note f)	July, 2026	6.09	5- 28 equal monthly instalments	10.75	5- 28 equal monthly instalments	17.06	9-37 equal monthly instalments
Unsecured								
(x)	Presently 14% - p.a., (31 March 2022: Nil) (31 March 2021: Nil) p.a.	December 2024	8.22	Annually	-		-	
(xi)	Interest free loans from directors	December 2024	32.50	Annually	-		-	
(xii)	Presently 8% - p.a., (31 March 2022: Nil) (31 March 2021: Nil) p.a.	December 2024	32.88	Annually	-		-	
			618.19		**468.21**		**513.11**	

(All amounts in INR Millions, unless otherwise stated)

i) Security clauses

a) Term loan of INR 290.74 million (31 March 2022: INR 233.79 million) '(March 31, 2021: INR 180.93 million) is secured by way of i) first pari-passu charge on the fixed assets and current assets of the piping unit situated at Palwal of the Group
ii) exclusive charges on the current assets of the 8 MW power plant, of the Group iii) first pari-passu charges on the Land & Building situated at plant No-1 and 2, Tatarpur Road, District. Palwal iv) first pari-passu charge on the property situated at Jatola Road, Tatarpur Industrial Area Maidapur, Tehsil & Distt. Palwal measuring 1,770.00 sq. yards v) first pari-passu charge on the fixed deposit of INR 35 million
vi) second pari-passu charge on the basis of equitable mortgage over residential house situated at 1255, sector 14 Faridabad, ownership in the name of Mr. K. L. Bansal [(Chairman and Managing Director) (area 500 sq. yards)] vii) first pari-passu charges basis on net block of the 8 MW power unit at Gaddadhob, Tehsil - Abohar, Distt - Firozpur, Punjab viii) first pari-passu charge on the property situated at Unit 11 and Unit 12, First Floor, Block No: II SIDCO Electronic Complex, Thiru VI Ka Industrial Estate, Gundy, Chennai, measuring 2,053 sq. ft. in the name of the Group.

b) Term loan of INR 26.56 millions (March 31, 2022 :INR 27.20 millions), (March 31, 2021: INR 34.80 millions) is secured by way of 'i) exclusive charges on fixed assets including property, plant and equipment, land and building and others moveable assets of 7.5MW power plant situated at village Gulabewala of the Group.

c) Term loan of INR 167.11 millions (March 31, 2022 :INR. 234.12 millions), (March 31, 2021: INR 224.22 millions) is secured by way of exclusive charge all existing and future movable fixed assets situated at Anjar, Gujrat.

d) Term loan outstanding for INR 249.51 millions (March 31, 2022; INR 222.53 millions), (March 31, 2021: INR 327.60 millions) is secured by way of i) exclusive charge on land and building situated at Chachoengsao Thailand of the Group, ii) exclusive charges in fixed assets including plant and machinery of the Group.

e) Further, term loan are secured by Irrevocable and unconditional, joint and several personal guarantee of the promoters.

f) Vehicle loan outstanding for INR. 34.98 millions (March 31, 2022: INR 27.98 millions),(March 31, 2021: INR. 28.48 millions) from bank secured by the vehicle of the Group financed under the scheme.

g) **Loan Covenants:**
Term loan contain certain debt covenants relating to security cover, debt-equity ratio and current ratio, Debt/EBITDA ratio, Total Outside Liability/Total Net worth and Adjusted Tangible Net Worth etc., the Group has satisfied all debt covenants prescribed in the terms of term loan.

h) The group has not defaulted on any loans payable.

i) All term loans availed by the group have been utilised for the purpose for which they have been obtained.

(B) Current borrowings

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Secured			
a) Loans repayable on demands from banks (refer note a, b and c below)			
(i) Cash credit	866.50	650.85	296.12
(ii) Export packing credit	-	69.93	-
(iii) Working capital demand loan	1,424.00	1,177.51	1,321.76
b) Current maturities of long-term debts [refer note 10A]	275.41	303.99	338.43
Unsecured			
b) Loans repayable on demands from banks (refer note a and b below)			
i) Buyer's credit	342.12	183.09	102.23
Total	**2,908.03**	**2,385.37**	**2,058.54**

Notes:

a The rate of interest banks from 6.50 % p.a. to 10.85% p.a. (31 March 2022: 2.58 % p.a. to 12.00% p.a.), (31 March, 2021: 2.65 % p.a. to 11.15% p.a.).

b) Cash credit facilities, Working Capital Demand Loan and Export Packing Credit of INR 2,290.50 million (31 March 2022: INR 1,898.30 million) is secured by way of first pari-passu charge on the all the current assets of the piping unit and power unit of the Holding Company and all the current assets i.e. present and future stock of raw material, work in progress, finished goods, store & spares, book debts etc. of respective wholly owned subsidiary namely Malwa Power Private Limited, DEE Fabricom India Private Limited and DEE Piping System (Thailand) Co. Ltd. The Loan is further secured by corporate guarantee of the holding company and personal guarantee of Promoter - Directors.

c) Further, Cash credit and WCDL are secured by irrevocable and unconditional, joint and several personal guarantee of the promoters and corporate guarantee of DDE Piping Components Private Limited.

Detail of Quarterly statement/ returns of current assets filed by the Group with banks and reconciliation with the books of accounts

31 March 2023

Quarter ending	Name of the Bank	Amount as per books (A)	Amount as reported in the quarterly return/statement (B)	Amount of difference (A-B)	Reason for material discrepancies
Inventory					
June 30, 2022	Bank of India	1,993.35	1,918.12	75.23	Variance is on account of timing difference in reporting to the banks and routine book closure process of the Group
September 30, 2022		1,995.02	1,865.17	129.85	
December 31, 2022		2,393.03	2,303.65	89.38	
March 31, 2023*		2,425.97	2,445.83	(19.86)	
Trade Receivable					
June 30, 2022		1,114.09	1,111.69	2.40	
September 30, 2022		1,323.71	1,278.57	45.14	
December 31, 2022		1,264.33	1,269.44	(5.10)	
March 31, 2023*		1,367.96	1,311.31	56.65	

* The Statement submitted for quarter ended March 2023 is based on amount as on March 29, 2023 in accordance with timeline for submission with Bank. However amount in column B is based on statement as on March 29, 2023 adjusted up to March 31, 2023.

31 March 2022

Quarter ended	Name of the Bank	Value per books of account (A)	Amount as reported in the quarterly return/statement (B)	Amount of difference (A-B)	Reason for material discrepancies
Inventories					
June 30, 2021	Bank of India	1,700.90	1,689.50	11.40	Variance is on account of timing difference in reporting to the banks and routine book closure process of the Group
September 30, 2021		1,891.00	1,908.30	(17.30)	
December 31, 2021		1,892.40	1,878.70	13.70	
March 31, 2022*		2,108.10	2,095.20	12.90	
Trade receivables					
June 30, 2021		1,550.90	1,646.50	(95.60)	
September 30, 2021		1,196.50	1,188.90	7.61	
December 31, 2021		1,123.90	1,114.60	9.30	
March 31, 2022*		1,276.70	1,276.70	-	

* The Statement submitted for quarter ended March 2022 is based on amount as on March 29, 2022 in accordance with timeline for submission with Bank. However amount in column B is based on statement as on March 29, 2022 adjusted up to March 31, 2022.

(All amounts in INR Millions, unless otherwise stated)

31 March 2021

Quarter ended	Name of the Bank	Value per books of account (A)	Amount as reported in the quarterly return/statement (B)	Amount of difference (A-B)	Reason for material discrepancies
Inventories					
June 30, 2020	Bank of India	2,224.03	2,003.48	220.54	Variance is on account of timing difference in reporting to the banks and routine book closure process of the Group
September 30, 2020		2,251.04	1,971.09	279.95	
December 31, 2020		1,851.19	1,788.33	62.86	
March 31, 2021*		1,661.39	1,603.85	57.54	
Trade receivables					
June 30, 2020		1,758.96	1,742.30	16.66	
September 30, 2020		1,897.54	1,879.48	18.06	
December 31, 2020		2,239.30	2,224.90	14.39	
March 31, 2021*		1,806.60	1,955.95	(149.35)	

* The Statement submitted for quarter ended March 2021 is based on amount as on March 29, 2021 in accordance with timeline for submission with Bank. However amount in column B is based on statement as on March 29, 2021 adjusted up to March 31, 2021.

Breakup of Financial liabilities carried at amortised cost

Particulars	Non-current portion As at 31 March 2023	As at 31 March 2022	As at 31 March 2021	Current maturities As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Non-current borrowings (Refer note 10(A))	618.19	468.21	513.11	-	-	-
Lease liabilities (refer note 11A)	88.17	40.42	40.63	23.20	9.90	9.43
Current borrowings (refer note 10 B)	-	-	-	2,908.03	2,385.37	2,058.54
Trade payable (refer note 16)	-	-	-	1,320.75	1,036.30	774.88
Other financial liabilities (refer note 11)	-	-	-	64.58	41.25	29.11
Total	**706.36**	**508.63**	**553.74**	**4,316.56**	**3,472.82**	**2,871.96**

11 Other financial liabilities

Particulars	Current As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Financial liabilities at fair value through profit or loss:			
Foreign exchange forward contracts*	17.04	-	-
	-		
Financial liabilities carried at amortised cost:	-		
Creditors for capital goods	39.80	21.65	14.75
Interest accrued and not due on borrowings	12.72	4.52	6.46
Others payable**	12.06	15.08	7.90
Total other financial liabilities	**81.62**	**41.25**	**29.11**

***Foreign exchange forward contracts**
While the Group entered into other foreign exchange forward contracts with the intention of reducing the foreign exchange risk of expected sales and purchases, these other contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

** liability for customer claim

11A Lease Liabilities

Particulars	Non - Current As at 31 March 2023	As at 31 March 2022	As at 31 March 2021	Current As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Lease liabilities (refer note 39)	88.17	40.42	40.63	23.20	9.90	9.43
Total lease liabilities	**88.17**	**40.42**	**40.63**	**23.20**	**9.90**	**9.43**

12 Provision

A) Net employee defined benefit liabilities

Particulars	Non - Current As at 31 March 2023	As at 31 March 2022	As at 31 March 2021	Current As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Provisions for gratuity (refer note 30)	0.90	0.82	10.06	7.64	10.13	6.04
Provision for compensated absences	0.59	0.55	0.41	17.19	9.29	7.94
Total employee defined benefit liabilities	**1.49**	**1.37**	**10.47**	**24.83**	**19.42**	**13.98**

B) Provision for Litigation

It represent a charge against the wrong availment of input credit by the holding company

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
At the beginning of the year	-	-	1.55
Created during the year	-	-	-
Paid/adjusted during the year	-	-	(1.55)
At the end of the year	-	-	-

13 Liabilities for current tax (net)

Particulars	Current As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Provision for current tax (net of advance tax and TDS receivable)	29.61	4.07	1.38
Total liabilities for current tax (net)	**29.61**	**4.07**	**1.38**

14 Other liabilities

Particulars	Non - Current As at 31 March 2023	As at 31 March 2022	As at 31 March 2021	Current As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Statutory dues	-	-	-	21.05	21.22	31.01
Deferred revenue:	20.91	9.59	9.33	-	-	-
Contract liabilities - Advance received from customers (refer note 17)	-	-	-	91.25	94.06	111.37
Total other liabilities	**20.91**	**9.59**	**9.33**	**112.30**	**115.28**	**142.38**

(All amounts in INR Millions, unless otherwise stated)

15 Income tax

(A) The major components of income tax expense for the period ended 31 March 2023,31 March 2022 and year ended 31 March 2021 are:

Statement of profit and loss:

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
a) Income tax expense reported in the profit or loss section			
Current income tax:			
- Current income tax charge	85.25	67.75	73.08
- Adjustments of tax related to earlier years	(0.34)	(2.98)	(1.27)
Deferred tax:			
- Relating to origination and reversal of temporary differences	(10.91)	(13.80)	(124.37)
Income tax expense reported in the profit or loss section	**74.00**	**50.97**	**(52.56)**
b) Other comprehensive income section			
Deferred tax related to items recognised in other comprehensive income section			
Re-measurement gain/(loss) on defined benefit plans	2.18	(0.33)	(0.88)
Income tax charged to other comprehensive income section	**2.18**	**(0.33)**	**(0.88)**

(B) Reconciliation of tax expense and the accounting profit multiplied by holding company's rate for 31 March 2023, 31 March 2022 and 31 March 2021:

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Accounting profit before tax	203.72	132.94	89.49
At India's statutory income tax rate of 25.168% (31 March 2022: 25.168%), (31 March 2021: 25.168%)	51.27	33.46	22.52
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:			
Adjustments of tax related to earlier years	(0.34)	(2.98)	(1.27)
Tax impact due to adoption of new tax rate as per Income-tax Act, 1961 (Refer note 43)	-	-	(75.84)
Tax impact of expenses not deductible under Income-tax Act, 1961	1.86	2.06	4.86
Impact on account of utilisation of carry forward/current year losses	29.17	36.31	53.85
Impact on account of difference in tax rate	(2.82)	(6.93)	(6.28)
- Others	(5.14)	(10.95)	(50.40)
Income tax expense	**74.00**	**50.97**	**(52.56)**
Income tax expense reported in the statement of profit and loss	**74.00**	**50.97**	**(52.56)**

(C) Deferred tax
The balance comprises temporary differences attributable to:
Movement in deferred tax balances

As at March 31, 2023

	As at 31 March 2022	Recognised in statement of profit and loss	Recognized in OCI	As at 31 March 2023
i) Deferred tax assets				
Unabsorbed business losses, depreciation and amortisation	39.07	6.22	-	45.29
Provision for employee benefits	0.15	(0.05)	(0.07)	0.03
Deferred tax assets (A)	**39.22**	**6.17**	**(0.07)**	**45.32**
Property, plant and equipment and other intangible assets - depreciation, impairment and amortisation	(14.42)	1.07	-	(13.35)
Deferred tax liabilities (B)	(14.42)	1.07	-	(13.35)
Deferred tax assets (net) (C=A-B)	**24.80**	**7.24**	**(0.07)**	**31.97**
ii) Deferred tax liabilities				
Unabsorbed business losses, depreciation and amortisation	4.51	(4.51)	-	-
Expenditure allowed for tax purposes on payment basis	0.09	(0.09)	-	-
Provision for employee benefits	4.70	(1.17)	2.25	5.78
Deferred tax assets (D)	**9.30**	**(5.77)**	**2.25**	**5.78**
Property, plant and equipment and other intangible assets - depreciation, impairment and amortisation	(243.88)	1.24	-	(242.64)
Others	(1.45)	5.74	-	4.29
Deferred tax liabilities (E)	**(245.33)**	**6.98**	**-**	**(238.35)**
subtotal (F= D+E)	**(236.03)**	**1.21**	**2.25**	**(232.57)**
Minimum alternate tax credit entitlement (G)	33.06	2.46	-	35.52
Deferred tax liability (net) (H=F+G)	**(202.97)**	**3.67**	**2.25**	**(197.05)**
Net deferred tax assets/(liabilities)	**(178.17)**	**10.91**	**2.18**	**(165.08)**

(All amounts in INR Millions, unless otherwise stated)

As at March 31, 2022

	As at 31 March 2021	Recognized in P&L	Recognized in OCI	As at 31 March 2022
i) Deferred tax assets (net)				
Unabsorbed business losses, depreciation and amortisation	77.37	(38.30)	-	39.07
Provision for employee benefits	0.20	(0.05)	-	0.15
Deferred tax assets (A)	**77.57**	**(38.35)**	**-**	**39.22**
Property, plant and equipment and other intangible assets - depreciation, impairment and amortisation	(56.87)	42.45	-	(14.42)
Deferred tax liabilities (B)	**(56.87)**	**42.45**	**-**	**(14.42)**
Deferred tax assets (net) (C=A-B)	**20.70**	**4.10**	**-**	**24.80**
ii) Deferred tax liabilities				
Provision for employee benefits	5.68	(0.65)	(0.33)	4.70
Unabsorbed business losses, depreciation and amortisation	-	4.51	-	4.51
Others	(17.57)	17.66	-	0.09
Deferred tax assets (D)	**(11.89)**	**21.52**	**(0.33)**	**9.30**
Impact on deferred market to market	(2.68)	1.23	-	(1.45)
Property, plant and equipment and other intangible assets - depreciation, impairment and amortisation	(216.87)	(27.01)	-	(243.88)
Deferred tax liabilities (E)	**(219.55)**	**(25.78)**	**-**	**(245.33)**
subtotal (F= D+E)	**(231.44)**	**(4.26)**	**(0.33)**	**(236.03)**
Minimum alternate tax credit entitlement (G)	19.10	13.96	-	33.06
Deferred tax liability (net) (H=F+G)	**(212.34)**	**9.70**	**(0.33)**	**(202.97)**
Net deferred tax assets/(liabilities)	**(191.64)**	**13.80**	**(0.33)**	**(178.17)**

As at March 31, 2021

	As at 31 March 2020	Recognized in P&L	Recognized in OCI	As at 31 March 2021
i) Deferred tax assets (net)				
Unabsorbed business losses, depreciation and amortisation	3.15	74.22	-	77.37
Provision for employee benefits	0.10	0.20	(0.10)	0.20
Deferred tax assets (A)	**3.25**	**74.42**	**(0.10)**	**77.57**
Property, plant and equipment and other intangible assets - depreciation, impairment and amortisation	(43.53)	(13.34)	-	(56.87)
Deferred tax liabilities (B)	**(43.53)**	**(13.34)**	**-**	**(56.87)**
Deferred tax assets (net) (C=A-B)	**(40.28)**	**61.08**	**(0.10)**	**20.70**
ii) Deferred tax liabilities				
Provision for employee benefits	7.38	(0.92)	(0.78)	5.68
Deferred tax assets (D)	**7.38**	**(0.92)**	**(0.78)**	**5.68**
Property, plant and equipment and other intangible assets - depreciation, impairment and amortisation	(305.78)	88.91	-	(216.87)
Impact on deferred market to market	6.00	(8.68)	-	(2.68)
Others	4.27	(21.84)	-	(17.57)
Deferred tax liabilities (E)	**(295.51)**	**58.39**	**-**	**(237.12)**
subtotal (F= D+E)	**(288.13)**	**57.47**	**(0.78)**	**(231.44)**
Minimum alternate tax credit entitlement (G)	13.28	5.82	-	19.10
Deferred tax liability (net) (H=F+G)	**(274.85)**	**63.29**	**(0.78)**	**(212.34)**
Net deferred tax assets/(liabilities)	**(315.13)**	**124.37**	**(0.88)**	**(191.64)**

Indian wholly owned subsidiaries has accumulated tax losses of INR 48.29 millions (31 March 2022: INR 42.18 millions) (31 March 2021: INR 103.20 millions) that are available for offsetting for eight years against future taxable profits of the companies in which the losses arose Further, there is unabsorbed depreciation of INR 139.00 million (31 March 2022 INR. 101.83 million) (31 March 2021 INR.84.11 millions which can be set off with the future taxable profit . Majority of these accumulated losses will expire during assessment year 2028-29 to 2030-31. Based on future taxable projections the management is confident of utilising these losses against future taxable profits and deferred tax assets recognised on above is fully recoverable.

Indian wholly owned subsidiary has paid Minimum Alternate Tax (MAT) of INR 35.51 millions (31 March 2022: INR 33.05 millions), (31 March 2021: of INR 19.10 millions) that are available for offsetting for Fifteen years against future taxable profits under Income Tax Act, 1961 of the companies. Majority of these MAT Credit will expire during 2033-34 to 2038-39..

16 Trade Payables

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
-Total outstanding dues of micro enterprises and small enterprises #	43.41	44.99	23.82
-Total outstanding dues of creditors other than micro enterprises and small enterprises*	1,277.34	991.31	751.06
Total trade payables	**1,320.75**	**1,036.30**	**774.88**

Trade Payable Ageing Schedule

	Outstanding for following periods from due date of payment					
As at 31 March 2023	**Not Due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
	INR millions	INR millions	INR millions	INR millions	INR millions	INR millions
Total outstanding dues of micro enterprises and small enterprises	-	43.41	-	-	-	43.41
Total outstanding dues of creditors other than micro enterprises and small enterprises	14.68	1,245.33	15.85	0.82	0.66	1,277.34
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
TOTAL	**14.68**	**1,288.74**	**15.85**	**0.82**	**0.66**	**1,320.75**

	Outstanding for following periods from due date of payment					
As at 31 March 2022	**Not Due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
	INR millions	INR millions	INR millions	INR millions	INR millions	INR millions
Total outstanding dues of micro enterprises and small enterprises		44.99	-	-	-	44.99
Total outstanding dues of creditors other than micro enterprises and small	16.28	970.10	4.27	0.66	-	991.31
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
TOTAL	**16.28**	**1,015.09**	**4.27**	**0.66**	**-**	**1,036.30**

	Outstanding for following periods from due date of payment					
As at 31 March 2021	**Not Due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
	INR millions	INR millions	INR millions	INR millions	INR millions	INR millions
Total outstanding dues of micro enterprises and small enterprises	-	23.82	-	-	-	23.82
Total outstanding dues of creditors other than micro enterprises and small	52.96	691.22	6.88	-	-	751.06
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
						-
TOTAL	**52.96**	**715.04**	**6.88**	**-**	**-**	**774.88**

Terms and conditions of the above financial liabilities:
- Trade payables are non-interest bearing and are normally settled on 0 to 75-day terms
- For terms and conditions relating to related party payables, refer to note 31
- For explanations on the Group's credit risk management processes, refer to note 36

Particulars	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
*** Includes following :**			
Acceptances	350.51	109.07	45.36
For payable to related parties (refer note 31(C))	5.64	5.47	8.39

 # Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each	43.41	44.99	23.82
Principal amount due to micro and small enterprises	43.41	44.99	23.82
Interest due on above	-	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
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 2006.	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-	-

(All amounts in INR Millions, unless otherwise stated)

17 Revenue from contracts with customers

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of products:			
Sale of finished goods	2,836.19	2,806.36	3,485.63
Sale of traded goods	46.74	16.60	8.56
Sale of electricity	737.59	781.54	660.27
Sale of service:			
Job work	2,229.86	910.50	687.94
Erection and Design services	19.39	15.86	16.86
Other Operating Income:			
Sale of Scrap	81.21	73.57	57.69
Export Incentive	3.97	4.73	35.22
Total revenue from contracts with customers	**5,954.95**	**4,609.16**	**4,952.17**
Within India	3,269.03	2,927.68	2,692.55
Outside India	2,685.92	1,681.48	2,259.62
Total revenue from contracts with customers	**5,954.95**	**4,609.16**	**4,952.17**
Timing of revenue recognition			
Revenue recognition over a period of time	19.39	15.86	16.86
Revenue recognition at a point of time	5,935.56	4,593.30	4,935.31
Total revenue from contracts with customers	**5,954.95**	**4,609.16**	**4,952.17**

Contract Balances

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Trade receivables from contracts under Ind AS 115 (refer note 5A)	1,727.83	1,534.34	1,984.59
Contract Assets	-	-	-
Contract liabilities			
Advance from customers (refer note 14)	91.25	94.06	111.37

Contract liabilities include amount received from customers as per the terms of purchase/sales order to deliver goods. Once the goods are completed and control is transferred to customers the same is adjusted accordingly.

Significant changes in the contract assets and the contract liabilities balances during the year/period are as follows

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Movement of contract liability			
Amounts included in contract liabilities at the beginning of the year	94.06	111.37	413.46
Performance obligations satisfied during the year	(94.06)	(111.37)	(274.20)
Amount received/ adjusted against contract liability during the year	91.25	94.06	(27.89)
Amounts included in contract liabilities at the end of the year	**91.25**	**94.06**	**111.37**

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue as per contracted price	**5,954.95**	**4,609.16**	**4,952.17**
Adjustments	-	-	-
Sales return	-	-	-
Discount	-	-	-
Revenue from contract with customers	**5,954.95**	**4,609.16**	**4,952.17**

(All amounts in INR Millions, unless otherwise stated)

Performance obligation

Information about the group performance obligations for material contracts are summarised below:

The performance obligation of the Group in case of sale of Products is satisfied once the goods are transported as per terms of order and control is transferred to the customers.

The customer makes the payment for contracted price as per terms stipulated under customers purchase order.

Information about the group performance obligations for electricity supply contract are summarised below:

The performance obligation of the group in case of sale of electricity is based on supply of electricity through installed meters. Revenue from sales of electricity is accounted for on the basis of billing to customers based on billing cycles followed by the Group.

The customer makes the payment for electricity supplied during the billing cycle at contracted price as per terms stipulated under agreement.

There is no remaining performance obligation as on year ended 31 March 2023, 31 March 2022 and 31 March 2021

18 Other income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income			
- from Bank	15.32	13.48	19.99
- on Income tax refund	-	-	2.31
Gain on foreign exchange (net)	47.10	-	66.27
Profit in sale of property, plant and equipment (net)	19.80	-	-
Rent income	14.62	11.12	1.20
Liability no longer required written back*	36.20	-	-
Amortization of deferred revenue	21.50	49.01	64.28
Insurance claim received	0.39	0.61	2.17
Miscellaneous income	33.32	25.01	21.87
Total other income	**188.25**	**99.23**	**178.09**

* During the year, the Company has written back excess liabilities pertaining to one of its customer pursuant to settlement agreement reached with the customer.

19 Cost of raw material consumed

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventory at the beginning of the year	1,447.43	1,204.21	1,476.39
Add: Purchase during the year	2,295.62	2,192.19	1,712.53
	3,743.05	**3,396.40**	**3,188.92**
Less: Inventory at the end of the year	1,482.05	1,447.43	1,204.21
Cost of raw material consumed	**2,261.00**	**1,948.97**	**1,984.71**

20 Changes in inventories of finished goods, stock in trade and work in progress

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening stock			
- Work-in-progress	501.60	373.94	557.35
- Finished goods	199.94	88.29	276.31
- Traded goods	5.27	2.48	1.09
Less: Closing stock			
- Work-in-progress	931.45	501.60	373.94
- Finished goods	159.88	199.94	88.29
- Traded goods	3.16	5.27	2.48
Total change in inventories of finished goods, stock in trade and work in progress	**(387.68)**	**(242.10)**	**370.04**

21 Employee benefits expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	1,046.39	744.39	693.44
Contribution to provident and other funds	24.32	21.23	20.62
Gratuity expense (refer note 30)	10.52	8.99	7.99
Staff welfare expenses	28.24	18.37	17.58
Total employee benefits expense	**1,109.47**	**792.98**	**739.63**

22 Depreciation and amortization expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on tangible assets (refer note 3)	352.44	343.17	337.40
Amortisation of intangible assets (refer note 3 (a))	9.00	6.56	10.29
Depreciation on right of use assets (refer note 39)	15.83	9.26	7.68
Total depreciation and amortization expense	**377.27**	**358.99**	**355.37**

(All amounts in INR Millions, unless otherwise stated)

23 Other expenses

	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Consumption of stores and spare parts	532.33	308.82	244.16
Packing material consumed	161.68	145.83	119.30
Fabrication and job charges	521.25	362.01	306.77
Repair and maintenance:			
- Buildings	16.45	11.32	6.50
- Plant and machinery	65.36	55.59	62.11
- Other	9.74	8.23	6.48
Office & factory maintenance	8.26	8.56	8.01
Rent	23.07	13.09	5.27
Equipment hire charges	55.69	21.96	10.86
Rates and taxes	20.78	12.41	10.03
Insurance	25.62	17.08	16.95
Power, fuel and water charges	157.26	116.57	94.18
Radiography & inspection	86.95	51.74	55.03
Auditor's remuneration (Refer note 23(A))	3.81	3.77	3.97
Selling commission & other selling expenses	59.05	22.52	25.12
Freight & forwarding (net of recovery)	116.52	61.21	100.88
Claims and deductions	26.53	6.81	50.48
Legal and professional	103.29	66.97	46.89
Travelling and conveyance expense	79.68	30.55	20.97
Bank charges	44.51	27.58	26.56
Loss on foreign exchange (net)	-	3.51	-
Sundry balances written off	14.05	0.02	0.37
Impairment of Investments in jointly controlled entity	-	-	1.21
Loss on sale/ discard of property, plant and equipment (net)	-	1.34	2.52
Donation	0.10	0.37	0.71
Security and servicing charges	34.44	27.48	25.27
Corporate social responsibility expenses (refer note 23(B))	6.17	7.18	7.62
Directors' sitting fees	0.50	0.75	0.60
Miscellaneous	78.41	58.62	52.56
Total	**2,251.50**	**1,451.89**	**1,311.38**

23A Payment to auditors :

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
As auditor:			
- Statutory Audit fee	3.51	3.47	2.90
In other capacity:	-	-	-
- Other services (certification fees)	0.11	0.10	1.00
- Reimbursement of expenses	0.19	0.20	0.07
Total	**3.81**	**3.77**	**3.97**

23B Details of Corporate social responsibility expenditure:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Gross amount required to be spent by the Group during the year	6.16	7.16	7.62
(b) Amount approved by the Board to spent during the year	**6.16**	**7.16**	**7.62**

	In Cash	Yet to be paid in cash	Total
(c) Amount spent during the year ended March 31, 2023			
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	6.16	-	6.16
(d) Amount spent during the year ended March 31, 2022			
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	7.18	-	7.18
(e) Amount spent during the year ended March 31, 2021			
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	7.62	-	7.62

(All amounts in INR Millions, unless otherwise stated)

	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
(f) Details related to spent/unspent obligations			
(i) Contribution to charitable trust*	5.32	6.40	4.25
(g) Details of ongoing project and other than ongoing project			
In case of S. 135(5) (Other than ongoing project)			
Opening balance	-	-	-
Amount deposited in Specified Fund of Sch. VII within 6 months	-	-	-
Amount required to be spent during the year	**6.16**	**7.16**	**7.62**
Amount spent during the year	**(6.17)**	**(7.18)**	**(7.62)**
Closing Balance	(0.01)	(0.02)	-

#The Group has contributed its obligation towards CSR activities amounting to INR 5.32 million (31 March 2022: INR 6.4 million), (2021: INR 4.25 million) to Atul Krishan Bansal foundation (AKB Foundation) in relation to CSR expenditure. Against the total contribution made by the Group to the charitable trust as at year end, INR 4.65 million (31 March 2022: INR 7.33 million), (2021: INR 0.55 million) remains unspent and will be utilised for carrying out CSR activities in subsequent years .

24 Finance costs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest Expense			
- on term loans	55.88	43.93	106.81
- on working capital loans	214.95	185.14	128.80
Interest on lease liability (refer note 39)	8.52	4.87	3.99
Other borrowing cost	11.45	15.23	27.08
Exchange difference regarded as an adjustment to borrowing cost	8.22	4.20	4.60
Total	**299.02**	**253.37**	**271.28**

25 Components of other comprehensive income (OCI)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Foreign currency translation reserve			
Exchange differences on translation of foreign operations	(6.65)	(2.91)	19.63
Retained Earnings			
Re-measurement gains/ (loss) on defined benefit plans	(8.63)	1.31	3.45
Less: Tax impact of above items	2.18	(0.33)	(0.88)
	(13.10)	**(1.93)**	**22.20**

26 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Subsequent to year end, on September 7, 2023, Company has issued 42,431,312 equity shares of Rs.10 each as bonus shares in ratio of 4:1 to the existing equity shareholders. This has been approved by Board and Shareholders on September 7, 2023. Impact of the same has been considered in the calculation of Basic and Diluted EPS for the year ended 31 March 2023 and Basic and Diluted EPS for 31 March 2022 have been retrospectively adjusted.

Calculation of EPS after giving effect of bonus issue:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit attributable to equity holders of the parent company (A)	129.72	81.97	142.05
Weighted average number of Equity shares for basic and diluted EPS(B)	5,30,39,140	5,36,79,976	5,81,24,031
Earnings per share (A/B)			
- Basic earnings per share	2.45	1.53	2.44
- Diluted earnings per share	2.45	1.53	2.44
- Face Value per share	10.00	10.00	10.00

EPS prior to issue of bonus shares:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Earnings per share (A/B)			
- Basic earnings per share	12.23	7.12	10.47
- Diluted earnings per share	12.23	7.12	10.47
- Face Value per share	10.00	10.00	10.00

27 Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the grouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Classification of leases –

The Group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

Determining the lease term of contracts with renewal and termination options (Group as lessee)-

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 whether or not 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 (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

- Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

- Taxes

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

- Defined benefit plans (gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds with term that correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity and long term compensated absences obligations are given in Note 30.

- Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 34 for further disclosures.

- Useful Life of Property Plant and Equipment

The Group, based on technical assessment made by technical expert and management estimate, depreciates plant and machineries of Group over estimated useful lives of 10 to 40 years which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

(All amounts in INR Millions, unless otherwise stated)

28 Interest in subsidiaries

The financial statements of the Group include group information, wherever required, pertaining to the holding company DEE Development Engineers Limited:

Subsidiary companies

Name of the Subsidiary / Principal Activity	Method used to account for investments	Place of Incorporation and Place of Operation	Proportion of Ownership Interest and Voting power held by the company		
			31-Mar-23	31-Mar-22	31-Mar-21
Malwa Power Private Limited Power generation	At cost	India	100.00%	100.00%	100.00%
Dee Fabricom India Pvt. Ltd. Heavy Fabrication Unit	At cost	India	100.00%	100.00%	100.00%
Dee Piping Systems (Thailand) Co. Ltd. Pre-fabrication of piping and piping packages	At cost	Thailand	100.00%	100.00%	100.00%

All the investments in the subsidiary companies are 100% and there is no non controlling interest.

29 Interest in jointly controlled entity

The Group had a 49% interest in DEE Fabricom LLC, a jointly controlled entity involved in the manufacture of some of the Group's main product lines in pre-fabrication of piping in UAE. The Group's interest in DEE Fabricom LLC is accounted for using the equity method in the consolidated financial statements till December 21 , 2021.

In the previous year; the Company in its Board of Directors meeting held on September 20. 2021 passed a resolution approving winding up of its jointly controlled entity DEE fabricom LLC, Dubai and accordingly, initiated the completion of closure formalities. Accordingly; company had completed the completion formalities and trade licence had been deregistered as per UAE, laws on March 29, 2021 Further subsequent to deregistration of trade licence, VAT number had also been De- registered and Closure certificate is issued by the Federal Tax Authority dated 13th January, 2022 Thus, the jointly controlled entity stands closed and the same had been reported by the Company with RBI.

(All amounts in INR Millions, unless otherwise stated)

30 Gratuity

A. Defined benefit plans - general description

The Group has a defined gratuity benefit plan. Every employee who completes service of five years or more gets a gratuity of 15 days salary (last drawn salary) for each completed year of service. The obligation towards gratuity is being measured using projected credit line method. The Company has funded its gratuity liability.
The following tables summaries the components of net benefit expense recognised in the Consolidated Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the plan (based on actuarial valuation) :

Amount recognised in Consolidated Statement of Profit and Loss

Net employee benefit expense recognized in the employee cost:

Particulars	**Year ended 31 March 2023**	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Service cost	9.72	7.90	7.15
Net interest cost	0.80	1.09	0.84
Expenses recognised in the statement of profit and loss	**10.52**	**8.99**	**7.99**

Amount recognised in other comprehensive income

Particulars	**Year ended 31 March 2023**	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Net actuarial loss/(gain) recognised in the year	8.63	(1.31)	(3.45)
Expenses recognised in the other comprehensive income	**8.63**	**(1.31)**	**(3.45)**

Balance sheet

Benefit asset/ (liability)

Particulars	**Year ended 31 March 2023**	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Present value of defined obligation at the end of the year	87.46	70.43	62.25
Less : Fair value of the plan assets at the end of the year	78.92	59.48	46.15
	-		
Net present value of defined benefit obligation	**(8.54)**	**(10.95)**	**(16.10)**

Changes in the present value of the defined benefit obligation are as follows:

Particulars	**Year ended 31 March 2023**	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Opening defined benefit obligation	70.43	62.25	56.26
Service cost	9.72	7.90	7.15
Interest cost	5.06	4.23	3.83
Benefits paid	(4.54)	(2.55)	(1.41)
Actuarial (gain)/ loss on obligation	6.79	(1.40)	(3.58)
Closing defined benefit obligation	**87.46**	**70.43**	**62.25**

(All amounts in INR Millions, unless otherwise stated)

Changes in the fair value of plan assets are as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Opening fair value of plan assets	59.48	46.15	44.00
Expected Return on plan Assets	4.26	3.38	3.16
Actuarial gain/(loss)	(1.84)	(0.05)	(0.06)
Mortality charges	-	(0.18)	(0.21)
Contribution by the employer	21.56	12.73	0.67
Benefits paid	(4.54)	(2.55)	(1.41)
Closing fair value of plan assets	**78.92**	**59.48**	**46.15**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
The scheme is funded through a trust and funds are managed by Life Insurance Corporation of India	100%	100%	100%

B. The principal actuarial assumptions used in determining gratuity are as follows:

(a) Economic assumptions

Particulars	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Discount rate	7.36%	7.18%	6.80%
Average Salary escalation rate	5% to 7%	5% - 6%	5% - 6%
Average remaining working life of the employees(years)			
Attrition at Ages	Withdrawal rate %	Withdrawal rate %	Withdrawal rate %
Up to 30 Years	3.00	3.00	3.00
From 31 to 44 years	2.00	2.00	2.00
Above 44 years	1.00	1.00	1.00

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

C. Demographic assumptions

Particulars	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Retirement age	58 years	58 years	58 years
Mortality table	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)

(All amounts in INR Millions, unless otherwise stated)

D. A quantitative sensitivity analysis for significant assumption as at 31 March is as shown below:

Assumptions	Sensitivity Level	Impact on defined benefit obligation
Discount rate:		
31 March 2023	Increase of 0.50%	(4.75)
	Decrease of 0.50%	5.19
31 March 2022	Increase of 0.50%	(3.79)
	Decrease of 0.50%	4.15
31 March 2021	Increase of 0.50%	(3.58)
	Decrease of 0.50%	3.93
Future salary		-
31 March 2023	Increase of 0.50%	5.18
	Decrease of 0.50%	(4.79)
31 March 2022	Increase of 0.50%	4.18
	Decrease of 0.50%	(3.85)
31 March 2021	Increase of 0.50%	3.95
	Decrease of 0.50%	(3.62)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not disclosed.

E. The following payments are expected contributions to the defined benefit plan in future years:

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Within the next 12 months (next annual reporting period)	11.58	6.81	6.04
Between 2 and 5 years	10.03	11.44	9.49
Beyond 5 years	65.85	52.18	46.72
Total expected payments	**87.46**	**70.43**	**62.25**

The average duration of the defined benefit plan obligation at the end of the reporting period is 18.15 years (31 March 2022: 17.63 years), (31 March 2021: 17.83 years)

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(All amounts in INR Millions, unless otherwise stated)

31 Related party transactions

(A) Names of related parties and related party relationship

Nature of relationship	Name of related parties
(i) Subsidiary Companies:	Malwa Power Pvt. Ltd. Dee Fabricom India Pvt. Ltd. Dee Piping Systems (Thailand) Co. Ltd. Atul Krishan Bansal Foundation
(ii) Jointly controlled entity	Dee Fabricom LLC (Closed in FY 2022)
(iii) Key management personnel:	Mr. Krishan Lalit Bansal (Chairman and Managing Director) Mrs. Ashima Bansal (Whole Time Director) Mrs. Shikha Bansal (Whole Time Director) Mr.Teerayut Golaka (Director in Dee Piping Systems (Thailand) Co. Ltd.) (upto 08-03-2022) Mr. Krisanakorn Triwattanathongchai (Director in Dee Piping Systems (Thailand) Co. Ltd.) Mr. Gaurav Narang (Chief Financial Officer upto 03-03-2023) Mr. Sameer Agarwal (Chief Financial Officer w.e.f. 04-03-2023) Mr. Ranjan Sarangi (Company secretary) Late 'Mr. Atul Krishan Bansal (Director of Indian WOS and Son of Shri K.L. Bansal) (till 16-11-2020)
(iv) Relative of key management personnel	Mrs. Shruti Agarwal (Daughter of Mr. K.L. Bansal) Mrs. Sunita Aggarwal (Sister of Mr. K.L. Bansal) Mrs. Ravinder Aggarwal (spouse of Mrs. Sunita Aggarwal) Mrs. Charu Agarwal (spouse of Mr. Sameer Agarwal)
(v) Independent Director	Mr. Ajay Kumar Marchanda Mr. Satish Kumar

(B) The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Name of related party	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
i) Subsidiary Company			
Atul Krishan Bansal Foundation			
Investment in Equity Shares	-	-	0.10
Contribution towards CSR Expenditure	4.22	10.65	0.55

(All amounts in INR Millions, unless otherwise stated)

ii) With Key management personnel and their relatives:

Name	Nature of transaction	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Short-term employee benefits				
Mr. Krishan Lalit Bansal	Remuneration	27.06	34.02	31.69
Mr. Atul Krishan Bansal	Remuneration	-	-	6.98
Mrs. Ashima Bansal	Remuneration	8.21	8.10	8.10
Mrs. Shikha Bansal	Remuneration	15.43	14.07	10.05
Mrs. Shruti Aggarwal	Remuneration	6.65	4.20	1.86
Mr.Teerayut Golaka	Remuneration	-	8.52	2.23
Mr. Krisanakorn Triwattanathongchai	Remuneration	9.25	7.51	1.85
Mr. Gaurav Narang	Remuneration	6.41	6.40	5.06
Mr. Ranjan Sarangi	Remuneration	1.62	1.40	1.34
Mr. Sameer Agarwal	Remuneration	0.32	-	-
Mrs. Charu Agarwal	Remuneration	0.22	-	-
Loans				
Mr. Krishan Lalit Bansal	Loan received	183.96	36.00	25.00
Mr. Krishan Lalit Bansal	Repayment of Loan	-151.46	-36.00	-26.00
Mrs. Sunita Aggarwal	Loan received	16.44	-	-
Mr. Ravinder Aggarwal	Loan received	16.44	-	-
Mrs. Shikha Bansal	Loan received	30.54	-	-
Mrs. Ashima Bansal	Loan received	3.00	-	1.00
Mrs. Ashima Bansal	Repayment of Loan	-3.00	-	-4.50
Others				
Mr. Krishan Lalit Bansal	Rent Payment	0.14	0.14	0.14
Mr. Ajay Kumar Marchanda	Sitting fees	0.25	0.33	0.33
Mr. Satish Kumar	Sitting fees	0.25	0.38	0.28

(C) Following are the balances outstanding as at year end:

Name of related party	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
(i) With Key management personnel and their relatives:			
Account payable:			
Mr. K.L. Bansal	35.15	3.02	6.50
Mrs. Ashima Bansal	0.44	0.44	0.56
Mrs. Shikha Bansal	31.58	0.79	0.26
Mrs. Shruti Aggarwal	0.35	0.41	0.14
Mrs. Sunita Aggarwal	16.44	-	-
Mr. Ravinder Aggarwal	16.44	-	-
Mr. Sameer Agarwal	0.64	-	-
Mrs. Charu Agarwal	0.38	-	-
Mr. Balwan Singh Jangra	0.32	0.28	0.22
Mrs. Kamlesh Jangra	0.08	0.09	0.11
Mr. Gaurav Narang	-	0.37	0.48
Mr. Ranjan Sarangi	0.13	0.08	0.10

Apart from above, Mr. Krishan Lalit Bansal, Mrs. Ashima Bansal, Mrs. Shikha Bansal and Mr. Krisanakorn Triwattanathongchai have given personal guarantees as a collateral for securing borrowings from the banks.

In the opinion of the Board of directors, the current assets, investments, loan and advances have the value at which they are stated in the balance sheet, if realised in the ordinary course of business and provisions for all known liabilities have been adequately made in the accounts.

(All amounts in INR Millions, unless otherwise stated)

(D) Compensation of key management personnel of the Company

Name of related party	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
Short-term employee benefits	75.17	84.22	69.16
Post-employment gratuity and medical benefits	1.33	0.88	0.08
Total compensation paid to key management personnel	**76.50**	**85.10**	**69.24**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

(E) Terms and conditions of transactions with related parties

The transaction with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. For the year ended 31 March 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2022: Nil) (31 March 2021: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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(All amounts in INR Millions, unless otherwise stated)

B. Transactions as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021

ii) Details of the transactions and balances in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
a) Name of related parties and details of the transactions and balances eliminated in the Restated Consolidated Summary Statements

Name of related party	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
i) Subsidiary Company			
(a) Malwa Power Pvt. Ltd.			
Sale of products	0.25	0.33	4.19
Sale of property, plant & equipment	-	0.17	-
Interest Income	0.56	1.41	4.96
Interest expenses	1.25	-	-
Loan given	32.10	7.90	84.71
Repayment of loan given	36.93	20.00	130.19
Loan taken	115.00	-	-
Loan refunded back	115.00	-	-
Corporate Guarantee given to Banker for loan availed by the Company	125.30	85.00	90.00
(b) Dee Piping Systems (Thailand) Co. Ltd.			
Investment in equity shares	-	110.81	
Sale of Products	133.93	0.21	1.25
Sale of Property, Plant & equipment	0.02	0.59	-
Interest income	50.02	31.38	33.90
Purchase of goods	101.94	79.72	19.59
Job charges	-	-	4.62
Loan given	61.91	-	98.24
Corporate Guarantee	822.17	-	-
(c) Dee Fabricom India Pvt. Ltd.			
Sale of product	0.22	3.69	-
Sale of Property Plant & Equipment	-	0.08	-
Purchase of Property Plant & Equipment	-	21.66	-
Purchase of products	2.26	0.98	2.28
Job charges	19.84	22.50	22.50
Interest income	11.63	11.63	10.20
Loan given	9.70	-	84.15
Repayment of Loan	-	-	37.50
Rent paid	1.20	0.45	-
Corporate Guarantee given	244.28	270.41	-

Following are the balances outstanding as at year end:

Name of related party	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
(a) Malwa Power Pvt. Ltd.			
Loans given	7.10	11.92	24.03
Interest receivables	-	-	4.59
Corporate Guarantee given to Indian Banker (to the extent of loan amount outstanding as on balance sheet date)	77.11	73.21	84.91
(b) Dee Piping Systems (Thailand) Co. Ltd.			
Loan given	714.10	597.78	579.63
Trade receivables	52.91	-	5.82
Interest receivables	135.25	78.58	44.85
Advance given	-	40.25	22.44
Corporate Guarantee given to Foreign Banker (to the extent of loan amount outstanding as on balance sheet date)	420.07	227.49	325.66
(c) Dee Fabricom India Pvt. Ltd.			
Advance given	8.55	2.61	4.50
Loan given	126.00	116.30	116.30
Interest receivables	10.47	10.47	-
Corporate Guarantee given to Banker (to the extent of loan amount outstanding as on balance sheet date)	194.93	216.15	246.46

(All amounts in INR Millions, unless otherwise stated)

32 Commitments and Contingencies

A. Commitments

Capital Commitments

Particulars	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid INR 85.35 millions) (31 March 2022: INR 42.95 millions), (31 March 2021: INR 19.18 millions)	127.91	49.25	7.31

B. Contingent liabilities

Contingent Liabilities not provided for in respect of:

Particulars	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
a) Claims against the company not acknowledged as debt			
- Demand by Income Tax Department *	19.99	18.76	16.58
- Demand by Excise Authorities **	3.94	3.94	3.94
- Claim filed by a supplier **	-	-	1.23
b) Custom duty liability which may arise if obligations for exports are not fulfilled	1.80	99.96	-
c) Export obligation on account of duty free import	20.64	1149.57	-

*The Income Tax Authorities have raised demands on account of disallowances of certain expenditures pertaining to different assessment years. The group is contesting these demands, which are pending at various appellate levels. Based on the advice from independent tax experts and the development on the appeals, the management is confident that additional tax so demanded with reference to these cases will not be sustained on completion of the appellate proceedings and accordingly, pending the decision by the appellate authorities, no provision has been considered in the financial statements.

**The Excise Authorities have raised demands on account of non payment of excise duty on certain goods. The Group is contesting these demands, which are pending at various appellate levels. Based on the advice from independent experts and the development on the appeals, the management is confident that the demands raised by Excise Authorities is not tenable and accordingly no provision has been considered in the financial statements.

The Group is of the view that it will be able to fulfil its underlying export obligations amounting to INR 20.64 million, INR 1,149.57 million and INR Nil for the year March 31,2023, March 31,2022 and March 31,2021 respectively. Accordingly, no adjustment is required in the financial statements.

d) The group is currently involved in a legal dispute with Hyundai Merchant Marine India Private Limited (HMMIPL) relating to the import of raw materials in earlier years. The group has raised claims of INR 12.78 million against HMMIPL and in response, HMMIPL has lodged counterclaims amounting to INR 17.84 million. Currently in ongoing litigation, the group is confident in its legal position based on evaluations and advice, and believes that there will be no outflow of the group economic resources and accordingly no provision has been considered in the financial statements.

e) The group had received a show-cause notice from the Directorate of Revenue Intelligence (DRI), demanding payment of customs duty of INR 81.50 million. This demand was made due to alleged non-compliance with pre-import and physical export conditions related to raw materials imported in previous years. The group disputed the validity and merits of this notice, and the matter was put on hold, pending resolution with the authorities. Recently, the Supreme Court issued a judgment in the case of Cosmos Films, affirming the validity of the pre-import conditions. As a result, the matter concerning has been take out from the call book of the authorities.

The management has evaluated the basis of demand and believes that the Company has fulfilled the pre import conditions and based on the expert advise is confident that the demand raised by DRI is not tenable and accordingly no provision has been considered in the financial statements.

f) On May 19, 2023, the Enforcement Directorate issued a notice in accordance with FEMA regulations, requesting specific information related to the group's operations and financial transactions. The group duly furnished the required information to the relevant authority on September 9, 2023, ensuring compliance with FEMA regulations.

C. Guarantees
The Holding Company has given corporate guarantee for loans taken by subsidiary companies, to the extent loan amount outstanding as on balance sheet date. The carrying amounts of the related financial guarantee contracts were INR 692.11 millions and 516.85 millions and 657.03 millions at 31 March 2023, 31 March 2022 and 31 March 2021 respectively.

(All amounts in INR Millions, unless otherwise stated)

33 Segment information

On the basis of nature of businesses, the Group has three reportable segments, as follows:
- The piping segment which is mainly engaged in manufacturing of pre-fabricated engineering products, pipe fittings, piping systems.

- The power segment, which is engaged in biomass based power generation
- The Heavy fabrication segment, which is engaged in Wind mill tower Manufacturing

No operating segments have been aggregated to form the above reportable operating segments.

The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

A. Segment Disclosures

Year ended 31 March 2023

Particulars	Piping division	Power division	Heavy Fabrication	Elimination and adjustments	Total
Revenue					
External customers	5,291.23	740.36	181.79	(258.43)	5,954.95
Segment Revenue	**5,291.23**	**740.36**	**181.79**	**(258.43)**	**5,954.95**
Income/(Expenses)					
Cost of raw materials consumed	1,758.85	341.57	11.13	(238.23)	1,873.32
Purchases of traded goods	28.90	-	-	-	28.90
Employee benefit expenses	916.42	99.08	35.83	58.14	1,109.47
Finance costs	309.77	17.85	34.30	(62.90)	299.02
Depreciation and amortization expense	301.46	31.65	44.16	-	377.27
Other expenses	1,963.38	168.04	123.61	(3.53)	2,251.50
Other income	(233.07)	(1.19)	(18.07)	64.08	(188.25)
Total	**5,045.71**	**657.00**	**230.96**	**(182.44)**	**5,751.23**
Net Segment profit before tax	**245.52**	**83.36**	**(49.17)**	**(75.99)**	**203.72**
Other Information					
Segment assets	**8,332.88**	**891.47**	**366.18**	**72.06**	**9,662.59**
Segment liabilities	**4,362.85**	**384.02**	**444.41**	**234.87**	**5,426.15**
Other disclosures					
Capital Expenditure	**623.83**	**43.83**	**18.39**	**-**	**686.05**

DEE Development Engineers Limited
(All amounts in INR Millions, unless otherwise stated)

Annexure VII
Notes to the Restated Consolidated Summary Statements

Year ended 31 March 2022

Particulars	**Piping division**	**Power division**	**Heavy Fabrication**	**Eliminations and adjustments**	**Total**
Revenue					
External customers	**3,706.96**	**785.79**	**223.84**	**(107.43)**	**4,609.16**
Segment Revenue	**3,706.96**	**785.79**	**223.84**	**(107.43)**	**4,609.16**
Expenses					
Cost of raw materials consumed	1,451.79	315.82	21.45	(82.19)	1,706.87
Purchases of traded goods	11.35	-	-	-	11.35
Employee benefit expenses	612.74	88.59	37.64	54.01	792.98
Finance costs	241.83	15.62	40.34	(44.42)	253.37
Depreciation and amortization expense	290.03	26.43	42.53	-	358.99
Other expenses	1,180.36	158.67	120.19	(7.33)	1,451.89
Other income	(141.46)	(1.97)	(0.67)	44.87	(99.23)
Total	**3,646.64**	**603.16**	**261.48**	**(35.06)**	**4,476.22**
Net Segment profit before tax	**60.32**	**182.63**	**(37.64)**	**(72.37)**	**132.94**
Other Information					
Segment assets	**7,201.57**	**786.68**	**404.57**	**61.15**	**8,453.97**
Segment liabilities	**3,390.69**	**280.34**	**448.34**	**214.78**	**4,334.15**
Other disclosures					
Capital Expenditure	**213.70**	**10.33**	**37.35**	**-**	**261.38**

Year ended 31 March 2021

Particulars	**Piping division**	**Power division**	**Heavy Fabrication**	**Eliminations and adjustments**	**Total**
Revenue					
External customers	**4,180.82**	**667.05**	**158.73**	**(54.43)**	**4,952.17**
Segment Revenue	**4,180.82**	**667.05**	**158.73**	**(54.43)**	**4,952.17**
Expenses					
Cost of raw materials consumed	2,060.94	313.22	-	(19.41)	2,354.75
Purchases of traded goods	3.89	-	5.68	-	9.57
Employee benefit expenses	575.85	79.35	33.14	51.29	739.63
Finance costs	256.47	20.81	43.05	(49.05)	271.28
Depreciation and amortization expense	286.45	27.32	41.60	-	355.37
Other expenses	1,127.19	158.10	59.86	(33.77)	1,311.38
Other income	(221.10)	(5.90)	(0.14)	49.05	(178.09)
Total	**4,089.69**	**592.90**	**183.19**	**(1.89)**	**4,863.89**

(All amounts in INR Millions, unless otherwise stated)

Net Segment profit before tax	**91.13**	**74.15**	**(24.46)**	**(52.54)**	**88.28**
Other Information					
Segment assets	**7,034.60**	**809.71**	**462.09**	**52.36**	**8,358.76**
Segment liabilities	**2,778.17**	**380.89**	**435.03**	**221.49**	**3,815.58**
Other disclosures					
Capital Expenditure	**219.10**	**50.02**	**7.33**	**-**	**276.45**

B. Reconciliations to amounts reflected in the financial statements

a. Reconciliation of profit

Particulars	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Segment Profit	**279.71**	**205.31**	140.82
.	(58.12)	(54.00)	(51.29)
Unallocated Other Expenses	(17.87)	(18.37)	(1.25)
Profit before tax	**203.72**	**132.94**	**88.28**

b. Reconciliation of assets

Particulars	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
Segment operating assets	9,590.53	8,392.82	8306.40
Non current investments	0.10	0.10	0.10
Income tax recoverable	12.87	9.13	4.44
Deferred tax assets	31.97	24.80	20.70
Goodwill	27.12	27.12	27.12
Total assets	**9,662.59**	**8,453.97**	**8,358.76**

c. Reconciliation of liabilities

Particulars	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
Segment operating liabilities	5,191.28	4,119.37	3,594.09
Deferred tax liabilities (net)	197.05	202.97	212.34
Provision for income tax (net)	29.61	4.07	1.38
Trade payable	8.21	7.74	7.77
Total liabilities	**5,426.15**	**4,334.15**	**3,815.58**

(All amounts in INR Millions, unless otherwise stated)

Annexure VII
Notes to the Restated Consolidated Summary Statements

Geographic information

a) Revenue from external customers

Particulars	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Revenue from contract with customers			
India	3,269.03	2,927.68	2,692.55
Outside India	2,685.92	1,681.48	2,259.62
Total revenue as per consolidated statement of profit or loss	**5,954.95**	**4,609.16**	**4,952.17**

The revenue information above is based on the locations of the customers.

b) **Non-current operating assets:**

Particulars	**As at 31 March 2023**	**As at March 31, 2022**	**As at March 31, 2021**
India	3,013.90	2,726.38	2,748.58
Outside India	799.17	832.15	940.74
Total	**3,813.07**	**3,558.53**	**3,689.32**

c) List of major customer whose revenue more than 10% of total entity revenue

Particulars	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
JGC Fluor BC LNG Joint Venture	822.17	165.75	-
% of Revenue	**13.81%**	**3.60%**	**-**
Larsen & Turbo Limited	618.08	460.01	235.97
% of Revenue	**10.38%**	**9.98%**	**4.76%**
General Electric	473.51	477.90	940.57
% of Revenue	**7.95%**	**10.37%**	**18.99%**
Punjab State Electricity Board	737.59	781.54	660.27
% of Revenue	**12.39%**	**16.96%**	**13.33%**

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(All amounts in INR Millions, unless otherwise stated)

34 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

		Carrying value			Fair value		
	Particulars	**As at 31 March 2023**	**As at March 31, 2022**	**As at March 31, 2021**	**As at 31 March 2023**	**As at March 31, 2022**	**As at March 31, 2021**
(A)	**Financial assets**						
	Non-current						
	Investment	0.10	0.10	0.10	0.10	0.10	0.10
	Security deposits	18.26	16.44	14.28	18.26	16.44	14.28
	Bank deposits with original maturity beyond 12 months	55.58	76.29	39.22	55.58	76.29	39.22
	Current						
	Trade receivables*	1,727.83	1,534.34	1,984.59	1,727.83	1,534.34	1,984.59
	Cash and cash equivalents*	18.18	3.39	50.53	18.18	3.39	50.53
	Other bank balances*	309.76	249.33	274.35	309.76	249.33	274.35
	Security deposits*	3.78	1.09	0.84	3.78	1.09	0.84
	Interest receivable*	1.23	0.10	0.98	1.23	0.10	0.98
	Foreign exchange forward contracts*	-	5.77	10.44	-	5.77	10.44
	Recoverable from Customer*	75.94	-	-	75.94	-	-
	Total financial assets	**2,210.66**	**1,886.85**	**2,375.33**	**2,210.66**	**1,886.85**	**2,375.33**
(B)	**Financial liabilities**						
	Non-current						
	Borrowings	618.19	468.21	513.11	618.19	468.21	513.11
	Lease liability	88.17	40.42	40.63	88.17	40.42	40.63
	Current						
	Borrowings*	2,908.03	2,385.37	2,058.54	2,908.03	2,385.37	2,058.54
	Trade payables*	1,320.75	1,036.30	774.88	1,320.75	1,036.30	774.88
	Lease liability	23.20	9.90	9.43	23.20	9.90	9.43
	Other financial liabilities*	64.58	41.25	29.11	64.58	41.25	29.11
	Foreign exchange forward contracts*	17.04	-	-	17.04	-	-
	Total financial liabilities	**5,039.96**	**3,981.45**	**3,425.70**	**5,039.96**	**3,981.45**	**3,425.70**

Note:-
* The management assessed that fair value of trade receivables, cash and cash equivalents, security deposits, recoverable from customers, other short-term financial assets, short-term borrowings, trade payables and other short-term financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
The following methods and assumptions were used to estimate the fair values:

a. Term deposits- The fair value of term deposits is equal to carrying value since they are carrying market interest rates as per the banks.

b. Foreign exchange forward contracts- Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing.

c. Non-current borrowings - The fair value of non-current borrowings is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The carrying value and fair value of the borrowings has been considered the same since the existing interest rate approximates its fair value.

d. Others- For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

(All amounts in INR Millions, unless otherwise stated)

35 Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are
(a) recognised and measured at fair value and
(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

A. Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2023:

		Fair value measurement using		
Particulars	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Financial assets measured at amortised cost				
Security deposits	18.26	-	-	18.26
Bank deposits with original maturity beyond 12 months	55.58	-	-	55.58
Financial liabilities measured at amortised cost			-	-
Non-current borrowings	618.19	-	-	618.19
Non current lease liabilities	88.17	-		88.17
Financial liabilities measured at fair value through profit or loss:				
Foreign exchange forward contract	17.04	-	17.04	

There have been no transfers between Level 1 and Level 2 during the year.

B. Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2022:

		Fair value measurement using		
Particulars	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Financial assets measured at amortised cost				
Security deposits	16.44	-	-	16.44
Term deposit accounts with maturity beyond 12 months	76.29	-	-	76.29
Financial liabilities measured at amortised cost				
Non-current borrowings	468.21	-	-	468.21
Non current lease liabilities	40.42	-	-	40.42
Financial assets measured at fair value through profit or loss:				
Foreign exchange forward contract	5.77	-	**5.77**	

There have been no transfers between Level 1 and Level 2 during the year.

C. Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2021:

		Fair value measurement using		
Particulars	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Financial assets measured at amortised cost				
Security deposits	14.28	-	-	14.28
Term deposit accounts with maturity beyond 12 months	39.22	-	-	39.22
Financial liabilities measured at amortised cost				
Non-current borrowings	513.11	-	-	513.11
Non current lease liabilities	40.63	-	-	40.63
Financial assets measured at fair value through profit or loss:				
Foreign exchange forward contract	10.44		10.44	

There have been no transfers between Level 1 and Level 2 during the year.

(All amounts in INR Millions, unless otherwise stated)

36 Financial risk management objectives and policies

The Group's principal financial liabilities comprise borrowings 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 security deposits given, loans to related party, employee advances, trade and other receivables, cash and cash equivalents and other assets.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings and foreign exchange forward contracts.

The sensitivity analysis in the following sections relate to the position as at 31 March 2023, 31 March 2022 and 31 March 2021.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of floating to fixed interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant in place at 31 March 2023.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations and provisions.

The following assumption have been made in calculating the sensitivity analysis:
The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2023, 31 March 2022 and 31 March 2021.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group is exposed to interest rate risk because Group borrows funds at both floating interest rates. These exposures are reviewed by appropriate levels of management. The Group regularly monitors the market rate of interest to mitigate the risk exposure. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase / decrease in	Effect on profit before
As at 31 March 2023		
(i) INR loans	+0.50%	11.46
	-0.50%	(11.46)
As at 31 March 2022		
(i) INR loans	+0.50%	(9.49)
	-0.50%	9.49
As at 31 March 2021		
(i) INR loans	+0.50%	(8.89)
	-0.50%	8.89

The assumed movement in interest rates for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure 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 Company's operating activities (when revenue or expense is denominated in a foreign currency).

(All amounts in INR Millions, unless otherwise stated)

The Group manages its foreign currency risk by purchasing foreign currency forward contracts that are expected to occur within a maximum 12-month period of forecasted sales and purchases. The following tables demonstrate the unhedged foreign currency exposure and sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities are as follows:

Particulars	Currency	31 March 2023		Impact on profit before tax	
		Foreign Currency	Indian Rupees	5% Increase	5% Decrease
Trade payables	USD	0.95	78.41	(3.92)	3.92
	EURO	0.00	0.39	(0.02)	0.02
	CHF	0.01	0.68	(0.03)	0.03
Loan to Subsidiary	USD	8.69	714.10	35.70	(35.70)
Buyers credit from banks	EURO	0.16	14.21	(0.71)	0.71
	USD	3.52	289.67	(14.48)	14.48
Trade receivables	USD	5.13	421.93	21.10	(21.10)
Interest Receivable	USD	1.65	135.25	6.76	(6.76)
Balance with Banks	USD	0.00	0.00	0.00	(0.00)
Cash in hand	THB	0.01	0.01	0.00	(0.00)
	USD	0.00	0.04	0.00	(0.00)
	YEN	0.02	0.01	0.00	(0.00)
	GBP	0.00	0.02	0.00	(0.00)

Particulars	Currency	31 March 2022		Impact on profit before tax	
		Foreign Currency	Indian Rupees	5% Increase	5% Decrease
Trade payables	USD	0.27	19.69	(0.98)	0.98
	CHF	0.01	0.92	(0.05)	0.05
Buyers credit from banks	USD	2.04	154.73	(7.74)	7.74
Trade receivables	EURO	0.03	2.24	0.11	(0.11)
Interest Receivable	USD	1.04	78.58	3.93	(3.93)
Cash in hand	USD	0.00	0.08	0.00	(0.00)

Particulars	Currency	31 March 2021		Impact on profit before tax	
		Foreign Currency	Indian Rupees	5% Increase	5% Decrease
Trade payables	USD	0.44	32.07	(1.60)	1.60
	EURO	0.04	0.34	(0.02)	0.02
Buyers credit from banks	EURO	0.51	37.69	(1.88)	1.88
	USD	0.42	35.78	(1.79)	1.79
Trade receivables	USD	5.13	377.25	18.86	(18.86)
	EURO	0.01	0.86	0.04	(0.04)
Interest Receivable	USD	0.62	45.76	2.29	(2.29)
Balance with Banks	EGP	0.04	0.19	0.01	(0.01)
Cash in hand	USD	0.00	0.04	0.00	(0.00)

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities including trade receivables, deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Trade receivables do not have any significant potential credit risk for the Group as the business of the Group is majorly cash based. An impairment analysis is performed by the management at each reporting date on individual basis for major clients.

Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet at 31 March 2023, 31 March 2022 and 31 March 2021 is the carrying amounts as stated in Note 5A

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. Concentrations indicate the relative sensitivity of the company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credits and bank loans. Approximately 27 % of the Group's long term debt will mature in less than one year at 31 March 2023 (31 March 2022: 40%), (31 March 2021: 39%) based on the carrying value of borrowings reflected in the financial statements. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	<12 months	**1 to 5 years**	**> 5 years**	**Total**
As at 31 March 2023	INR millions	INR millions	INR millions	INR millions
Non-current borrowings	-	691.54	-	691.54
Current borrowings	2,966.77	-	-	2,966.77
Trade payables	1,320.75	-	-	1,320.75
Lease liability	27.41	80.05	42.89	150.35
Foreign exchange forward contract	17.04			17.04
Other financial liabilities	64.58	-	-	64.58
	4,396.55	**771.59**	**42.89**	**5,211.03**
As at 31 March 2022				
Long term borrowings	-	566.51	-	566.51
Short term borrowings (includes current maturity of long term borrowings)	2,441.25	-	-	2,441.25
Trade payables	1,036.30	-	-	1,036.30
Lease liability	12.09	38.88	16.74	67.71
Other financial liabilities	41.25	-	-	41.25
	3,530.89	**605.39**	**16.74**	**4,153.02**
As at 31 March 2021				
Non-current borrowings	-	564.79	101.17	665.96
Current borrowings	2,102.47	-	-	2,102.47
Trade payables	774.88	-	-	774.88
Lease liability	10.96	38.28	22.27	71.51
Other financial liabilities	29.11	-	-	29.11
	2,917.42	**603.07**	**123.44**	**3,643.93**

(All amounts in INR Millions, unless otherwise stated)

37 Capital management

For the purpose of the Group's capital management, capital includes issued equity share capital and all other equity reserves attributable to the shareholders of the Group. 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 capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

The Group's gearing ratio is as follows:

Particulars	**As at 31 March 2023**	**As at March 31, 2022**	**As at March 31, 2021**
Borrowings including current maturities and interest accrued	3,538.94	2,858.10	2,578.11
Less: Cash and cash equivalents	(18.18)	(3.39)	(50.53)
Net debt* (A)	**3,520.76**	**2,854.71**	**2,527.58**
Total equity	4,236.44	4,119.82	4,543.18
Equity (B)	**4,236.44**	**4,119.82**	**4,543.18**
Capital and net debt (C) = (A) + (B)	**7,757.20**	**6,974.53**	**7,070.76**
Gearing ratio (A) / (C) (%)	**45.39%**	**40.93%**	**35.75%**

*** Excluding lease liabilities**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023, 31 March 2022 and 31 March 2021.

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38. Statement of information regarding Group Companies:

Name of the entity in the Group	Period	Net Assets		Share in profit/(loss) after tax		Share in Comprehensive income/(loss)		Share in Total Comprehensive income	
		As % of consolidated net assets	Amount (Rs in Millions)	As % of consolidated profit or loss	Amount (Rs in Millions)	As % of consolidated Comprehensive Income	Amount (Rs in Millions)	As % of total comprehensive income	Amount (Rs in Millions)
Parent									
DEE Development Engineers Limited	31-Mar-23	111.95%	4,742.55	143.27%	185.85	50.08%	(6.56)	153.74%	179.29
	31-Mar-22	110.76%	4,563.25	150.16%	123.09	-55.96%	1.08	155.13%	124.17
	31-Mar-21	108.79%	4,942.48	155.69%	221.16	10.32%	2.29	136.04%	223.45
Subsidiaries									
Indian									
Malwa Power Private Limited	31-Mar-23	5.31%	224.76	16.77%	21.76	0.61%	(0.08)	18.59%	21.68
	31-Mar-22	4.93%	203.10	70.70%	57.95	4.66%	(0.09)	72.29%	57.86
	31-Mar-21	3.20%	145.24	31.26%	44.40	1.26%	0.28	27.20%	44.68
Dee Fabricom India Pvt. Ltd.	31-Mar-23	-0.40%	(17.06)	-15.12%	(19.62)	-1.53%	0.20	-16.65%	(19.42)
	31-Mar-22	0.43%	17.71	-40.01%	(32.80)	0.00%	-	-40.98%	(32.80)
	31-Mar-21	1.11%	50.51	5.10%	7.25	0.00%	-	4.41%	7.25
Foreign									
DEE Piping System (Thailand) Co. Ltd.	31-Mar-23	-1.69%	(71.49)	-43.66%	(56.64)	50.84%	(6.66)	-54.28%	(63.30)
	31-Mar-22	-0.14%	(5.94)	-78.09%	(64.01)	151.30%	(2.92)	-83.62%	(66.93)
	31-Mar-21	-1.10%	(49.82)	-91.17%	(129.50)	58.20%	12.92	-70.98%	(116.58)
Less: Intercompany elimination and adjustments									
	31-Mar-23	-15.16%	(642.32)	-1.26%	(1.63)	0.00%	-	-1.40%	(1.63)
	31-Mar-22	-15.98%	(658.30)	-2.76%	(2.26)	0.00%	-	-2.82%	(2.26)
	31-Mar-21	-12.00%	(545.23)	-0.89%	(1.26)	30.23%	6.71	3.32%	5.45
									-
31-Mar-23		**100%**	**4,236.44**	**100%**	**129.72**	**100%**	**(13.10)**	**100%**	**116.62**
31-Mar-22		**100%**	**4,119.82**	**100%**	**81.97**	**100%**	**(1.93)**	**100%**	**80.04**
31-Mar-21		**100%**	**4,543.18**	**100%**	**142.05**	**100%**	**22.20**	**100%**	**164.25**

(All amounts in INR Millions, unless otherwise stated)

39 Group as a lessee

i) The Group's leased assets primarily consists of lease for factory lands, plant and Machinery, computers and data processing equipment having lease term of 5-10 years.

The Group recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset at an amount equal to lease liability adjusted for previously recognised prepaid or accrued lease payments. Further, lease arrangements where the Group is lessor, lease rentals are recognized on straight line basis over the non-cancellable period

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 subleasing the leased assets .

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

ii) Set-out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Factory Land	Computer and data processing equipment	Plant and Machinery	Total
Right-of-use assets as at 1 April 2020	26.46	-	-	26.46
Additions	12.99	7.91	8.76	29.66
Deletion	2.51	-	-	2.51
Depreciation expense (refer note 22)	5.33	1.48	0.87	7.68
As at 31 March 2021	**31.61**	**6.43**	**7.89**	**45.93**
Additions	3.90	-	4.17	8.07
Deletion	-	-	1.33	1.33
Depreciation expense (refer note 22)	5.27	1.98	2.01	9.26
As at 31 March 2022	**30.24**	**4.45**	**8.72**	**43.41**
Additions	58.80	-	29.62	88.42
Deletion	11.92	-	-	11.92
Depreciation expense (refer note 22)	9.37	1.98	4.48	15.83
As at 31 March 2023	**67.75**	**2.47**	**33.86**	**104.08**

iii) Set-out below are the carrying amounts of lease liabilities (included under other financial liabilities) and the movements during the period:

	Factory Land	Computer and data processing equipment	Plant and Machinery	Total
Lease liability as at 1 April 2020	27.76	-	-	27.76
Additions	12.99	7.90	8.76	29.65
Accretion of interest (refer note 24)	3.04	0.54	0.41	3.99
Payments	5.63	1.78	1.09	8.50
Disposal	2.84	-	-	2.84
As at March 31, 2021	**35.32**	**6.66**	**8.08**	**50.06**
Additions	3.75	-	4.17	7.92
Accretion of interest (refer note 24)	3.44	0.57	0.86	4.87
Payments	4.22	2.38	5.02	11.62
Disposal	-	-	0.91	0.91
As at March 31, 2022	**38.29**	**4.85**	**7.18**	**50.32**
Additions	58.80	-	29.61	88.41
Accretion of interest (refer note 24)	6.26	0.37	1.89	8.52
Payments	13.45	2.38	5.22	21.05
Disposal	14.83	-	-	14.83
As at March 31, 2023	**75.07**	**2.84**	**33.46**	**111.37**
Current	12.28	1.67	9.25	23.20
Non- current	62.79	1.17	24.21	88.17

(All amounts in INR Millions, unless otherwise stated)

iv) The maturity analysis of contractual undiscounted cash flow-: -

As at March 31, 2023

	Less than 1 year	**1 to 5 years**	**More than 5 year**
Factory Land	16.14	54.19	42.89
Computer and data processing equipment	2.39	0.60	-
Plant and Machinery	8.88	25.26	-
	27.41	80.05	42.89

As at March 31, 2022

	Less than 1 year	**1 to 5 years**	**More than 5 year**
Factory Land	6.47	26.99	16.74
Computer and data processing equipment	2.38	4.77	-
Plant and Machinery	3.24	7.12	-
	12.09	38.88	16.74
			-

As at March 31, 2021

	Less than 1 year	**1 to 5 years**	**More than 5 year**
Factory Land	6.38	25.07	22.27
Computer and data processing equipment	2.39	5.37	-
Plant and Machinery	2.19	7.84	-
	10.96	38.28	22.27

v) The following are the amounts recognised in the Statement of Profit and Loss:

	March 31, 2023	**March 31, 2022**	**March 31, 2021**
Depreciation expense of right-of-use assets (refer note 22)	15.83	9.26	7.68
Interest expense on lease liabilities (refer note 24)	8.52	4.87	3.99
Expense relating to short-term leases (included in other expenses) (refer note 23)	23.07	13.09	5.27
Total amount recognised in Statement of Profit and Loss	47.42	27.22	16.94

vi) Impact on statement of cash flows (increase/(decrease)):

	March 31, 2023	**March 31, 2022**	**March 31, 2021**
Operating lease payments*	21.05	11.62	8.50
Net cash flows used in operating activities	21.05	11.62	8.50
Payment of principal portion of lease liabilities	12.53	6.75	4.51
Payment of interest portion of lease liabilities	8.52	4.87	3.99
Net cash flows used in financing activities	21.05	11.62	8.50

* Composed of different line items in the indirect reconciliation of operating cash flows.

40 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/ interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

41 Other statutory information:

(i) The Group do not have any Benami Property, where any proceeding has been initiated or pending against the group for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) The Group do not have any transactions with companies struck off under Section 248 of the Companies Act, 2013

(iii) The Group do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period

(iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group have 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 person 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.

(vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:
(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or
(b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the income tax Act,1961 (Such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(viii) The Group has not been declared as wilful defaulter by any bank or financial institution or Government or any Government authority or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India

(ix) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 from the date of their implementation

42 Pursuant to introduction of new tax regime as introduced by the Taxation Laws (Amendment) Act, 2019 which provided an option to the Group for paying Income Tax at reduced rates as per the provisions/ conditions defined in the newly inserted Section 1 15BAA in the Income-tax Act. 1961 . During the year ended 31 March 2021, the Holding Company had exercised the option to adopt lower tax rate, consequently the Holding Company had applied the lower income tax rates on the deferred tax assets/ liabilities to the extent these are expected to be realized or settled in the future period when the Holding Company may be subjected to lower tax rate. This had resulted in reversal of net deferred lax liabilities amounting to INR 75.84 million in 31 March 2021.

43 Regroupings/ reclassifications have been made in the comparative financial information of consolidated financial statements, wherever required, in order to bring them in line with the accounting policies and classification as per the consolidated financial statements for the year ended March 31, 2023 prepared in accordance with Schedule III of Companies Act, 2013, requirements of Ind AS 1 - 'Presentation of financial statements' and other applicable Ind AS principles. Refer Part B of Annexure 6 for details.

44 Event occurred after the Balance Sheet Date
Subsequent to year end, on September 7, 2023, the Company has allotted 42,431,312 equity shares of Rs.10 each as bonus shares in ratio of 4:1 to the existing equity shareholders. This has been approved by the Board of directors and Shareholders in their meeting held on September 7, 2023, (also refer note 8).

45 The figures have been rounded off to the nearest millions of rupees upto two decimal places. The figure 0.00 wherever stated represents value less than INR 5,000/-.

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Amit Yadav
Partner
Membership No: 501753

Place : New Delhi
Date : September 25, 2023

For and on behalf of the Board of Directors of
DEE Development Engineers Limited

K.L. Bansal
Chairman & Managing Director
DIN No. 01125121

Ashima Bansal
Director
DIN No. 01928449

Ranjan Sarangi
Company secretary
FCS-8604

Sameer Agarwal
Chief Financial Officer

Place : Palwal
Date : September 25, 2023

OTHER FINANCIAL INFORMATION

The audited standalone financial statements of our Company and our Material Subsidiary (Indian rupee converted financials), DEE Piping Systems (Thailand) Co., Limited, as identified in accordance with the SEBI ICDR Regulations for the years ended March 31, 2023, March 31, 2022, and March 31, 2021, together with all the annexures, schedules and notes thereto (collectively, the "**Standalone Financial Statements**") are available at https://www.deepiping.com/financial-reports.php#. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Standalone Financial Statements and the reports thereon do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Standalone Financial Statements and the reports thereon should not be considered as part of information that any investor should consider in order to subscribe for or purchase any securities of our Company, its Subsidiaries or any entity in which it or its shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision. Due caution is advised when accessing and placing reliance on any historic or other information available in the public domain. None of the Group or any of its advisors, nor any of the BRLMs or the Selling Shareholder, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Standalone Financial Statements, or the opinions expressed therein.

The details of accounting ratios derived from our Restated Consolidated Summary Statements required to be disclosed under the SEBI ICDR Regulations are set forth below:

(in ₹, except share data)

Particulars	For Fiscal 2023	For Fiscal 2022	For Fiscal 2021
Restated Earnings per Equity Share			
- Basic Earning per share (in ₹)	2.45	1.53	2.44
- Diluted Earning per share (in ₹)	2.45	1.53	2.44
RoNW (in %)	3.14	2.04	3.17
NAV per Equity Share (in ₹)	79.87	76.75	78.16
EBITDA (in ₹ million)	691.76	646.07	536.84

Notes:

1. *Basic EPS (₹) = Restated profit for the year attributable to the equity shareholders of our Company/weighted average number of equity shares outstanding during the year after considering bonus shares which has been issued subsequent to March 31, 2023 for all periods presented in accordance with Ind AS 33. Diluted EPS (₹) = Restated profit for the year attributable to equity shareholders of our Company/weighted average number of equity shares outstanding during the year considered for deriving basic earnings per share and the weighted average number of Equity Shares which could have been issued on the conversion of all dilutive potential Equity Shares after considering bonus shares which has been issued subsequent to March 31, 2023 for all periods presented in accordance with Ind AS 33.*
2. *Return on net worth is the restated profit for the year divided by the net worth.*
3. *Net asset value per Equity Share is the total equity divided by weighted average numbers of Equity Shares outstanding during the year (as adjusted for effect of bonus shares issued subsequent to year end and used in calculating basic earning per share in accordance with principles of Ind AS 33).*
4. *EBITDA refers to restated profit for the year, as adjusted to exclude (i) other income, (ii) depreciation and amoritzation expenses,(iii) finance costs, (iv) total tax expense and (v) Share of profit of a Jointly controlled entity.*
5. *Our Company pursuant to board resolution dated September 7, 2023, has allotted 42,431,312 bonus equity shares of ₹ 10 each in the ratio of 4:1. As required under Ind AS 33 "Earning per share", the above Bonus shares are retrospectively considered for the computation of weighted average number of equity shares outstanding during the period, in accordance with Ind AS 33.*

Non-GAAP measures

Certain non-GAAP measures and certain other statistical information relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. These may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

Reconciliation of Non-GAAP measures

Reconciliation for the following non-GAAP financial measures included in this section is set out below:

1. Earnings before Interest, Tax and Depreciation (EBITDA)

(₹ million, unless otherwise stated)

Particulars	Fiscal		
	2023	2022	2021
	Consolidated	Consolidated	Consolidated
Restated profit for the year (I)	129.72	81.97	142.05
Add-:			
Finance costs (II)	299.02	253.37	271.28
Depreciation and amortization expense (III)	377.27	358.99	355.37
Total tax expense (IV)	74.00	50.97	(52.56)
Less-:			
Other income (V)	188.25	99.23	178.09
Share of net profit of Jointly controlled entity (VI)	-	-	1.21
EBITDA (VII = I+II+III+IV-V-VI)	**691.76**	**646.07**	**536.84**

2. *EBIDTA Margin*

(₹ million, unless otherwise stated)

Particulars	Fiscal		
	2023	2022	2021
	Consolidated	Consolidated	Consolidated
EBITDA (I)	691.76	646.07	536.84
Revenue from contracts with customers (II)	5,954.95	4,609.16	4,952.17
EBITDA Margin (%) (III) = (I/II)	**11.62%**	**14.02%**	**10.84%**

3. Earnings before Interest and Tax (EBIT)

(₹ million, unless otherwise stated)

Particulars	Fiscal		
	2023	2022	2021
	Consolidated	Consolidated	Consolidated
	(₹ million, unless otherwise stated)		
EBITDA (I)	691.76	646.07	536.84
Less: Depreciation and amortization expenses (II)	377.27	358.99	355.37
Earnings before interest and tax (EBIT) (III =I-II)	**314.49**	**287.08**	**181.47**

4. *Return on Capital Employed (ROCE)*

(₹ million, unless otherwise stated)

Particulars	Fiscal		
	2023	2022	2021
	Consolidated	Consolidated	Consolidated
	(₹ million, unless otherwise stated)		
EBIT (I)	**314.49**	**287.08**	**181.47**
Capital employed			
Total equity (II)	4,236.44	4,119.82	4,543.18
Total borrowings (III)	3,526.22	2,853.58	2,571.65
Total Lease liabilities (IV)	111.37	50.32	50.06
Deferred tax Liabilities (V)	197.05	202.97	212.34
Less- Deferred tax assets (VI)	31.97	24.80	20.70
Total Capital Employed {(VII) = II+III+IV+V-VI}	**8,039.11**	**7,201.89**	**7,356.53**
ROCE (I/ VII) (%)	**3.91%**	**3.99%**	**2.47%**

5. **Restated Profit after tax (PAT) Margin**

(₹ million, unless otherwise stated)

Particulars	Fiscal		
	2023	2022	2021
	Consolidated	Consolidated	Consolidated
	(₹ million, unless otherwise stated)		
Restated profit for the year (I)	129.72	81.97	142.05
Revenue from contracts with customers (II)	5,954.95	4,609.16	4,952.17
PAT Margin(%) (III = I/II)	**2.18%**	**1.78%**	**2.87%**

6. **Restated Profit before tax (PBT) Margin**

(₹ million, unless otherwise stated)

Particulars	Fiscal		
	2023	2022	2021
	Consolidated	Consolidated	Consolidated
	(₹ million, unless otherwise stated)		
Restated profit before tax (I)	203.72	132.94	89.49
Revenue from contracts with customers (II)	5,954.95	4,609.16	4,952.17
PBT Margin(%) (III = I/II)	**3.42%**	**2.88%**	**1.81%**

7. **Net Worth**

(₹ million, unless otherwise stated)

Particulars	Fiscal		
	2023	2022	2021
	Consolidated	Consolidated	Consolidated
	(₹ million, unless otherwise stated)		
Equity share capital (I)	106.08	106.08	156.93
Other equity (II)	4,130.36	4,013.74	4,386.25
Less:			
Capital Redemption Reserve (III)	50.85	50.85	-
Foreign currency translation reserve (IV)	48.64	55.29	58.20
Net worth (V = I + II-III-IV)	**4,136.95**	**4,013.68**	**4,484.98**

8. ***Return on Net worth (RONW)***

(*₹ million, unless otherwise stated*)

Particulars	Fiscal		
	2023	2022	2021
	Consolidated	Consolidated	Consolidated
	(₹ million, unless otherwise stated)		
Restated profit for the year (I)	129.72	81.97	142.05
Net worth (II)	4,136.95	4,013.68	4,484.98
RONW (%) (III) = (I/II)	**3.14%**	**2.04%**	**3.17%**

9. ***Net Asset Value (NAV) per Equity Share***

(*₹ million, unless otherwise stated*)

Particulars	Fiscal		
	2023	2022	2021
	Consolidated	Consolidated	Consolidated
	(₹ million, unless otherwise stated)		
Equity Share Capital (I)	106.08	106.08	156.93
Other equity (II)	4,130.36	4,013.74	4,386.25
Total Equity (III) = (I+II)	**4,236.44**	**4,119.82**	**4,543.18**

Particulars	Fiscal		
	2023	2022	2021
	Consolidated	Consolidated	Consolidated
	(₹ million, unless otherwise stated)		
Weighted average number of equity shares used in calculating basic earning per share (IV)	5,30,39,140	5,36,79,976	5,81,24,031
Net Asset Value per equity share (V) = (III/IV) (₹ per share)	79.87	76.75	78.16

10. Net Debt to total equity

(*₹ million, unless otherwise stated*)

Particulars	Fiscal		
	2023	2022	2021
	Consolidated	Consolidated	Consolidated
	(₹ million, unless otherwise stated)		
Net Debt			
Non-current borrowings (I)	618.19	468.21	513.11
Current borrowings (II)	2908.03	2385.37	2058.54
Total Borrowings (III)= (I+II)	**3526.22**	**2853.58**	**2571.65**
Less-:			
Cash and cash equivalents (IV)	18.18	3.39	50.53
Bank Balances (V)	309.76	249.33	274.35
Net Debt (VI = III – (IV+V))	**3198.28**	**2600.86**	**2246.77**
Total Equity (VII)	4236.44	4119.82	4543.18
Net Debt to total equity (in times) (VIII) = (VI/VII)	0.75	0.63	0.49

Related Party Transactions

For details of the related party transactions as per Ind AS 24 read with the SEBI ICDR Regulations for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 , see "*Restated Consolidated Summary Statements – Annexure VII – Note 31 – Related Party transactions*" on page 318.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at March 31, 2023, derived from our Restated Consolidated Summary Statements and as adjusted for the Offer. This table below should be read in conjunction with the sections titled *"Risk Factors", "Financial Information"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations"*, beginning on pages 27, 268 and 344, respectively.

(₹ in million)

Particulars	Pre-Offer as at March 31, 2023	Post Offer*
Current borrowings	2,908.03	[●]
Non-current borrowings	618.19	[●]
Total Borrowings (A)**	**3,526.22**	**[●]**
Equity share capital	106.08	[●]
Other equity	4,130.36	[●]
Total Equity (B)**	**4,236.44**	**[●]**
Total Borrowings/ Total Equity (A/B)	**0.83**	**[●]**

* *Post-Offer Capitalisation will be determined after finalization of the Offer Price.*

** *These terms shall carry the meaning as per Schedule III of the Companies Act, 2013 (as amended)*

Our Board in its meeting dated September 7, 2023 allotted 42,431,232 Equity Shares of face value of ₹10 each pursuant to a bonus issue in the ratio of 4 Equity Shares for 1 existing Equity Share held by our Shareholders.

FINANCIAL INDEBTEDNESS

Our Company and its Subsidiaries avail credit 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 our Board*" on page 247.

Set forth below is a brief summary of the aggregate borrowings by our Company and its Subsidiaries as of July 31, 2023 on a consolidated basis:

(in ₹ million)

Category of borrowings	Sanctioned amount	Outstanding amount as on July 31, 2023
Working capital facilities		
Fund based	2,672.01	2,466.10
Non-Fund based	4,489.24	3,082.36
Term loans		
Secured	1,352.85	714.95
Unsecured	242.00	77.14
Unsecured loans from Directors	84.48	84.48
Unsecured Loans from relatives of Directors	32.90	32.90
Unsecured Loans from third party	8.22	8.22
Vehicle loans	59.20	36.25
Total	**8,940.90**	**6,502.40**

* *As certified by VSD & Associates, Chartered Accountants, pursuant to their certificate dated September 28, 2023.*

Principal terms of the facilities sanctioned to our Company:

1. ***Interest:*** The interest rate for a majority of the fund-based facilities is typically the marginal cost of funds-based lending rate ("**MCLR**") of a specified lender plus a specified spread per annum, subject to a minimum interest rate. The spread for the various facilities varies from 6.85% to 15.00% per annum.

2. ***Tenor:*** The tenor of the facilities typically varies from 12 months to 60 months.

3. ***Security:*** The facilities sanctioned are typically secured by way of hypothecation on our current assets and mortgage on specified properties of our Company and properties belonging to our Promoter, personal guarantees of our Promoter and certain members of the Promoter Group and corporate guarantee by a member of our Promoter Group. 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 our Company.

4. ***Pre-payment:*** Certain facilities allow for pre-payment of the outstanding amount by serving prior notice to the lender. Pre-payment may be subject to pre-payment penalties as may be prescribed.

5. ***Penal Interest:*** The terms of certain facilities availed by our Company prescribe penalties for default in the repayment obligations of the Company, delay in creation of the stipulated security or in case of events of default. The penalty typically ranges from 1% to 2% per annum.

6. ***Re-payment:*** Our Company may repay all amounts of the facilities on the due dates for payment. Certain of our loans are repayable on demand.

7. ***Events of Default:*** Borrowing arrangements entered into by our Company contain standard events of default, including, *inter alia*:

    a) material adverse change in the ownership/ control or management of our Company without prior approval of the lender;

    b) failure to pay outstanding principal and interest amounts on due dates;

    c) winding up, insolvency/ bankruptcy or dissolution;

    d) commencement of or existence of any legal proceedings/ investigations that may have a material adverse change/ effect;

    e) failure to procure or maintain insurance on our assets;

    f) cessation or change in business; and

g) cross default

This is an indicative list and there may be additional terms that may amount to an event of default under the borrowing arrangements entered into by our Company.

8. ***Consequences of occurrence of events of default:*** In terms of our borrowing arrangements, the following, *inter alia*, are the consequences of occurrence of events of default, whereby the lenders may:

a) convert the outstanding amount into fully paid-up Equity Shares of our Company, in their sole and absolute discretion;

b) terminate and cancel either whole or part of the facility;

c) modify or revise the terms of the facility;

d) appoint a nominee director on the Board;

e) impose a monetary penalty;

f) enforce security; and

g) accelerate repayments/ initiate recall of the loans.

This is an indicative list and there may be additional terms that may require the consent of the relevant lender, the breach of which may amount to an event of default under various borrowing arrangements entered into by our Company, and the same may lead to consequences other than those stated above.

9. ***Restrictive Covenants:*** The facilities sanctioned to our Company contain certain restrictive covenants, which require prior written consent of the lender or prior intimation to be made to the lender, including:

a) adverse changes in capital structure;

b) undertaking any new project, scheme of expansion or diversification or capital expenditure;

c) investment by way of share capital, deposits, loans or advancement of funds;

d) change in our constitution, structure, constitutional documents, members, composition of our Board, management control and legal and/or beneficial ownership;

e) change in the shareholding pattern;

f) change the practice with regard to remuneration of our Directors; and

g) approaching the capital market for mobilizing additional resources;

This is an indicative list and there may be such other additional terms under the borrowing arrangements entered into by our Company. We are also required to keep our lenders informed of any event likely to have a substantial effect on our business.

For the purposes 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 Offer, such as, *inter alia*, effecting changes to our capital structure. For further details, see "*Risk Factors - We have substantial indebtedness which requires significant cash flows to service and limits our ability to operate freely. Any breach of terms under our financing arrangements or our inability to comply with repayment and other covenants in the financing agreements could adversely affect our business, financial condition, cash flows and credit rating.*" on page 54.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Consolidated Summary Statements on page 268.

This Draft Red Herring Prospectus may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Draft Herring Prospectus. For further information, see "Forward-Looking Statements" on page 25. Also read "Risk Factors" and "Significant Factors Affecting our Results of Operations" on pages 27 and 347, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Unless otherwise indicated or the context otherwise requires, the financial information for Fiscal 2023, Fiscal 2022 and Fiscal 2021 included herein is derived from the Restated Consolidated Summary Statements, included in this Draft Red Herring Prospectus, which have been derived from our audited financial statements and restated in accordance with the SEBI ICDR Regulations, the Guidance Note on Reports in Company Prospectuses (Revised 2019), as amended from time to time, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. For further information, see "Financial Information" on page 268.

Our Company has a Subsidiary in Thailand, and such Subsidiary is subject to the legal and regulatory environment prevalent in Thailand, which will be different from the legal and regulatory framework governing our Company. Unless the context otherwise requires, in this section, references to "we", "us", "our" "our Company" or "the Company" refers to DEE Development Engineers Limited and its Subsidiaries on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Industry Report on Pipe Fabrication & Process Piping Solutions" dated September 2023 (the "**D&B Report**", and the date of the D&B Report, the "**Report Date**") which is exclusively prepared for the purpose of the Offer and issued by Dun & Bradstreet Information Services India Private Limited ("**D&B**") and is exclusively commissioned for an agreed fee and paid for by the Company in connection with the Offer. D&B was appointed on May 26, 2023, pursuant to an engagement letter entered into with our Company. D&B is not related in any other manner to our Company. The data included herein includes excerpts from the D&B Report and may have been re-ordered by us for the purposes of presentation. Further, the D&B Report was prepared on the basis of information as of specific dates and opinions in the D&B Report and may be based on estimates, projections, forecasts and assumptions that may be as of such dates. D&B has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and has further advised that while it has taken due care and caution in preparing the D&B Report based on the information obtained by it from sources which it considers reliable. Unless otherwise indicated, financial, operational, industry and other related information derived from the D&B Report and included herein with respect to any particular year refers to such information for the relevant calendar year. A copy of the D&B Report will be available on the website of our Company from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date. Further, the D&B Report is not a recommendation to invest or disinvest in any company covered in the report. You are advised not to unduly rely on the D&B Report. The views expressed in the D&B Report are that of D&B. For more information and risks in relation to commissioned reports, see "Risk Factors – Certain sections of this Draft Red Herring Prospectus contain information from the D&B Report which we commissioned and purchased and any reliance on such information for making an investment decision in the Offer is subject to inherent risks." on page 60. Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 23.*

OVERVIEW

We are an engineering company providing specialized process piping solutions for industries such as oil and gas, power (including nuclear), chemicals and other process industries through engineering, procurement and manufacturing. We have manufacturing experience of over three and a half decades and have been able to leverage our brand, strategically located manufacturing facilities and engineering capabilities to successfully expand our business. As part of our specialized process piping solutions, we also manufacture and supply piping products such as high-pressure piping systems, piping spools, high frequency induction pipe bends, LSAW pipes, industrial pipe fittings, pressure vessels, industrial stacks, modular skids and accessories including, boiler superheater coils, de-super heaters and other customized manufactured components. Our Company currently is ranked as one of the leading process pipe solution providers in the world, in terms of technical capability to address complex process piping requirement arising from multiple industrial segments. (*Source: D&B Report*) At present, we are the largest player in process piping solutions in India, in terms of installed capacity. (*Source: D&B Report*).

We provide comprehensive specialized process piping solutions including engineering services such as pre bid engineering, basic engineering, detailed engineering and support engineering which includes engineering of process/ power piping systems for projects, and pre-fabrication services such as cutting and beveling on conventional and CNC machines, welding services on semi-automatic and fully automatic robotic welding machines, conventional and digital radiography, post weld heat treatment using CNG fired fully calibrated furnaces and induction heating process, hydro testing, pickling and passivation, grit blasting (manual and semiautomatic) and painting (manual and semiautomatic). We also specialize in handling complex metals such as varying grades of carbon steel, stainless steel, super duplex stainless steel, alloy steel and other materials including inconel and hastelloy in our manufacturing processes.

We have six strategically located Manufacturing Facilities at Palwal in Haryana, Anjar in Gujarat, Barmer in Rajasthan and Bangkok in Thailand, with three Manufacturing Facilities located at Palwal, Haryana. We also operate a temporary Manufacturing Facility in Barmer, Rajasthan which is a dedicated facility set up to cater to the piping and erection requirements of the HPCL Rajasthan Refinery Limited (the "**Barmer Satellite Facility**"). Our wholly owned subsidiary, DFIPL, also operates a heavy fabrication facility at Anjar, Gujarat (the "**Anjar Heavy Fabrication Facility**"). We also have a dedicated engineering facility located at Chennai in Tamil Nadu (the "**Chennai Engineering Facility**"). Our six Manufacturing Facilities, the Anjar Heavy Fabrication Facility and Chennai engineering Facility together span an area of approximately 426,064.52 square meters. Our Manufacturing Facilities had cumulative installed capacity of 94,500 MT per annum, 91,500 MT per annum and 86,500 MT per annum for Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively; and our capacity utilisation, calculated on the basis of our total production capacity was 43.10%, 27.40% and 27.77% for Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively. We are in the process of enhancing our manufacturing capabilities by setting up a new manufacturing facility at Numaligarh, Assam (the "**Numaligarh Facility**") with a proposed installed capacity of 6,000 MT per annum as well as a new manufacturing facility at Anjar, Gujarat (the "**New Anjar Facility**") with a proposed installed capacity of 12,000 MT per annum, which will increase the total installed production capacity of our Anjar facilities (excluding our heavy fabrication capacity) from 3000 MT per annum to 15000 MT per annum.

We have been focussed on automating certain manufacturing processes and our Manufacturing Facilities are equipped with equipment such as fully automated robotic welding systems, semi-automatic shot blasting machines, automatic GMAW welding system and fully automatic high frequency induction bending machines having diameter of up to 48 inches.

In Fiscal 2023, Fiscal 2022 and Fiscal 2021, we supplied our products to domestic customers and our overseas customers in countries including USA, Europe, Japan, Canada, Middle East, Nigeria, Vietnam, Singapore, China and Taiwan. In Fiscal 2023, Fiscal 2022 and Fiscal 2021 our revenue from contracts with customers outside India was ₹ 2,685.92 million, ₹ 1,681.48 million and ₹ 2,259.62 million, respectively, which represented 45.10%, 36.48% and 45.63% of our revenue from contracts with customers for the respective periods. Over decades of our operations, we have developed strong relationships with our customers, including global companies such as JGC Corporation, Nooter Eriksen, MAN Energy Solutions SE, Mitsubishi Heavy Industries, and John Cockerill S.A, and Indian companies such as Reliance Industries Limited, Thermax Babcock & Wilcox Energy Solutions Limited India, HPCL–Mittal Energy Limited, Toshiba JSW Power Systems Private Limited, UOP India Private Limited, Doosan Power Systems India Private Limited and Andritz Technologies Private Limited and have built a loyal base of customers across our markets through relationships with several of these customers for more than a decade. In Fiscal 2023, Fiscal 2022 and Fiscal 2021, we supplied our products and provided engineering services to 42, 34 and 33 customers, respectively. Since a significant portion of our sales are to our overseas customers, our Anjar Facility I, our Anjar Heavy Fabrication Facility, our proposed New Anjar Facility in Gujarat and our Bangkok Facility are strategically located with access to ports to cater to our overseas customers.

Our Chennai Engineering Facility is dedicated to the design of certain of our products and the development of our engineering processes. As per the D&B Report, our Company has strong quality procedures and standards in place, which have played a key role in elevating our Company to a leadership position, in India as well as globally. We have received various certifications which are critical for us to supply products to our customers across geographies. Our Company has multiple ISO certifications and is a certified manufacturer of pipe spools, pipe supports, industrial pipe fittings as per the Pressure Equipment Directive norms, American Society of Mechanical Engineers Code Stamp Piping, Indian Boiler Regulations and the Canadian Welding Bureau. We also manufacture industrial pipe fittings which are registered under the Canadian Registration Number. We have quality assurance certificates with respect to the Pressure Equipment Directive 2014/68/EU. We also have a National Accreditation Board for Testing and Calibration Laboratories accredited testing laboratory equipped with the latest testing equipment where we undertake mechanical, metallurgical, chemical and analytical test such as tensile test, charpy test, hardness test, tests for micro and macro structure, spectrometric analysis, corrosion test, ferrite test, IGC test, bend test and flattening test amongst others. We have the capabilities to perform tests on our products to check compliance with various standards such as standards prescribed by the American Society of Mechanical Engineers and European norms including Pressure Equipment Directives and DIN EN ISO 3834.

We operate two biomass power generation plants in Abohar and Muktsar, Punjab, with a contracted annual capacity of 8 MW and 6 MW, respectively, which together span an area of approximately 347,511.15 square meters. The Muktsar Biomass Power Plant is operated by our wholly owned subsidiary, MPPL. We are focused on environment and sustainability and have achieved a reduction of more than 191,067 tons of CO_2 emissions by producing green power through the use of biomass like paddy straw and other biofuels such as cotton stalks, wheat stalks and mustard straw. Further, we manufacture wind turbine towers through our wholly owned subsidiary, DFIPL, at our Anjar Heavy Fabrication Facility. DFIPL is also involved in the manufacturing of industrial stacks.

We have recently expanded our business by entering a new business vertical of design, engineering, fabrication and manufacturing of pilot plants, which we are carrying out from our Palwal Facility III. We intend to provide a one stop solution for pilot plant requirements of our customers which will range from conceptualisation to commissioning of a pilot plant, and will include 3-D modelling, process simulation, control engineering, design, fabrication and construction of a pilot plant, followed by installation of the pilot plant at the site specified by the customer. We intend to develop pilot plants which cater to the research and development needs of companies in the oil and gas, petrochemicals, refineries, specialty chemicals, pharmaceuticals and nuclear sectors, as well towards the research and development needs of educational research institutions. Certain projects by government owned companies, in the pilot plant sector are awarded on the basis of competitive bidding, wherein vendors are evaluated inter alia on their technical capabilities and infrastructure set up to execute such projects. We believe our Company has the required technical capabilities and infrastructure set up which enables us to bid for projects in the pilot plant sector. Other projects in the pilot plant sector, such as those by privately owned chemical and pharmaceutical companies are awarded on the basis of bilateral or multi-party negotiations.

Our Company has a management team with extensive industry experience. Our Promoter, Krishan Lalit Bansal, has been associated with our Company since its inception in 1988 and has 37 years of experience in the process piping solutions industry. Our Board of Directors includes a combination of management executives and Directors who bring in significant business and management expertise. Each of our Senior Management Personnel have worked with our Company for more than 12 years, specifically, Pankaj Agarwal, our Chief Operating Officer, Charu Agarwal, our Vice President in the accounts department and Pawan Arora, our Associate Vice President, Vendor Relations Department have spent 29 years, 19 years and 12 years, respectively with our Company. As of June 30, 2023, our Company has 1,033 employees, of which 43 employees are highly skilled and experienced in welding and have specialist credentials such as CSWIP 3.0 and 3.1, AWS-CWI and CWV, and 58 employees are highly skilled and experienced in non-destructive examination and have specialist credentials such as NDE level II qualifications as per ASNT/ SNT-TC-1A, and NDE level III qualifications as per BS EN ISO 9712. We believe that the combination of our experienced Board of Directors, our dynamic management team and our skilled employees positions us well to capitalize on future growth opportunities.

Key Financial Information

Our other operating metrics are set forth below:

Particulars	**Fiscal 2023**	**Fiscal 2022**	**Fiscal 2021**
	(in ₹ million, except percentages and ratios)		
Revenue from contracts with customers	5,954.95	4,609.16	4,952.17
Revenue from contracts with customers Growth (y-o-y)	29.20%	(6.93%)	NA
Total Income	6,143.20	4,708.39	5,130.26
EBITDA	691.76	646.07	536.84
EBITDA Margin (%)	11.62%	14.02%	10.84%
Restated Profit Before Tax	203.72	132.94	89.49
Restated Profit Before Tax Margin (%)	3.42%	2.88%	1.81%
Restated Profit for the year	129.72	81.97	142.05
Restated Profit for the year Margin (%)	2.18%	1.78%	2.87%
ROCE (%)	3.91%	3.99%	2.47%
RONW (%)	3.14%	2.04%	3.17%
Net Debt	3,198.28	2,600.86	2,246.77
Net Debt to Total Equity	0.75	0.63	0.49
Order Book	5,633.53	4,345.70	3,356.78

Notes:
"EBITDA" refers to restated profit for the year, as adjusted to exclude (i) other income, (ii) depreciation and amoritzation expenses, (iii) finance costs, (iv) total tax expense and (v) Share of profit of a Jointly controlled entity .
"EBITDA margin" is a Non-GAAP financial measure. EBITDA Margin refers to the percentage margin derived by dividing EBITDA by revenue from contracts with customers .
"Restated Profit before tax margin" (PBT margin) means profit before tax margin, which represents restated profit before tax as a percentage of revenue from contracts with customers.
"Restated Profit after tax margin represents restated profit for the year as a percentage of revenue from contracts with customers.
RoCE" means return on capital employed, which represents EBIT (Earnings before Interest and Tax) during the relevant year as a percentage of capital employed. Capital employed is the total of all types of capital, other equity, total borrowings, total lease liabilities and deferred tax liabilities (net) less deferred tax assets (net) as of the end of the relevant year
"RONW" means return on net-worth, return on net worth is the restated profit for the year divided by the net worth
"Net-debt" is calculated as total of non-current borrowings and current borrowings minus total of cash and cash equivalents and bank balances. "Net-debt to Total Equity" is calculated as net debt divided by total equity.
**As certified by VSD & Associates, Chartered Accountants, through their certificate dated September 28, 2023.*

For information about Non-GAAP financial measures as set forth in the table above, see *"Other Financial Information - Non-GAAP measures – Reconciliation of Non-GAAP measures "* on page 338.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATION

The results of our operations and our financial conditions are affected by numerous factors and uncertainties, many of which may be beyond our control, including as discussed in "*Our Business*" and "*Risk Factors",* beginning on pages 186 and 27. Set forth below is a discussion of certain factors that we believe may be expected to have a significant effect on our financial condition and results of operations:

Dependence on our customers operating in the oil and gas and power sectors and demand for engineering and manufacturing services of specialised process piping

Our business is heavily dependent on the oil and gas and power sectors, in which our customers operate. Our revenue contribution from our customers in the oil and gas and power sectors are set out below together with our revenue from these sectors as a percentage of our total revenue from contracts with customers in Fiscal 2023, Fiscal 2022 and Fiscal 2021:

Sectors	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	In ₹ million	As a percentage of total revenue from contracts with customers (%)	In ₹ million	As a percentage of total revenue from contracts with customers (%)	In ₹ million	As a percentage of total revenue from contracts with customers (%)
Oil and Gas	3,057.79	51.35%	1,953.79	42.39%	1,610.63	32.52%
Power	2,033.83	34.15%	1,833.73	39.78%	2,212.64	44.68%
Total	**5,091.62**	**85.50%**	**3,787.52**	**82.17%**	**3,823.27**	**77.20%**

As per the D&B Report, India's crude oil demand is expected to increase from 4.7 million barrels per day in FY 2021 to 6.7 million barrels per day in FY 2030. Further, the annual consumption volume for petroleum products is expected to rise from 223 MTPA in FY 2023 to nearly 335 MTPA in FY 2030 (*Source: D&B Report*). To meet this demand, the petroleum refining capacity is also expected to scale up to similar volumes and is expected to reach 450 MTPA by Fiscal 2030. As per the D&B Report, currently capital expenditure projects worth approximately ₹ 339,000 crore are under implementation in the petroleum refinery industry, at various levels of execution, of which nearly 50% is expected to be operational by the end of CY 2023 with the remaining spread over the next three years until FY 2026. Beyond FY 2026, the capital expenditure visibility in the industry is pegged at approximately ₹ 688,000 crore (*Source: D&B Report*). Capital expenditure projects worth approximately ₹ 427,000 crore are under implementation in the power industry, at various levels of execution, of which nearly 83% is expected to be operational by the end of FY 2024 with the remaining spread until FY 2026. Beyond FY 2026 the capital expenditure visibility in the industry is pegged at approximately ₹ 525,000 crore (*Source: D&B Report*). Due to our market leadership position, customer relationships, expertise, infrastructure and skilled manpower, we are well positioned to capitalize on these market opportunities. Factors adversely affecting any of these industries in general, or any of our customers, could have a cascading adverse effect on our business. Such factors include fluctuations in the oil and gas prices, failure by our customers to successfully market their products or services or to compete effectively, loss of market share, economic conditions of the market to which they cater, or regulatory issues faced by these industries. As of June 30, 2023, we had an order book of ₹ 164.42 million, from our customers operating in sectors other than the oil and gas and power sectors, which constitutes 2.80% of our revenue from contracts with customers for Fiscal 2023.

Projects in the oil and gas and power sectors are typically awarded through a competitive bidding process. The growth of our business depends on our ability to obtain projects through such competitive bidding processes and our inability to bid effectively for such projects could impact our revenue from contracts with customers. For further details, see "*Risk Factors - Some of our projects are awarded to us through a competitive bidding process. Our inability to effectively bid for such projects in the future could impact our operations and financial conditions."* There have been instances where our long-standing relationship with some of our customers has won us orders directly without having to participate in a bidding process.

Out of our revenue from contracts with customers, in accordance with Ind AS 108. for Fiscal 2023, 2022 and 2021, our piping division contributed ₹ 5,291.23 million, ₹ 3,706.96 million and ₹ 4,180.82 million respectively, which constitutes 88.85%, 80.43% and 84.42% of our revenue from contracts with customers for the respective periods. As per the D&B Report, the market for process piping solutions is expected to reach ₹ 38.4 thousand crore in India increasing at CAGR of nearly 6% between FY 2022 and FY 2030. The key driver of growth for our products is the current and proposed capital expenditure in the oil and gas sector and power sector. Our engineering and manufacturing services are dependent on the capital expenditure plans of our customers. Any factors impacting the business of our customers may result in the cancellation, downsizing or deferring the capital expenditure plans of our customers operating in the oil and gas and power (including nuclear) industries, which in turn could have a a material adverse effect on our revenue from contracts with customers.

Failure to meet high quality standards and stringent performance requirements of our customers.

Our products and engineering processes are measured against, high quality standards and stringent specifications of our customers, due to the critical industries they find applications in. Most of our orders are awarded to us through a competitive bidding process, where we compete on various factors including our technical capabilities. Depending on the terms under which we supply products or services, if we supply products or services that do not comply with the specifications provided by our customers, our customers may hold us responsible for (i) some or all of the repair or replacement costs of defective products or services; and (ii) all losses incurred due to injury, illness or death to third party or violation of laws due to defective products or services, and the costs of claims, suits and actions in relation to such losses. We cannot assure you that we will be able to meet such technical specifications and quality standards imposed by our customers, at all times. The failure by us or to achieve or maintain compliance with these requirements or quality standards may disrupt our ability to supply products to our customers until compliance with such quality standards is achieved. Such instances could adversely affect our reputation and business and, to the extent not covered by insurance, our results of operations, financial condition and cash flows.

Our contracts require us to indemnify our customers from any liabilities and expenses incurred due to defects and damages found in the products or in connection with performance of engineering service and supplies. Customers can enforce such indemnities against us, unless such defect, damage, or delay is caused due to the customer's wilful misconduct, fraud, gross negligence or wilful misrepresentation. Under our agreements with our customers, we are liable to pay liquidated damages for any delay in the supply of products. These liquidated damages typically range from 0.1% to 1.5% of the total contract or purchase order value, per week of delay, and are typically capped at 5% to 30% of the total contract or purchase order value. We are also liable to pay liquidated damages for any delay in providing documents to our customers in connection with the work which we undertake. There have been instances in the past where we were not able to meet the scheduled timelines of delivery and consequently, we had to pay liquidated damages to certain customers.

Our contracts also require us to provide warranty against the products and engineering services which we have provided, which requires us to repair or replace the goods or services furnished, which fail to comply to the specifications prescribed by our customers, during the warranty/ defect liability period. Accordingly, our customers require us to undertake or provide performance bank guarantees for such quality and delivery related obligations which can be enforced against us in case of defective or damaged products or delay in delivery of the products or services supplied by us. The performance bank guarantees which we are required to furnish to our customers typically range from 5% to 20% of the total contract value of the order.

If we default on any of the existing terms, delivery timelines, specifications or quality standards prescribed by our customers, it may result in the cancellation of existing and future orders, recalls, liquidated damages, invocation of performance bank guarantees or warranty, indemnity and liability claims. Further, such delays in the execution of orders results in the cost overruns and affects our payment milestones subsequently impacting our revenue. Such instances could adversely affect our reputation and business and, to the extent not covered by insurance, our results of operations, financial condition and cash flows.

Capacity utilisation of our Manufacturing Facilities and expansion of our installed capacities

Our Company currently is ranked as one of the leading process pipe solution providers in the world, in terms of technical capability to address complex process piping requirement arising from multiple industrial segments. (*Source: D&B Report*). At present, we are the largest player in process piping solutions in India, in terms of installed capacity. (*Source: D&B Report*). We have six strategically located Manufacturing Facilities at Palwal in Haryana, Anjar in Gujarat, Barmer in Rajasthan and Bangkok in Thailand, with three Manufacturing Facilities located at Palwal, Haryana. We also operate a temporary Manufacturing Facility in Barmer, Rajasthan which is a dedicated facility set up to cater to the piping and erection requirements of the HPCL Rajasthan Refinery Limited. Our wholly owned subsidiary, DFIPL, also operates a heavy fabrication facility at Anjar, Gujarat.

The table below sets forth the installed production capacity and the capacity utilization at each of our Manufacturing Facilities and our Anjar Heavy Fabrication Facility for Fiscal 2023, Fiscal 2022 and Fiscal 2021:

Facilities	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Installed Capacity (in MT)*	Capacity Utilization (in %)*	Installed Capacity (in MT)*	Capacity Utilization (in %)*	Installed Capacity (in MT)*	Capacity Utilization (in %)*
Palwal Facility I	9,000.00	5.62 %	9,000.00	5.57 %	9,000.00	5.23 %
Palwal Facility II	3,000.00	67.13 %	3,000.00	60.77 %	3,000.00	42.43 %
Palwal Facility III	24,000.00	78.84 %	24,000.00	42.07 %	24,000.00	48.90 %
Barmer Facility	5,000.00	55.04 %	5,000.00	31.29 %	-	-
Anjar Facility I	3,000.00	41.60 %	-	-	-	-
Bangkok Facility	14,500.00	39.34 %	14,500.00	23.84 %	14,500.00	19.28 %
Anjar Heavy Fabrication Facility	36,000.00	26.63 %	36,000.00	21.19 %	36,000.00	21.52 %

* *As certified by V.K. Wadhawan, Chartered Engineer, by certificate dated August 25, 2023.*

Underutilisation of our manufacturing capacities over extended periods, or significant underutilisation in the short-term, could materially and adversely impact our business, growth prospects and future financial performance.

We are in the process of enhancing our manufacturing capabilities by setting up the Numaligarh Facility with a capacity of 6,000 MT per annum; and the New Anjar Facility, which will increase the total capacity of our Anjar facilities (excluding our heavy fabrication capacity) from 3,000MT per annum to 15,000 MT per annum. We have leased 10,167.30 square meters of land and have acquired 176,849.00 square meters of land, towards setting up of the Numaligarh Facility and the New Anjar Facility, respectively. Our Numaligarh Facility will be situated at close geographical proximity to the expansion projects of the Numaligarh refinery and other refineries in the north-east region of India. We intend to use lean manufacturing practices at these facilities together with increased automation, which is expected to augment our efficiency. We also intend to avail government subsidies which are available for setting up these manufacturing facilities.

Our revenues and, consequently, our profits are dependent on, inter alia, our ability to optimise and maximise our capacity utilisation which has helped us meet the demands of our customers and deliver our products in an efficient, reliable and timely manner. The proposed expansion at our New Anjar Facility will enable us to significantly benefit from the reduction of manpower and logistics cost due to consolidation, following lean manufacturing concepts and automation of our manufacturing processes. Further, the setting up of the Numaligarh Facility will enable us to establish our presence in a new geographical area and acquire new customers including through proximity to the export markets of Bangladesh and Myanmar. Accordingly, our prospects and growth in revenue would inter alia be dependent on the effective installation, commencement and utilisation of the proposed expanded capacity. Any delays in executing the expansions of the New Anjar Facility or setting up of the Numaligarh Facility or any under-utilisation of our installed capacities or any inability to optimise the utilisation of the proposed expansions could have an adverse impact on our revenue from contracts with customers and profitability. Additionally, since we are dependent on our Manufacturing Facilities, any disruptions due to natural or man-made disasters, workforce disruptions, regulatory approval delays, fire, failure of machinery, or any significant social, political or economic disturbances would significantly impact our revenue from contracts with customers and financial condition.

Relationship with our customers and dependence on certain customers

We have, through the three and a half decades of business operations, established long-term relationships with customers across industries which we cater to. Our ability to manage and sustain customer relationships is critical to our business. We believe that our ability to address the various and stringent client requirements over long periods enables us to obtain additional business from existing clients as well as new clients in an industry marked by high entry barriers. We believe our customer relationships are led primarily by our ability to develop processes, meet stringent quality and technical specifications and manufacture customers' products in a timely and cost effective manner. As result, we have a history of high customer retention and have been manufacturing products for certain customers such as Reliance Industries Limited, Mitsubishi Heavy Industries and Toshiba JSW Power Systems Private Limited for more than a decade. We believe that such long-term association with our customers offers us significant competitive advantages such as revenue visibility, industry goodwill and a deep understanding of the requirements of our customers.

The table set forth below provides the revenue contribution and revenue contribution as a percentage of our total revenue from contracts with customers of our largest customer, our top 10 customers and our top 20 customers, for Fiscal 2023, Fiscal 2022 and Fiscal 2021:

Customers	**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
	In ₹ million	**As a percentage of total revenue from contracts with customers (%)**	**In ₹ million**	**As a percentage of total revenue from contracts with customers (%)**	**In ₹ million**	**As a percentage of total revenue from contracts with customers (%)**
Largest customer	822.17	13.81%	781.54	16.96%	940.57	18.99%
Top 10 customers	3,928.08	65.96%	3,374.00	73.20%	3,582.67	72.35%
Top 20 customers	5,159.73	86.65%	4,188.14	90.87%	4,381.80	88.48%

We expect that we will continue to be reliant on our major customers for the foreseeable future. Accordingly, any failure to retain these customers and/or negotiate and execute contracts with such customers on terms that are commercially viable, could adversely affect our business, financial condition and results of operations. In addition, any defaults or delays in payments by a major customer or insolvency or financial distress of any major customer may have an adverse effect on business, financial condition and results of operations. Our reliance on a select group of customers may also constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance.

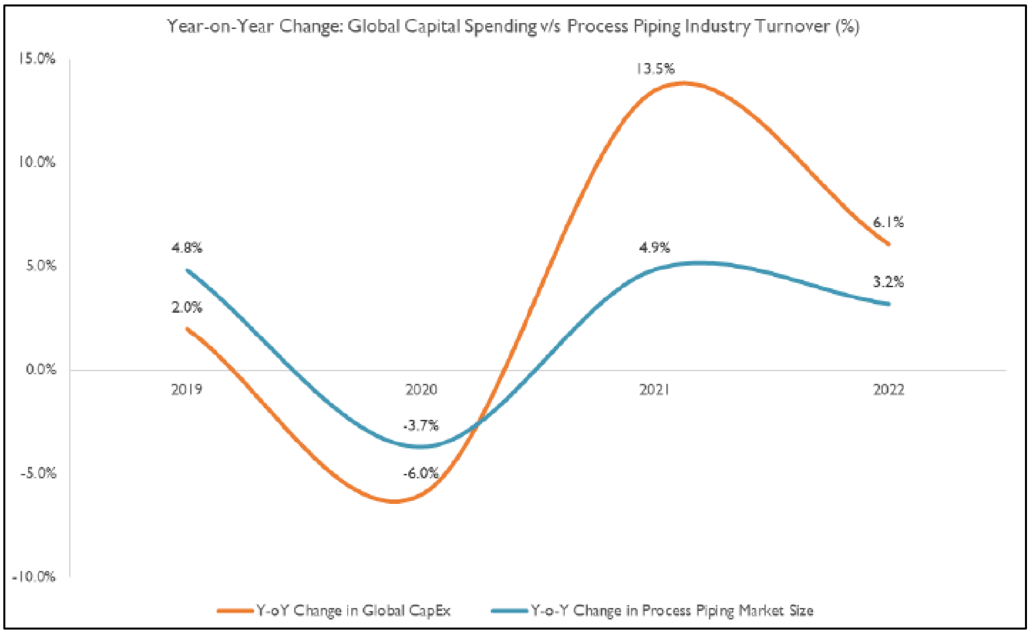
Introduction and significant shift in technologies and processes being implemented by our customers

We believe our engineering capabilities, have enabled us to consistently offer quality, complex, precision manufactured specialized process piping solutions, allowing us to diversify our business and add new products. We have embraced technological advancement and introduced automation in our facilities for the manufacture, design and fabrication of pipes. We have a strong focus on automation, and a robust history of setting up advanced equipment and technology, as well as carrying out improved processes before other players in the market. For details, see "*Our Business - Our Strengths - Largest player in process piping solutions in India, in terms of installed capacity, providing specialized process piping solutions with strategically located state-of-the-art Manufacturing Facilities*" on page 189. Our automation capabilities enable us to combine operations and eliminate multiple operators in the production process in order to increase productivity, while controlling costs and maintaining consistent product quality. Accordingly, we are equipped to manage any changes in technology or processes which may be implemented by our customers. However, in case there are any other new technological developments discovered that significantly decreases the cost of production, in order to compete effectively, we may be required to replace our existing machines with the new ones and thereby incur additional capital expenditure, which would have a material adverse effect on our financial condition and results of operations.

Although we seek to identify trends and introduce new methods of engineering and equipment, we recognise that customer preferences cannot be predicted with certainty and can change rapidly, and that there is no certainty that such methods will be commercially viable or effective or accepted by our customers. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs and lead to us being less competitive in terms of our prices or quality of products we sell which could significantly affect our results of operations and financial performance. Further, as our business is currently concentrated to a select number of significant customers, we may experience reduction in cash flows and liquidity if we lose one or more of our major customers or if the amount of business from them is significantly reduced for any reason.

Market conditions affecting the piping industry in India.

The demand for our products and engineering services is directly related to the general economic conditions which drives the consumption and the usage of our products. The sales of our products may be affected by a general change in economic or industry conditions including the trends in the global and domestic economies, global and local political and regulatory measures and developments, such as tax incentives or other subsidies, environmental policies, government initiatives, global and local fiscal and monetary dynamics, such as rises or falls in interest rates (resulting in greater or lesser ability by customers to borrow money), foreign exchange rates, availability of raw material and resources such as manpower and energy, general levels of GDP growth in a country or region, inflation rates, global and local economic or fiscal crises, global and local economic or fiscal instability and trade agreements. In addition, the manufacturing and engineering industry tends to be affected directly by trends in the general economy and it is sensitive to general economic conditions and factors such as inflation, employment and disposable income levels, interest rate levels, demographic trends, technological changes, increasing environmental, health and safety regulations, government policies, and adverse climatic conditions which may negatively affect the demand for our products and services.. As per the D&B Report, the demand for process piping solution is directly tied to the capital expenditure pattern taking place in the industrial segment. Construction of any nature involving creation or expansion of an industrial facility will almost always result in demand for process piping hardware and services (*Source: D&B Report*). Given this direct corelation, capital expenditure spending serves as a proxy demand indicator for process piping solutions (*Source: D&B Report*). Set out below is the year-on-year change global capital expenditure spending as compared to turnover in the process piping industry:



There may also be a number of secondary effects of an economic downturn, such as the insolvency of suppliers or customers, delays in deliveries by suppliers, payment delays and/or stagnant demand by customers, recession in some of the economies, disruption in banking and financial systems, economic instability, unfavourable government policies, rising inflation, lowering spending power, customer confidence, trade war, trade restrictions, pandemics, currency revaluations, change in credit ratings and political uncertainty. Cuts in federal or central, state and local government investment as well as consequent impairment in infrastructural facilities and growth can also drag down global and national growth rates. Given our wide presence, our revenue stream is diversified both geographically as well as across customers. Further, our plans envisage expanding our operations. We expect to continue to incur substantial expenditure in connection with such planned expansion, which would require us to successfully attract additional business from our existing and new customers. Accordingly, our successful expansion in any market is subject to business, economic and competitive uncertainties and contingencies, many of which are beyond our control.

Strength of our order book

As of June 30, 2023, we had an order book of ₹ 5,787.38 million, which constitutes 97.19% of our revenue from contracts with customers for Fiscal 2023.

Set out below is the split of our order book from our customers operating in various industries, along with a percentage of the order book details against our revenue from contracts with customers in Fiscal 2023:

Sectors in which our customers operate	Order book contribution (in ₹ million) as of June 30, 2023	As a percentage of revenue from contracts with customers in Fiscal 2023 (%)
Oil and gas	3,495.70	58.70 %
Power (including nuclear)	2,127.26	35.72 %
Process Industries	164.42	2.76 %
Total	**5,787.38**	**97.19 %**

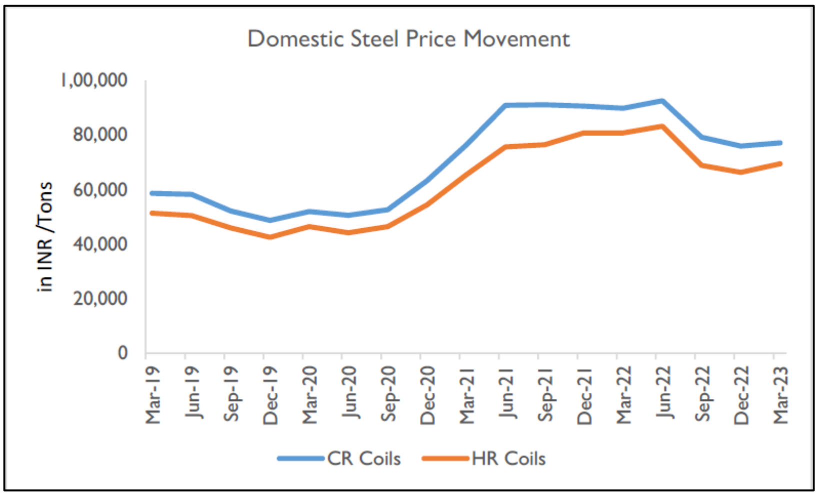
The table below sets forth the breakdown of our order book from our domestic and overseas customers, along with a percentage of the order book details against our revenue from contracts with customers in Fiscal 2023:

Customers	Order book contribution (in ₹ million) as of June 30, 2023	As a percentage of revenue from contracts with customers in Fiscal 2023 (%)
Domestic customers	2,979.78	50.04 %
Overseas customers	2,807.60	47.15 %
Total	**5,787.38**	**97.19 %**

Investors should not consider our order book as an accurate indicator of our future performance or future revenue. The successful conversion of orders into revenue and getting new orders will depend on the demand from our customers, which is beyond our control and is subject to uncertainty as well as changes in Government policies and priorities. Going forward, our order book may be affected by delays, cancellations, renegotiations of the contracts as well as the long gestation period in concluding such contracts, if any.

Raw Material and labour cost

Purchase of raw material forms the highest component of our expenses. The primary raw material which we utilize at our Manufacturing Facilities is steel. Steel prices fluctuate based on a number of factors, such as, the availability and cost of raw material inputs, fluctuations in domestic and international demand and supply of steel and steel products, international production and capacity, fluctuation in the volume of steel imports, transportation costs, protective trade measures and various social and political factors, in the economies in which the steel producers sell their products and are sensitive to the trends of particular industries, such as, the construction and machinery industries. The chart below sets out the movement of domestic steel prices from March 2019 until March 2023:



The table below sets out the cost incurred in procurement of raw materials from domestic and international suppliers as a percentage of our total revenue from contracts with customers for Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively.

Particulars	**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
	In ₹ million	**As a percentage of total revenue from contracts with customers***	**₹ million**	**As a percentage of total revenue from contracts with customers***	**₹ million**	**As a percentage of total revenue from contracts with customers***
Cost of raw material procured from domestic suppliers	1,488.79	25.00%	1,587.53	34.44%	999.27	20.18%
Cost of raw material procured from international suppliers	806.83	13.55%	604.66	13.12%	713.26	14.40%
Total	**2,295.63**	**38.55%**	**2,192.19**	**47.56%**	**1,712.53**	**34.58%**

* *Our revenues from contracts with customers includes revenues from contracts where our responsibility includes procurement of raw materials (especially pipes) as well as contracts wherein bulk of raw materials (such as pipes) are provided by our customers.*

Our cash flows may be adversely affected due to any gap in time between the date of procurement of those raw materials and the date on which we can reset the component prices for our customers so as to account for the increase in the prices of such raw materials. In addition, we may not be able to pass all of our raw material price increases to our customers. Our ability to adjust pricing terms with customers varies based on our specific customer relationships, market practice with respect to the particular raw material or component and other factors such as raw material content and whether medium-term price fluctuations have been factored into our component prices at the time of price finalisation.

Employee benefit expense comprise our third largest expense after raw material costs. In Fiscal 2023, Fiscal 2022 and Fiscal 2021, our employee benefit expense was ₹ 1,109.47 million, ₹ 792.98 million and ₹ 739.63 million respectively which represented 18.63%, 17.20% and 14.94% of our revenue from contracts with customers for the respective periods. We seek to improve our operational efficiency by reducing our employee benefit expenses as a percentage of our total income, notwithstanding that we are continuing to expand our business and manufacturing facilities. We also incur significant expenses towards fabrication and job charges. In Fiscal 2023, Fiscal 2022 and Fiscal 2021, expense towards fabrication and job charges was ₹ 521.25 million, ₹ 362.01 million and ₹ 306.77 million respectively which represented 8.75%, 7.85% and 6.19% of our revenue from contracts with customers for the respective periods.

Success of our newly introduced Pilot Plant Business

As part of our growth strategy, we have recently expanded our business by entering into a new business vertical of design, engineering, fabrication and manufacturing of pilot plants which acts as a pre-commercial production system to evaluate the feasibility of certain processes before the start of full-scale production. We believe that our engineering capabilities, expertise in design, fabrication and technical knowhow will enable us to successfully execute projects in this sector. New business initiatives require strategic planning and efficient use of resources. Delays in any part of the process, or our inability to obtain necessary regulatory approvals for our pilot plant manufacturing business or failure of the pilot plants which we manufacture, could adversely affect our business. Further, if we discontinue our pilot plant business, the resources utilized towards establishment of this business may not be recoverable. This may adversely affect our business, results of operation and revenues.

Due to our limited experience in undertaking these types of projects or offering the service of manufacturing pilot plants for customers, our entry into this new business segment may not be successful, which could hamper our growth and damage our reputation and this may impose additional strain on our resources and consume additional time and attention of our senior management. We may be unable to compete effectively for projects in this segment or execute the awarded projects efficiently. We may not be the supplier of first choice and may not command goodwill and trust of customers, as compared to other established players. We may present comparatively higher investment risks due to our limited operating history in the new business which we have ventured into. There can be no assurance that our limited operating history shall not adversely impact our rate of growth and our ability to succeed in realizing our growth strategy.

Reliance on sales outside India and foreign exchange rate risk

Since a significant portion of our sales are from outside India, our manufacturing facilities in Anjar (Gujarat) and Bangkok (Thailand) are strategically located with access to ports. Our Anjar I Facility is located at a distance of 24 kms from the Deendayal Port Trust (Kandla Port) and at a distance of 75 kms from the Adani Ports and Special Economic Zone (Mundra Port). Our Bangkok Facility is located at a distance of 62 kms from the Bangkok Port. For details, see "*Our Business– Our Facilities*". In the event that we are forced to shut down or decrease the capacity utilization of any of these manufacturing facilities for a significant period of time, it would have a material adverse effect on our earnings and our results of operations from sales of our products outside India, which contributes significantly to our revenue from contracts with customers as a whole. Our revenue from contracts with customers from outside India as a percentage of total revenue from contracts with customers in Fiscal 2023, Fiscal 2022 and Fiscal 2021 are given below:

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	In ₹ million	As a percentage of total revenue from contracts with customers	In ₹ million	As a percentage of total revenue from contracts with customers	In ₹ million	As a percentage of total revenue from contracts with customers
Revenue from contracts with customers from outside India	2,685.92	45.10%	1,681.48	36.48%	2,259.62	45.63%

In Fiscal 2023, we exported our products to 27 countries including Canada, Italy and Iraq. During Fiscal 2023, Fiscal 2022 and Fiscal 2021, the cost of raw material imported as a percentage of overall raw material purchase cost was 54.19%, 38.09% and 71.38%, respectively. Accordingly, we have currency exposures relating to buying and selling in currencies other than in Indian Rupees, particularly the U.S.$. The changes in the relevant exchange rates could also affect sales, operating results and assets and liabilities reported in Indian Rupees as part of our financial statements. While the exports act as a natural hedge for our raw material imports, the resulting net foreign exchange position is still affected by fluctuations in exchange rates among the U.S.$ and the Indian Rupee. Additionally, due to these fluctuations in foreign currency in Fiscal 2023 our gain/ (loss) on foreign exchange (net) was ₹ 47.10 million, ₹ (3.51) million in Fiscal 2022 and ₹ 66.27 million in Fiscal 2021. These gains and losses were related to instances where the market exchange rate at the time of transaction was in our favour or against us as compared to the rates we had applied when the transactions were accounted or hedged.

Competition

Although the piping industry provides for significant entry barriers, competition in our business is based on pricing, relationship with customers, technical competence, history of supplying quality goods along with timely delivery and history of handling changes in the engineering requirements. The success of our business depends upon our ability to anticipate and identify changes in customer preferences, offering products and services that customers require and, on our ability to develop and manufacture our products in a timely and cost-effective manner. We constantly seek to develop our innovation capabilities to distinguish ourselves from our competitors to enable us to introduce new products and services and different variant of our existing products, based on customer preferences and demand.

We face competition from companies such as ISGEC Heavy Engineering Limited in certain segments and from the pipe fabrication division of L&T Heavy Engineering in certain areas of our operations, in India as well as other international companies such as Seonghwa Industrial Co. Limited, SUNG IL (SIM) Co Ltd, US Pipe Fabrication and McDermott which either operate in the same line of business as us or offer similar products and services (*Source: D&B Report*). Few of our competitors may win market share from us by providing lower cost solutions to our customers, with or without adversely affecting their profit margins or by offering technologically advanced products or services.

Even if our offerings address industry and customer needs, our competitors may be more responsive to these needs and more successful at selling their products. If we are unable to provide our customers with superior products and services at competitive prices or successfully market those services to current and prospective customers, we could lose customers, market share or be compelled to reduce our prices. Our competitors' actions, including expanding their manufacturing capacity, expansion of their operations to newer geographies or product segments in which we compete, or the entry of new competitors into one or more of our markets could cause us to lower prices in an effort to maintain our sales volume.

SIGNIFICANT ACCOUNTING POLICIES

Set forth below is a summary of our most significant accounting policies adopted in preparation of the Restated Consolidated Summary Statements.

a. Basis of preparation of Restated Consolidated Summary Statements

The Restated Consolidated Summary Statements of the Group comprise of the Restated Consolidated Statement of Assets and Liabilities as at 31 March 2023, 31 March 2022 and 31 March 2021, the related Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Cash Flows and the Restated Consolidated Statement of Changes in Equity for years ended 31 March 2023, 31 March 2022 and 31 March 2021, and the Significant Accounting Policies and explanatory notes (collectively, the 'Restated Ind AS Consolidated Summary Statements').

These Restated Ind AS Consolidated Summary Statements have been prepared by the Management of the Holding 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 ("ICDR Regulations") for the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP') in connection with its proposed initial public offering of its equity shares, prepared by the Holding Company in terms of the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "Guidance Note").

These Restated Consolidated Summary Statements have been compiled by the Management from:

Audited consolidated financials statements of the Group as at and for years ended March 31, 2023, March 31, 2022 and March 31, 2021 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on September 22, 2023, September 24, 2022 and September 30, 2021.

The accounting policies have been consistently applied by the Group in preparation of the Restated Consolidated Summary Statements and are consistent with those adopted in the preparation of Statutory restated consolidated summary statements for the year ended March 31, 2023. These Restated Consolidated Summary Statements have been prepared for the Group as a going concern on the basis of relevant Ind AS that are effective as at March 31, 2023.

The Restated Consolidated Summary Statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Defined benefits plan - plan assets measured at fair value;

The Restated Consolidated Summary Statements are presented in Indian Rupees "INR" or "Rs." and all values are stated as INR or Rs. millions, except when otherwise indicated.

b. Basis of consolidation

The Restated Consolidated Summary Statements comprises the summary statements of the Holding Company, its subsidiaries and jointly controlled entity. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

- Exposure, or rights, to variable returns from its involvement with the investee, and

- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee

- Rights arising from other contractual arrangements

- The Group's voting rights and potential voting rights

- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Restated Consolidated Summary Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Restated Consolidated Summary Statements 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 Summary Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the Restated Consolidated Summary Statements to ensure conformity with the group's accounting policies.

The restated consolidated summary statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Parent Company i.e. year ended on March 31, 2023, March 31, 2022 and March 31, 2021.

Consolidation procedures are:

(i) Subsidiaries

(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 Summary Statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Restated Consolidated Summary Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

(ii) **Investment in jointly controlled entity**

A jointly controlled entity is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the jointly controlled entity. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its jointly controlled entity are accounted for using the equity method. Under the equity method, the investment in a jointly controlled entity is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the jointly controlled entity since the acquisition date. Goodwill relating to the jointly controlled entity is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the jointly controlled entity. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the jointly controlled entity, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the jointly controlled entity are eliminated to the extent of the interest in the jointly controlled entity.

If Group's share of losses of a jointly controlled entity equals or exceeds its interest in the jointly controlled entity (which includes any long term interest that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the jointly controlled entity. If the jointly controlled entity subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a jointly controlled entity is shown on the face of the Restated Consolidated Statement of Profit and Loss.

The Summary Statements of the jointly controlled entity are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its jointly controlled entity. At each reporting date, the Group determines whether there is objective evidence that the investment in the jointly controlled entity is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the jointly controlled entity and its carrying value, and then recognises the loss as 'Share of profit of a jointly controlled entity in the statement of profit or loss.

Upon loss of significant influence over the joint control over the jointly controlled entity, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the jointly controlled entity upon loss of significant influence or joint control and the fair value of the retained investment less cost to sell is recognised in profit or loss.

The Group discontinue the use of equity method from the date the investment is classified as held for sale in accordance with Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations and measures the interest in associate and jointly controlled entity held for sale at the lower of its carrying amount and fair value less cost to sell.

c. Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

d. Use of Estimates

The preparation of Restated Consolidated Summary Statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of income and expenses of the period, reported balances of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Examples of such estimates include provisions for doubtful debts and advances, future obligations under employee retirement benefit plans, useful lives of fixed assets, contingencies, etc. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between actual result and estimates are recognised in the period in which the results are known/materialise.

e. Current vs Non Current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time 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.

f. Foreign currencies

The Group financial statements are presented in INR, which is also the Group's functional currency. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. For the purpose of consolidation into the financial statement of ultimate parent Group, these financial statements are presented in INR, being the functional and presentation currency of ultimate parent Group. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Transaction and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

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. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

g. Revenue from contract or services with customer

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group collects Goods and service tax (GST) on behalf of the government and therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of Goods

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the equipment. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

In determining the transaction price for the sale of equipment, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Rendering of Services

Revenue from errection service and job work is recognised as per the contractual terms and as and when services are rendered. The Group collects Goods and service tax (GST) on behalf of the government and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue.

Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

Sale of Electricity

Revenue from sales of electricity is billed on the basis of recording of supply of electricity through installed meters. Revenue from sales of electricity is accounted for on the basis of billing to customers based on billing cycles followed by the group.

h. Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (w) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the

Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract

i. Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e., by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

j. Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. 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 provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax includes Minimum Alternate Tax (MAT) and recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have any convincing evidence that it will pay normal tax during the specified period.

For operations carried out under tax holiday period (80IA benefit of Income Tax Act, 1961), deferred tax asset or liabilities if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday period ends.

k. Property, Plant and Equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. All the property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long- term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The group, based on technical assessment made by technical expert and management estimate, depreciates plant and machineries of piping division over estimated useful lives of 15 to 25 years which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

In case of other assets, depreciation has been provided on straight line method on the economic useful life prescribed by Schedule II to the Companies Act'2013. Depreciation on addition to or on disposal of Fixed Asset is calculated on pro rata basis. Addition, to Fixed Assets costing less than or equal to Rs. 5,000 are depreciated fully in the year of purchase.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

l. 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.. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation of intangible assets is allocated on systematic basis over the best estimate of their useful life and accordingly software's are amortised on straight line basis over the period of six years or license period whichever is lower.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised. The Group has no intangible assets with an indefinite life.

m. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

n. 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 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.

(a) Right-of-use asset

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, as follows:

Particulars	Useful life (years) As per Management
Leasehold Land	5-10
Computer and data processing equipment	4
Plant & Machinery	5

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (2.n) Impairment of non-financial assets.

(b) 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 or a change in the assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

o. Inventories

Inventories

Raw materials, Stores, Spares, Packing materials and Traded Goods	Lower of cost and net realizable value. However, materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated, are expected to be sold at or above cost. Cost is determined on weighted average cost basis. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
Finished goods	Lower of cost and net realizable value. 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 cost basis. Cost of finished goods includes excise duty, wherever applicable.
Work in Progress	Work in Progress is valued at the lower of actual cost incurred or net realizable value. Net realisable value is determined after deducting estimated cost expected to be incurred for completion of work. Cost includes direct materials, labour and proportionate overheads. Cost is determined on weighted average cost basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

p. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

q. Provisions

A provision is recognised when Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. If the effect of time value of money is material, provisions are discounted using a pre-tax rate that reflects when appropriate, the risks specific to the liability.

r. Retirement and Other Employee Benefits

(i) Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

(ii) Gratuity is a defined benefit plan and provision is being made on the basis of actuarial valuation carried out by an independent actuary at the year end using projected unit credit method, and is contributed to the Gratuity fund managed by the Life Insurance Corporation of India.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated Absences

Accumulated leave which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long- term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to statement of Profit and Loss in the period in which they occur. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets.

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- ➢ All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Group is required to use the remaining contractual term of the financial instrument

- ➢ Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the Profit and Loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, trade and other payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including cash credit and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

s. Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

t. Fair Value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

u. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions and contingent liabilities are reviewed at each balance sheet date.

v. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors identified as chief operating decision- maker (CODM). The CODM is responsible for allocating resources and assessing performance of the operating segments. Segments are organised based on type of services delivered or provided. Segment revenue arising from third party customers is reported on the same basis as revenue in the group Ind AS financial statements. Segment results represent profits before unallocated corporate expenses and taxes. "Unallocated Corporate Expenses" include expenses that relate to costs attributable to the Group as a whole and are not attributable to segments.

w. 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, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above as they are considered an integral part of the Group's cash management.

x. Dividend Distributions

The Group recognises a liability to make cash to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

y. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (after Tax) for the year attributable to equity shareholders of holding Co. by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit or loss (after Tax) for the year attributable to equity shareholders of holding Co. by the weighted average number of equity shares which would be issued on the conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

NEW AND AMENDED STANDARD

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, to amend the following Ind AS which are effective from April 01, 2022.

(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

An onerous contract is a contract under which the unavoidable cost of meeting the obligations under the contract (i.e., the costs that the Group cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2022. This amendment had no impact on the Restated Consolidated Summary Statements of the Group.

(ii) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Group applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the Restated Consolidated Summary Statements of the Group as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

(iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. These amendments had no impact on the Restated Consolidated Summary Statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

(iv) Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply the exemption in paragraph D16(a) of Ind AS 101 to measure cumulative translation differences for all foreign operations in its financial statements using the amounts reported by the parent, based on the parent's date of transition to Ind AS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also available to an associate or jointly controlled entity that uses exemption in paragraph D16(a) of Ind AS 101.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022 but do not apply to the Group as it is not a first-time adopter.

(v)Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

In accordance with the transitional provisions, the Group applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the Restated Consolidated Summary Statements of the Group as there were no modifications of the Group's financial instruments during the year.

(vi) Ind AS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of Ind AS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of Ind AS 41.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments had no impact on the Restated Consolidated

Summary Statements of the Group as it did not have assets in scope of IAS 41 as at the reporting date.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Group's financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107. The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The Group is currently assessing the impact of the amendments.

KEY COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS

Set forth below are the key components of our statement of profit and loss from our continuing operations:

Total Income

Our total income comprises (i) revenue from contracts with customers; and (ii) other income.

Revenue from Contracts with Customers

Revenue from contracts with customers comprises (i) sale of finished goods (includes job work); (ii) sale of traded goods; (iii) sale of electricity; (iv) sale of service; (v) erection and design services; and (vi) other operating income, which includes (a) sale of scrap; and (b) export incentive.

Other Income

Other income primarily comprises (i) gain on foreign exchange (net); (ii) liability no longer required written back; (iii) interest income; (iv) miscellaneous income; and (v) authorization of deferred revenue.

Expenses

Our expenses primarily comprise (i) cost of raw materials consumed; (ii) employee benefits expenses; (iii) depreciation and amortisation expenses; (iv) finance costs; (v) purchases of traded goods; (vi) changes in inventories of finished goods, traded goods and work in progress; and (vii) other expenses.

Cost of raw materials consumed

Cost of materials consumed comprises costs from consumption of raw materials.

Purchases of traded goods

Purchases of traded goods comprises expense from purchase of traded goods.

Changes in inventories of finished goods, traded goods and work in progress

Changes in inventories of finished goods, traded goods and work in progress is based on calculating the difference between the closing stock and the opening stock.

Employee Benefits Expense

Employee benefit expense primarily comprises (i) salaries, wages and bonus; (ii) contribution to provident and other funds; (iii) gratuity expense; and (iv) staff welfare expenses.

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses primarily comprise (i) depreciation on tangible assets; (ii) amortisation of intangible assets; and (iii) depreciation on right of use of assets.

Finance Costs

Finance costs primarily comprise (i) interest expense on term loans and working capital loans; (ii) interest on lease liability (iii) other borrowing cost; and (iv) exchange difference regarded as an adjustment to borrowing cost.

Other Expenses

Other expenses comprise expense on (i) consumption of stores and spare parts; (ii) packing material consumed; (iii) fabrication and job charges; (iii) power, fuel and water charges; (iv) radiography and inspection; (v) freight and forwarding (net of recovery); (vi) legal and professional; (vii) repair and maintenance; (viii) office and factory maintenance; (ix) rent; (x) equipment hire charges; (xi) rates and taxes; (xii) insurance; (xiii) auditor's remuneration; (xiv) selling commission and other selling expenses; (xv) claims and deductions; (xvi) travelling and conveyance expense; (xvii) bank charges; (xviii) loss on foreign exchange (net); (xix) sundry balances written; (xx) impairment of investments in jointly controlled entities; (xxi) loss on sale/discard of property, plant and equipment (net); (xxii) donation; (xxiii) security and servicing charges; (xxiv) corporate social responsibility expenses; (xxv) directors' sitting fees; and (xxvi) miscellaneous.

Tax Expense

Tax expense consists of current tax, deferred tax charge/(credit) and adjustment of tax relating to earlier years.

RESULTS OF OPERATIONS

The following tables set forth our selected financial data from our restated consolidated statement of profit and loss for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, the components of which are also expressed as a percentage of total income for such years:

Particulars	For the year ended March 31					
	2023		2022		2021	
	In ₹ million	As a percentage of total revenue from contracts with customers	In ₹ million	As a percentage of total revenue from contracts with customers	In ₹ million	As a percentage of total revenue from contracts with customers
I. Income						
Revenue from contracts with customers	5,954.95	100.00%	4,609.16	100.00%	4,952.17	100.00%
Other income	188.25	3.16%	99.23	2.15%	178.09	3.60%
Total income (I)	**6,143.20**	**103.16%**	**4,708.39**	**102.15%**	**5,130.26**	**103.60%**
II. Expenses						
Cost of raw materials consumed	2,261.00	37.97%	1,948.97	42.28%	1,984.71	40.08%
Purchases of traded goods	28.90	0.49%	11.35	0.25%	9.57	0.19%
(Increase) in inventories of finished goods, traded goods and work in progress	(387.68)	(6.51)%	(242.10)	(5.25)%	370.04	7.47%
Employee benefits expenses	1,109.47	18.63%	792.98	17.20%	739.63	14.94%
Finance costs	299.02	5.02%	253.37	5.50%	271.28	5.48%
Depreciation and amortization expenses	377.27	6.34%	358.99	7.79%	355.37	7.18%
Other expenses	2,251.50	37.81%	1,451.89	31.50%	1,311.38	26.48%
Total expenses (II)	**5,939.48**	**99.74%**	**4,575.45**	**99.27%**	**5,041.98**	**101.81%**
Restated Profit before tax (I-II)	**203.72**	**3.42%**	**132.94**	**2.88%**	**88.28**	**1.78%**
Share of profit of a Jointly controlled entity	-	-	-	-	1.21	0.02%
III. Restated Profit before tax (I-II)	**203.72**	**3.42%**	**132.94**	**2.88%**	**89.49**	**1.81%**
IV. Tax expenses:						
Current tax	85.25	1.43%	67.75	1.47%	73.08	1.48%
Adjustment of tax related to earlier years	(0.34)	(0.01)%	(2.98)	(0.06)%	(1.27)	(0.03)%
Deferred tax charge/ (credit)	(10.91)	(0.18)%	(13.80)	(0.30)%	(124.37)	(2.51)%
Total tax expenses (IV)	**74.00**	**1.24%**	**50.97**	**1.11%**	**(52.56)**	**(1.06)%**
V. Restated Profit for the year (III-IV)	**129.72**	**2.18%**	**81.97**	**1.78%**	**142.05**	**2.87%**

FISCAL 2023 COMPARED TO FISCAL 2022

Total Income

Total income increased by 30.47% from ₹ 4,708.39 million in Fiscal 2022 to ₹ 6,143.20 million in Fiscal 2023 primarily due to operations resuming post the COVID-19 pandemic, with the manufacturing facilities running at a higher capacity as compared to Fiscal 2022, additions of new facilities, better order book during Fiscal 2023 and writing back of excess liabilities pertaining to one of our customers pursuant to a settlement agreement.

Revenue from Contracts with Customers

Revenue from contracts with customers increased by 29.20% from ₹ 4,609.16 million in Fiscal 2022 to ₹ 5,954.95 million in Fiscal 2023 primarily due to increase in job work from ₹ 910.50 million in Fiscal 2022 to ₹ 2,229.86 million in Fiscal 2023, increase in sale of finished goods from ₹ 2,806.36 million in Fiscal 2022 to ₹ 2,836.19 million in Fiscal 2023 and increase in sale of traded goods from ₹ 16.60 million in Fiscal 2022 to ₹ 46.74 million in Fiscal 2023. This was partially offset by a decrease in the sale of electricity from ₹ 781.54 million in Fiscal 2022 to ₹ 737.59 million in Fiscal 2023.

Other income

Other income increased by 89.71% from ₹ 99.23 million in Fiscal 2022 to ₹ 188.25 million in Fiscal 2023 primarily due to increase in gain/ (loss) on foreign exchange (net) from ₹ Nil in Fiscal 2022 to ₹ 47.10 million in Fiscal 2023, increase in profit in sale of property, plant and equipment (net) from ₹ Nil in Fiscal 2022 to ₹ 19.80 million in Fiscal 2023 and an increase in writing back of excess liabilities, pertaining to one of our customers pursuant to a settlement agreement reached with the customer from ₹ nil in Fiscal 2022 to ₹ 36.20 million in Fiscal 2023. This was partially offset by a decrease in amortization of deferred revenue from ₹ 49.01 million in Fiscal 2022 to ₹ 21.50 million in Fiscal 2023.

Expenses

Total expenses increased by 29.81% from ₹ 4,575.45 million in Fiscal 2022 to ₹ 5,939.48 million in Fiscal 2023 primarily due to an increase in the cost of raw materials consumed, increase in employee benefits expense and an increase in depreciation and amortization expenses.

Cost of raw materials consumed

Cost of materials consumed increased by 16.01% from ₹ 1,948.97 million in Fiscal 2022 to ₹ 2,261.00 million in Fiscal 2023 primarily due to purchase of additional raw material.

Purchases of traded goods

Purchases of traded goods increased by 154.63% from ₹ 11.35 million in Fiscal 2022 to ₹ 28.90 million in Fiscal 2023 primarily due to purchase of additional traded goods for onward selling to customers.

(Increase) in inventories of finished goods, traded goods and work in progress

Inventories of finished goods, traded goods and work-in-progress increased by 60.13% from ₹ (242.10) million in Fiscal 2022 to ₹ (387.68) million in Fiscal 2023 primarily due to increase in the quantum of job work undertaken by the Company in Fiscal 2023 as compared to Fiscal 2022, which was complemented by the increase in the number of locations where the Company was undertaking job works from one manufacturing facility (Palwal) in Fiscal 2022 to three manufacturing facilities (Palwal, Anjar and Barmer) in Fiscal 2023.

Employee benefits expense

Employee benefits expenses increased by 39.91% from ₹ 792.98 million in Fiscal 2022 to ₹ 1,109.47 million in Fiscal 2023 primarily due to increase in salaries, wages and bonus from ₹ 744.39 million in Fiscal 2022 to ₹ 1,046.39 million in Fiscal 2023 and an increase in staff welfare expenses from ₹ 18.37 million in Fiscal 2022 to ₹ 28.24 million in Fiscal 2023, which is due to an increase in the number of employees in our Company.

Finance costs

Finance costs increased by 18.02% from ₹ 253.37 million in Fiscal 2022 to ₹ 299.02 million in Fiscal 2023 primarily due to increase in interest expense on term loans from ₹ 43.93 million in Fiscal 2022 to ₹ 55.88 million in Fiscal 2023, and an increase in interest expense on working capital loans ₹ 185.14 million in Fiscal 2022 to ₹ 214.95 million in Fiscal 2023.

Depreciation and amortisation expense

Depreciation and amortisation expenses increased by 5.09% from ₹ 358.99 million in Fiscal 2022 to ₹ 377.27 million in Fiscal 2023 primarily due to increase in depreciation on tangible assets from ₹ 343.17 million in Fiscal 2022 to ₹ 352.44 million in Fiscal 2023, and an increase in depreciation on right of use assets from ₹ 9.26 million in Fiscal 2022 to ₹ 15.83 million in Fiscal 2023, which is due to the addition of building and plant and machinery in our new facilities.

Other expenses

Other expenses increased by 55.07% from ₹ 1,451.89 million in Fiscal 2022 to ₹ 2,251.50 million in Fiscal 2023 primarily due to an increase in consumption of stores and spare parts from ₹ 308.82 million in Fiscal 2022 to ₹ 532.33 million in Fiscal 2023, an increase in fabrication and job charges from ₹ 362.01 million in Fiscal 2022 to ₹ 521.25 million in Fiscal 2023, an increase in power, fuel and water charges from ₹ 116.57 million in Fiscal 2022 to ₹ 157.26 million in Fiscal 2023, an increase in freight and forwarding (net of recovery) from ₹ 61.21 million in Fiscal 2022 to ₹ 116.52 million in Fiscal 2023 and an increase in legal and professional from ₹ 66.97 million in Fiscal 2022 to ₹ 103.29 million in Fiscal 2023.

Restated Profit before tax

Our restated profit before tax increased by 53.24% from ₹ 132.94 million in Fiscal 2022 to ₹ 203.72 million in Fiscal 2023 primarily due to increase in revenue from contracts with customers.

Tax Expense

Total tax expense (current and deferred) increased by 45.18% from ₹ 50.97 million in Fiscal 2022 to ₹ 74.00 million in Fiscal 2023 primarily due to increase in total income.

- Current tax expense increased by 25.83% from ₹ 67.75 million in Fiscal 2022 to ₹ 85.25 million in Fiscal 2023 primarily due to an increase in the total income; and

- Deferred tax (credit) decreased by 20.94% from ₹ (13.80) million in Fiscal 2022 to ₹ (10.91) million in Fiscal 2023 primarily due to an increase in the total income.

Restated Profit for the year

Restated Profit for the year increased by 58.25% from ₹ 81.97 million in Fiscal 2022 to ₹ 129.72 million in Fiscal 2023 primarily due to an increase in total income.

FISCAL 2022 COMPARED TO FISCAL 2021

Total Income

Total income decreased by 8.22% from ₹ 5,130.26 million in Fiscal 2021 to ₹ 4,708.39 million in Fiscal 2022 primarily due to restrictions imposed due to the COVID-19 pandemic, which also resulted in a shutdown of the entire chain of sales and marketing globally. Further procurement, operations, logistics and delivery of final products were negatively impacted due to the COVID-19 pandemic.

Revenue from Contracts with Customers

Revenues from operations decreased by 6.93% from ₹ 4,952.17 million in Fiscal 2021 to ₹ 4,609.16 million in Fiscal 2022 primarily due to a decrease in the sale of finished goods from ₹ 3,485.63 million in Fiscal 2021 to ₹ 2,806.36 million in Fiscal 2022. This was partially offset by an increase in the sale of electricity from ₹ 660.27 million in Fiscal 2021 to ₹ 781.54 million in Fiscal 2022 and an increase in job work from ₹ 687.94 million in Fiscal 2021 to ₹ 910.50 million in Fiscal 2022.

Other income

Other income decreased by 44.28% from ₹ 178.09 million in Fiscal 2021 to ₹ 99.23 million in Fiscal 2022 primarily due to a decrease in the gain on foreign exchange (net) from ₹ 66.27 million in Fiscal 2021 to ₹ Nil in Fiscal 2022 and a decrease in amortization of deferred revenue from ₹ 64.28 million in Fiscal 2021 to ₹ 49.01 million in Fiscal 2022.

Expenses

Total expenses decreased by 9.25% from ₹ 5,041.98 million in Fiscal 2021 to ₹ 4,575.45 million in Fiscal 2022 primarily due to an increase in inventories of finished goods, traded goods and work in progress. Such decrease was in line with the decrease in total income.

Cost of raw materials consumed

Cost of materials consumed decreased by 1.80% from ₹ 1,984.71 million in Fiscal 2021 to ₹ 1,948.97 million in Fiscal 2022 primarily due to lower quantity of raw materials purchased.

Purchases of traded goods

Purchases of traded goods increased by 18.60% from ₹ 9.57 million in Fiscal 2021 to ₹ 11.35 million in Fiscal 2022 primarily due to purchase of additional traded goods for onward selling to customers.

(Increase) in inventories of finished goods, traded goods and work in progress

Inventories of finished goods, traded goods and work-in-progress increased by 165.43% from ₹ 370.04 million in Fiscal 2021 to ₹ (242.10) million in Fiscal 2022 primarily due to higher quantum of job works undertaken in Fiscal 2022 as compared to Fiscal 2021 and disruption in the logistics chain due to the Russia Ukraine war.

Employee benefits expense

Employee benefits expenses increased by 7.21% from ₹ 739.63 million in Fiscal 2021 to ₹ 792.98 million in Fiscal 2022 primarily due to an increase in salaries, wages and bonus from ₹ 693.44 million in Fiscal 2021 to ₹ 744.39 million in Fiscal 2022.

Finance costs

Finance costs decreased by 6.60% from ₹ 271.28 million in Fiscal 2021 to ₹ 253.37 million in Fiscal 2022 primarily due to a decrease in the interest expense on term loans ₹ 106.81 million in Fiscal 2021 to ₹ 43.93 million in Fiscal 2022 and a decrease in other borrowing cost from ₹ 27.08 million in Fiscal 2021 to ₹ 15.23 million in Fiscal 2022. This was partially offset by an increase in interest on working capital loans from ₹ 128.80 million in Fiscal 2021 to ₹ 185.14 million in Fiscal 2022

Depreciation and amortisation expense

Depreciation and amortisation expenses increased by 1.02% from ₹ 355.37 million in Fiscal 2021 to ₹ 358.99 million in Fiscal 2022 primarily due to increase in depreciation on tangible assets from ₹ 337.40 million in Fiscal 2021 to ₹ 343.17 million in Fiscal 2022. This was partially offset by a decrease in the amortisation of intangible assets from ₹ 10.29 million in Fiscal 2021 to ₹ 6.56 million in Fiscal 2022.

Other expenses

Other expenses increased by 10.71% from ₹ 1,311.38 million in Fiscal 2021 to ₹ 1,451.89 million in Fiscal 2022 primarily due to increase in consumption of stores and spare parts from ₹ 244.16 million in Fiscal 2021 to ₹ 308.82 million in Fiscal 2022, increase in packing material consumed from ₹ 119.30 million in Fiscal 2021 to ₹ 145.83 million in Fiscal 2022, increase in fabrication and job charges ₹ 306.77 million in Fiscal 2021 to ₹ 362.01 million in Fiscal 2022. This was partially offset by a decrease in the freight and forwarding (net of recovery) from ₹ 100.88 million in Fiscal 2021 to ₹ 61.21 million in Fiscal 2022.

Restated Profit before tax

Our restated profit before tax increased by 48.55% from ₹ 89.49 million in Fiscal 2021 to ₹ 132.94 million in Fiscal 2022 primarily due to increase in closing stock (work-in-progress and finished goods) and decrease in finance cost.

Tax Expense

Total tax expense (current and deferred) increased by 196.97% from ₹ (52.56) million in Fiscal 2021 to ₹ 50.97 million in Fiscal 2022 primarily due to increase in deferred tax expenses:

- Current tax expense decreased by 7.29% from ₹ 73.08 million in Fiscal 2021 to ₹ 67.75 million in Fiscal 2022 primarily and due to decrease in total income; and

- Deferred tax (credit) decreased by 88.90% from ₹ (124.37) million in Fiscal 2021 to ₹ (13.80) million in Fiscal 2022 primarily due to decrease in deferred tax expenses (credit). Decrease in deferred tax (credit) was owned to change in tax regime, the tax rate in the old regime was 34.94%, while the new tax rate had reduced to 25.17%, further it was also impacted by the loss and depreciation in DEE Fabricom which was carried forward in Fiscal 2022.

Restated Profit for the year

Restated Profit for the year decreased by 42.29% from ₹ 142.05 million in Fiscal 2021 to ₹ 81.97 million in Fiscal 2022 primarily due to decrease in revenue from contracts with customers.

LIQUIDITY AND CAPITAL RESOURCES

Capital Requirements

Our principal capital requirements are for payment of capital expenditure and working capital. Our principal source of funding has been and is expected to continue to be, cash generated from our operations, supplemented by borrowings from banks and financial institutions and optimization of operating working capital. For Fiscal 2023, Fiscal 2022 and Fiscal 2021, we met our funding requirements, including satisfaction of debt obligations, capital expenditure, investments, other working capital requirements and other cash outlays, principally with funds generated from operations, optimization of operating working capital with the balance met from external borrowings.

Liquidity

Our liquidity requirements arise principally from our operating activities, capital expenditures for construction of new facilities, expansion of existing facilities, the repayment of borrowings and debt service obligations. Historically, our principal sources of funding have included cash from operations, short-term and long-term borrowings from financial institutions, cash and cash equivalents.

Cash

Our anticipated cash flows are dependent on various factors that are beyond our control. See "*Risk Factors*" beginning on page 27. The following table sets forth certain information relating to our cash flows in Fiscal 2023, 2022 and 2021:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
	(in ₹ million)		
Net cash flows from operating activities	139.39	671.47	955.42
Net cash flows used in investing activities	(519.73)	(221.46)	(67.73)
Net cash flows from/ (used) in financing activities	395.13	(497.15)	(875.87)
Net increase/ (decrease) in cash and cash equivalents	14.79	(47.14)	11.82
Cash and cash equivalents at the end of the year end	18.18	3.39	50.53

Cash Flows from Operating Activities

Fiscal 2023

We generated ₹139.39 million net cash from operating activities during Fiscal 2023. Restated Profit before tax for Fiscal 2023 was ₹203.72 million. Adjustments to reconcile profit before tax to operating profit before working capital changes primarily consisted of depreciation and amortization expenses of ₹ 377.27 million and finance costs of ₹ 299.02 million. This was partially offset by unrealized (gain) on foreign exchange (net) of ₹ 64.21 million and liabilities no longer required written back of ₹ 36.20 million.

Our adjustments for working capital changes for Fiscal 2023 primarily consisted of an increase in trade payable of ₹ 334.62 million, an increase in trade receivables of ₹ 212.88 million, an increase in inventories of ₹ 471.49 million and a decrease in other liabilities of ₹ 25.81 million.

Cash generated from operations in Fiscal 2023 amounted to ₹ 198.44million. This was offset by income tax paid of ₹ 59.05 million.

Fiscal 2022

We generated ₹671.47 million net cash from operating activities during Fiscal 2022. Restated Profit before tax for Fiscal 2022 was ₹132.94 million. Adjustments to reconcile profit before tax to operating profit before working capital changes primarily consisted of depreciation and amortization expenses of ₹ 358.99 million and finance cost of ₹ 253.37 million. This was partially offset by finance income of ₹ 13.48 million.

Our adjustments for working capital changes for Fiscal 2022 primarily consisted of a decrease in trade receivables of ₹ 454.82 million, an increase in trade payables of ₹ 241.48 million and an increase in inventories of ₹ 576.46 million.

Cash generated from operations in Fiscal 2022 amounted to ₹ 735.10 million. This was offset by income tax paid of ₹ 63.63 million.

Fiscal 2021

We generated ₹ 955.42 million net cash from operating activities during Fiscal 2021. Restated Profit before tax for Fiscal 2021 was ₹89.49 million. Adjustments to reconcile profit before tax to operating profit before working capital changes primarily consisted of depreciation and amortization expenses of ₹ 355.37 million and finance costs of ₹ 271.28 million. This was partially offset by finance income of ₹ 22.31 million.

Our adjustments for working capital changes for Fiscal 2021 primarily consisted of a decrease in inventories of ₹ 635.78 million, an increase in trade payables of ₹ 65.36 million and a decrease in other liabilities of ₹ 289.34 million.

Cash generated from operations in Fiscal 2021 amounted to ₹ 1,026.18 million. This was offset by income tax paid of ₹ 70.76 million.

Cash Flow used in Investing Activities

Fiscal 2023

Net cash used in investing activities was ₹ (519.73) million in Fiscal 2023, primarily on account of purchase of property, plant and equipment, capital work in progress and intangible assets of ₹ (586.45) million and investments in bank deposits of ₹ (264.34) million. This was partially offset by proceeds from redemption/maturity of bank deposits of ₹ 224.62 million.

Fiscal 2022

Net cash used in investing activities was ₹221.46 million in Fiscal 2022, primarily on account of purchase of property, plant and equipment, capital work in progress of and intangible assets ₹ (263.17) million and investments in bank deposits of ₹ (133.16) million. This was partially offset by proceeds from redemption/maturity of bank deposits of ₹ 86.52 million.

Fiscal 2021

Net cash used in investing activities was ₹67.73 million in Fiscal 2021, primarily on account of purchase of property, plant and equipment, capital work in progress and intangible assets of ₹168.63 million and investment in bank deposits of ₹158.71 million. This was partially offset by proceeds from redemption/ maturity of bank deposits of ₹ 168.84 million.

Cash Flow from/used in Financing Activities

Fiscal 2023

Net cash used in financing activities was ₹395.13 million in Fiscal 2023, primarily on account of proceeds from long term borrowings of ₹ 926.08 million and proceeds from short term borrowings of ₹ 551.22 million. This was partially offset by repayment of borrowing of ₹ 710.32 million.

Fiscal 2022

Net cash used in financing activities was ₹ (497.15) million in Fiscal 2022, primarily on account of repayment of borrowing of ₹ (337.84) million, interest paid of ₹ (287.04) million and buy back of Equity Shares of ₹ (503.40) million. This was partially offset by proceeds from long term borrowings of ₹ 258.44 million and proceeds from short term borrowings of ₹ 384.31 million.

Fiscal 2021

Net cash from financing activities was ₹ (875.87) million in Fiscal 2021, primarily on account of repayment of short term borrowing of ₹ (398.84) million, repayment of long term borrowing of ₹ (530.63) million and interest paid of ₹ (318.41) million. This was partially offset by proceeds from long term borrowings of ₹ 380.51 million.

FINANCIAL INDEBTEDNESS

As of July 31, 2023 we had total borrowings of ₹ 3,420.04 million. Our total borrowing to equity ratio was 83.23 as of March 31, 2023. For further information on our indebtedness, see "*Financial Indebtedness*" on page 342. CARE has assigned our long term bank facilities a rating of BBB+ and our short term bank facilities a rating of A2 on October 10, 2022.

The following table sets forth certain information relating to our outstanding indebtedness as of March 31, 2023, March 31, 2022 and March 31, 2021:

(*in ₹ million*)

A)	**Non-current borrowings**	**Non-current portion**			**Current maturities**		
	Particulars	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
	Secured						
	Term Loan						
	a. From banks	519.66	448.31	493.90	214.27	269.33	273.65
	b. Vehicle loan from banks	24.93	19.90	19.21	10.05	8.08	9.27
	Unsecured	-	0.00	-	-	-	-
	a. From directors	32.50	-	-	30.54	-	-
	b. From relative of directors	32.88	-	-	-	-	-
	c. Banyan Tree	-	-	-	20.55	26.58	55.51
	d. Other loans	8.22	-	-	-	-	-
		618.19	**468.21**	**513.11**	**275.41**	**303.99**	**338.43**
	Less: current maturities of longterm debts disclosed under 'current borrowings'	-	-	-	(275.41)	(303.99)	(338.43)
	Total	**618.19**	**468.21**	**513.11**	**-**	**-**	**-**

Repayment schedule of non-current borrowing:

Particulars	Tenure	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
		INR	Repayment Instalments	INR	Repayment Instalments	INR	Repayment Instalments
(i) 1 YR MCLR of 7.25% + BSS of 0.30% +CRP of 0.40% presently effectively 7.95% p.a. (31 March 2022: 1 YR MCLR of 7.25% + BSS of 0.20% +CRP of 1.20% effectively 8.65%- 8.95% p.a.) (31 March 2021 : 1 YR MCLR of 7.35% + BSS of 0.20% +CRP of 1.40% effectively 8.80%- 8.95% p.a.)	June 2024	4.50	1 equal quarterly instalments	22.50	5 equal quarterly instalments	42.65	1-9 equal quarterly instalments
(ii) 3 Month TB + 2.46% presently effectively 9.53% p.a.	July, 2027	104.99	14 equal quarterly instalments	-		-	
(iii) 1 Year MCLR + 1%, presently 8.25% effectively with monthly rest (31 March 2022: 1 Year MCLR +1%, 8.25% effectively with monthly rest (March 31 2021: 7.35% effectively with monthly rest)	October, 2026	96.23	31 equal monthly instalments	133.49	43 equal monthly instalments	36.14	6 equal monthly instalments
(iv) 'Presently 7.5% p.a to 10.35% p.a (31 March 2022: 7.50% to 10.35% p.a. (31 March 2021:11.00%)	June, 2025	15.94	2-15 Equal monthly instalments	16.59	14-27 equal monthly instalments	27.34	24-39 equal monthly instalments
(v) Presently MLR- 0.25% p.a., (31 March 2022: 3M LIBOR plus 3.30% p.a.), (31 March 2021: 3M LIBOR plus 3.30% p.a.)	Feb, 2028	202.98	47 Equal monthly instalments	108.65	4 equal quarterly instalments	216.59	8 equal quarterly instalments
(vi) Presently 8% to 8.60%. (31 March 2022: 8% to 8.60%), (31 March 2021: 10% to 10.10%)	Sep, 2026	79.45	5 equal quarterly instalments and 30 Monthly installments	138.23	9 equal quarterly instalments and 42 Monthly instalments	171.18	13 equal quarterly instalments
(vii) Repo rate+3.60% presently 10.10%	May, 2025	15.57	14 equal monthly instalments	28.85	26 Monthly instalments	-	
(viii) Presently 8.35% to 10.15%, (31 March 2022: 8.35% to 10.15%) (31 March 2021: 8.35% to 10.15%.)	June, 2027	18.84	19-48 equal monthly instalments	9.15	1-20 equal monthly instalments	2.15	1-20 equal monthly instalments
(ix) Presently 4.18% to 6.52% p.a. (31 March 2022: 4.18% to 6.52% p.a.) - (31 March 2021: 4.18% to 6.52% p.a.)	July, 2026	6.09	5-28 equal monthly instalments	10.75	5-28 equal monthly instalments	17.06	9-37 equal monthly instalments
Unsecured							
(x) Presently 14% - p.a., (31 March 2022: Nil) (31 March 2021: Nil) p.a.	December, 2024	8.22	Annually	-		-	
(xi) Interest free loans from directors	December, 2024	32.50	Annually	-		-	
(xii) Presently 8% - p.a., (31 March 2022:Nil) (31 March 2021: Nil) p.a.	December, 2024	32.88	Annually	-		-	
		618.19		**468.21**		**513.11**	

CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS

As of March 31, 2023, March 31, 2022 and March 31, 2021 our contingent liabilities as per Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets, that have not been provided for, were as follows:

(*in ₹ million*)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Contingent liabilities:			

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
a) Claims against the company not acknowledged as debt			
Demand by Income Tax Department	19.99	18.76	16.58
Demand by Excise Authorities	3.94	3.94	3.94
Claim filed by a supplier	-	-	1.23
b) Custom duty liability which may arise if obligations for exports are not fulfilled	1.80	99.96	-
c) Export obligation on account of duty free import	20.64	1149.57	-

For further information on our contingent liabilities as at March 31, 2021, March 31, 2022 and March 31, 2023 as per Ind AS 37, see "*Financial Information*" on page 268.

Except as disclosed elsewhere in this Draft Red Herring Prospectus, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The following table sets forth certain information relating to future payments due under known contractual commitments as of March 31, 2023, March 31, 2022 and March 31, 2021 aggregated by type of contractual obligation:

(*in ₹ million*)

Particulars	<less than 12 months	1 to 5 years	> 5 years	Total
Year ended 31 March 2023				
Non-current borrowings	-	691.54	-	691.54
Current borrowings	2,966.77	-	-	2,966.77
Trade payables	1,320.75	-	-	1,320.75
Lease liability	27.41	80.05	42.89	150.35
Foreign exchange forward contract	17.04	-	-	17.04
Other financial liabilities	64.58	-	-	64.58
	4,396.55	**771.59**	**42.89**	**5,211.03**
Year ended 31 March 2022	-	-	-	
Long term borrowings	-	566.51	-	566.51
Short term borrowings (includes current maturity of long term borrowings)	2,441.25	-	-	2,441.25
Trade payables	1,036.30	-	-	1,036.30
Lease liability	12.09	38.88	16.74	67.71
Other financial liabilities	41.25	-	-	41.25
	3,530.89	**605.39**	**16.74**	**4,153.02**
Year ended 31 March 2021				
Non-current borrowings	-	564.79	101.17	665.96
Current borrowings	2,102.47	-	-	2,102.47
Trade payables	774.88	-	-	774.88
Lease liability	10.96	38.28	22.27	71.51
Other financial liabilities	29.11	-	-	29.11
	2,917.42	**603.07**	**123.44**	**3,643.93**

CAPITAL EXPENDITURES

In Fiscal 2023, Fiscal 2022 and Fiscal 2021, our capital expenditure towards additions to (property, plant and equipment and capital work-in-progress were ₹ 728.63 million, ₹ 266.25 million and ₹ 178.86 respectively.

The following table sets forth our gross block of fixed assets for the years indicated:

(*in ₹ million*)

Particulars	**Freehold land**	**Buildings**	**Furniture & Fittings**	**Plant & Machinery**	**Electrical Installations and Equipment**	**Office equipment**	**Motor Vehicles**	**Computers and Data processing team**	**Ropeway structure**	**Roads**	**Moulds & Dies**	**Hydraulic works and pipelines**	**Total**	**Capital work in Progress**
Deemed cost (gross carrying amount)														
Balance as at 1 April 2020	**400.49**	**1,514.47**	**63.26**	**2,348.00**	**101.42**	**25.22**	**105.44**	**84.85**	**3.74**	**12.53**	**64.93**	**15.79**	**4,740.14**	**19.73**
Additions	-	13.08	2.39	79.41	1.31	2.05	13.98	13.19	-	-	5.36	-	130.77	14.16
Foreign exchange impact	2.73	13.17	0.07	8.89	0.09	0.27	0.71	0.32	-	-	-	-	26.25	-
Disposal/Adjustment	-	-	-	(15.79)	-	-	(12.22)	(15.23)	-	-	-	-	(43.24)	(13.87)
Balance As at 31 March 2021	**403.22**	**1,540.72**	**65.72**	**2,420.51**	**102.82**	**27.54**	**107.91**	**83.13**	**3.74**	**12.53**	**70.29**	**15.79**	**4,853.92**	**20.02**
Additions	-	69.52	13.66	121.52	6.07	1.09	4.81	12.74	-	-	-	-	229.41	74.59
Foreign exchange impact	(4.09)	(19.75)	(0.11)	(13.67)	(0.16)	(0.45)	(1.20)	(0.55)	-	-	-	-	(39.98)	-
Disposal/Adjustment	-	-	-	(7.89)	(1.23)	(0.08)	(3.18)	(1.67)	-	-	-	-	(14.05)	(51.96)
Balance As at 31 March 2022	**399.13**	**1,590.49**	**79.27**	**2,520.47**	**107.50**	**28.10**	**108.34**	**93.65**	**3.74**	**12.53**	**70.29**	**15.79**	**5,029.30**	**42.65**
Additions	43.37	114.16	14.10	269.66	14.26	11.02	22.34	19.60	-	6.08	-	-	514.59	131.01
Foreign exchange impact	6.67	32.16	0.21	22.26	0.27	0.74	1.92	0.96	-	-	-	-	65.19	-
Disposal/Adjustment	**-**	**(5.78)**	**(1.30)**	**(9.34)**	**-**	**(1.87)**	**(5.41)**	**(6.88)**	-	-	-	-	(30.58)	(138.75)
Balance As at 31 March 2023	**449.17**	**1,731.03**	**92.28**	**2,803.05**	**122.03**	**37.99**	**127.19**	**107.33**	**3.74**	**18.61**	**70.29**	**15.79**	**5,578.50**	**34.91**
Accumulated depreciation														
Balance as at 1 April 2020	**-**	**202.52**	**28.40**	**543.85**	**42.44**	**12.95**	**30.94**	**47.77**	**1.02**	**5.43**	**20.25**	**5.35**	**940.92**	**-**
Charge for the year	-	75.20	6.71	198.33	12.67	4.09	11.83	18.64	0.26	1.35	7.01	1.31	337.40	-
Foreign exchange impact	-	1.30	0.01	0.88	0.02	0.06	0.08	0.07	-	-	-	-	2.42	-
Disposal/Adjustment	-	-	-	(10.67)	-	-	(2.63)	(14.26)	-	-	-	-	(27.56)	**-**

Particulars	Freehold land	Buildings	Furniture & Fittings	Plant & Machinery	Electrical Installations and Equipment	Office equipment	Motor Vehicles	Computers and Data processing team	Ropeway structure	Roads	Moulds & Dies	Hydraulic works and pipelines	Total	Capital work in Progress
Balance As at 31 March 2021	**-**	**279.02**	**35.12**	**732.39**	**55.13**	**17.10**	**40.22**	**52.22**	**1.28**	**6.78**	**27.26**	**6.66**	**1,253.18**	**-**
Charge for the year	-	84.02	7.10	198.66	11.98	3.93	11.69	15.81	0.26	1.35	7.06	1.31	343.17	-
Foreign exchange impact	-	(3.95)	(0.07)	(9.22)	(0.10)	(0.29)	(0.25)	(0.45)	-	-	-	-	(14.33)	-
Disposal/Adjustment	-	-	-	(2.10)	(1.13)	(0.03)	(2.05)	(1.33)	-	-	-	-	(6.64)	**-**
Balance As at 31 March 2022	**-**	**359.09**	**42.15**	**919.73**	**65.88**	**20.71**	**49.61**	**66.25**	**1.54**	**8.13**	**34.32**	**7.97**	**1,575.38**	**-**
Charge for the year	-	82.34	8.69	211.57	10.21	3.80	12.09	14.18	0.27	1.36	6.63	1.30	352.44	-
Foreign exchange impact	-	8.97	0.18	10.06	0.24	0.66	0.66	0.89	-	-	-	-	21.66	-
Disposal/Adjustment	-	(0.75)	(1.07)	(4.62)	-	(1.73)	(4.06)	(6.31)	-	-	-	-	(18.54)	-
Balance As at 31 March 2023	**-**	**449.65**	**49.95**	**1,136.74**	**76.33**	**23.44**	**58.30**	**75.01**	**1.81**	**9.49**	**40.95**	**9.27**	**1,930.94**	**-**
Net Block														
Balance As at 31 March 2021	**403.22**	**1,261.70**	**30.60**	**1,688.12**	**47.69**	**10.44**	**67.69**	**30.91**	**2.46**	**5.75**	**43.03**	**9.13**	**3,600.74**	**20.02**
Balance As at 31 March 2022	**399.13**	**1,231.40**	**37.12**	**1,600.74**	**41.62**	**7.39**	**58.73**	**27.40**	**2.20**	**4.40**	**35.97**	**7.82**	**3,453.92**	**42.65**
Balance As at 31 March 2023	**449.17**	**1,281.38**	**42.33**	**1,666.31**	**45.70**	**14.55**	**68.89**	**32.32**	**1.93**	**9.12**	**29.34**	**6.52**	**3,647.56**	**34.91**

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business. These transactions principally include raw materials purchased, material processing charges, sales made and loans from related parties. For further information relating to our related party transactions, see "“*Other Financial Information – Related Party Transactions*” on page 340.

In Fiscal 2023, Fiscal 2022 and Fiscal 2021, the arithmetical aggregated absolute total of such related party transactions post Company eliminations was ₹ 32.50 million, ₹ Nil million and ₹ 55.51 million, respectively. The percentage of the arithmetical aggregated absolute total of such related party transactions to our revenue from contracts with customers in Fiscal 2023, Fiscal 2022 and Fiscal 2021 was 0.55%, Nil% and 1.12%, respectively.

AUDITOR’S OBSERVATIONS

For details in relation to auditor qualifications and emphasis of matters, see “*Risk Factors - The audit reports of our Company and certain of our Subsidiaries contain an emphasis of matter paragraph and the annexure to Auditor’s Report under the Companies (Auditor’s Report) Order, 2020 and Companies (Auditor’s Report) Order, 2016 of our Company and few of our Subsidiaries, certain adverse remarks or qualifications*.” on page 40.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risks that are related to the normal course of our operations such as interest rate, liquidity risk, foreign exchange risk and reputational risk, which may affect economic growth in India and the value of our financial liabilities, our cash flows and our results of operations.

Credit Risk

Credit risk is the risk of financial loss to the Company, if a customer or the counterparty to a financial instrument fails to meet its contractual obligations. Our credit risk, therefore, principally arises from our Company’s trade receivables from customers. Such credit risk is mainly influenced by the individual characteristics of each customer of our Company. However, our management also considers factors that may influence the credit risk of our customer base, including the risk of default associated with the industry and country in which our customers operate in.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Our Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation.

Market Risk

We are exposed to various types of market risks during the normal course of business. Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises risks such as price risk, currency risk and interest rate risk. The foreign exchange exposure is partially balanced by purchasing in goods, commodities, raw materials and services in the respective currencies. We evaluate exchange rate exposure arising from foreign currency transactions and we follow established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The foreign currency exposures not specifically covered by natural hedge and forward exchange contracts as at March 31, 2023, March 31, 2022 and March 31, 2021 are as follows:

(in ₹ million)

Currency	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees
USD	19.94	1,639.40	3.34	252.08	6.61	490.91
EUR	0.16	14.60	0.03	2.24	0.56	38.89
YEN	0.02	0.01	-	-	-	-
CHF	0.01	0.68	0.01	0.92	-	-
THB	0.00	0.01	-	-	-	-
GBP	0.00	0.02	-	-	-	-
EGP	-	-	-	-	0.04	0.19

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. We are exposed to market risk with respect to changes in interest rates related to our borrowings. Some of our current indebtedness bears interest at floating rates where the interest payments are tied to certain benchmark rates set by the RBI. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, domestic and international economic and political conditions, inflation and other factors. Upward fluctuations in interest rates increase the cost of servicing existing and new debts, which adversely affects our results of operations. We manage our interest rate risk by having an agreed portfolio of fixed and variable rate borrowings. For further information, see "*Financial Indebtedness*" on page 342.

Inflation Risk

In recent years, India has experienced relatively high rates of inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

KNOWN TRENDS OR UNCERTAINTIES

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Significant Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" on pages 347 and 27, respectively. To our knowledge, except as discussed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 27, 186 and 344 respectively, to our knowledge, there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

NEW PRODUCTS OR BUSINESS SEGMENTS

Except as set out in this Draft Red Herring Prospectus in the sections "*Our Business*" on page 186, we have not announced and do not expect to announce in the near future any new products or business segments.

COMPETITIVE CONDITIONS

We operate in a competitive environment and expect to continue to compete with existing and potential competitors. See "*Risk Factors*", "*Industry Overview*" and "*Our Business*" on pages 27, 136 and 186, respectively, for further details on competitive conditions that we face across our various business segments.

SIGNIFICANT DEPENDENCE ON SINGLE OR FEW CUSTOMERS

We have in the past derived a significant portion of our revenue from a limited number of customer and we may continue to derive a significant portion of our revenue from such customers. For further details, see "*Risk Factors – We derive a significant part of our revenue from some customers, and we do not have long term contracts with a majority of these customers. If one or more of such customers choose not to source their requirements from us or to terminate our contracts or purchase orders, our business, cash flows, financial condition and results of operations may be adversely affected.*" on page 32.

SEASONALITY/ CYCLICALITY OF BUSINESS

Our business is not seasonal in nature.

MATERIAL DEVELOPMENTS AFTER MARCH 31, 2023 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Except as disclosed below and elsewhere in this Draft Red Herring Prospectus, there have been no significant developments after March 31, 2023, the date of the last financial statements contained in this Draft Red Herring Prospectus, to the date of filing of this Draft Red Herring Prospectus, which materially and adversely affects, or is likely to affect, our trading or profitability, or the value of our assets, or our ability to pay our liabilities within the next 12 months:

NIL

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there are no outstanding (i) criminal proceedings (including first information reports) involving our Company, its Subsidiaries, its Directors or Promoter; (ii) actions by any regulatory authorities and statutory authorities (including any notices by such authorities) against our Company, its Subsidiaries, its Directors or Promoter; (iii) consolidated disclosure of all outstanding claims related to direct and indirect taxes, giving the number of cases and total amount. Provided that if the amount involved in any such claims exceeds the materiality threshold, such matter(s) shall be disclosed on an individual basis; and (iv) for all outstanding civil/ arbitration proceedings and other pending litigations involving our Company, Directors, Promoter or Subsidiaries (other than proceedings covered under (i) to (iii) above) as determined to be material by our Board pursuant to the policy on materiality ("**Materiality Policy**") approved by the Board of Directors, in each case involving our Company, Subsidiaries, Promoter and Directors ("**Relevant Parties**").*

Further, except disclosed in this section, there are (i) no disciplinary actions including penalties imposed by the SEBI or the stock exchanges against our Promoter in the last five Fiscals including any outstanding action.

For the purpose of identification of material litigation in (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation in relation to the Relevant Parties to be disclosed in this Draft Red Herring Prospectus pursuant to the Board resolution dated September 25, 2023:

a) Monetary threshold: pending civil cases involving the Relevant Parties which involves an amount of more than ₹ 6.49 million, being 5 % of the total consolidated profit after tax for Fiscal March 31, 2023, as per the Restated Consolidated Summary Statements shall be considered material and included in this Draft Red Herring Prospectus;

b) Subjective threshold: under this test, such pending matters involving our Company and its Subsidiaries, whose outcome may have a material impact, in the opinion of the Board, on the business, performance, financial position, cash flows, prospects, reputation, operations or any adverse impact on the Company, irrespective of their monetary quantum, will necessitate disclosure. This may include any writ petitions filed involving the Company or similar matters which may have a material impact on the business of the Company and all outstanding civil litigation against the Promoter and Directors of the Company where an adverse outcome would materially and adversely affect the business, prospects, cash flows, performance, operations or financial position or reputation of the Company (irrespective of the amount involved in such litigation), would be considered as material for the Company.

Pre-litigation notices received (excluding those notices issued by governmental, statutory, regulatory, judicial, quasi-judicial, taxation authorities or notices threatening criminal action) by our Company, our Subsidiaries, Directors or Promoter from third parties shall not be considered as litigation unless otherwise decided by the Board or until such time that any of our Company, our Subsidiaries, Directors or Promoter, as the case may be, is impleaded as a party in proceedings initiated before any court, arbitrator, tribunal, judicial forum or governmental authority.

*For identification of material creditors, creditors of the Company (except banks and financial institutions from whom our Company has availed financing facilities) to whom an amount having a monetary value which exceeds 5% of the total trade payables of our Company as of the end of the most recent period covered in the Restated Consolidated Summary Statements of the Company is outstanding, shall be considered as 'material'. Accordingly, creditors of our Company to whom our Company owes an amount exceeding ₹66.04 million are considered material ("**Material Creditor**"), including the consolidated number of creditors and the aggregate amount involved.*

I. Litigation involving our Company

A. Litigation filed by our Company

<u>*Material civil litigation*</u>

1. Our Company has filed a suit dated February 1, 2016 against, *inter alia*, Hyundai Merchant Marine India Private Limited (the **"Defendant no.1"**), Deugro Projects India Private Limited, (the "**Defendant no. 2**") and Associated Container Terminal Limited (the "**Defendant no.3**") before the Court of Civil Judge, Senior Division, Faridabad. Our Company had placed a purchase order for containers of raw material ("**Shipment**") from an entity in China ("**Supplier**") which would be shipped to the premises of Defendant no. 2. The Shipment was handed over to Defendant no.1 and was subsequently dispatched to Defendant no. 3 by the Supplier. The Defendant no. 1 and Defendant no. 2 have business tie ups with each other. Defendant no. 2 informed our Company via email dated December 11, 2015 that certain containers were in a severely damaged condition. Pursuant to this, Defendant no.1 vide his email dated December 16, 2015 demanded security by way of a cargo insurer's letter of undertaking or a bank guarantee from Defendant no. 2 and reserved a right to assert a lien on the cargo and refused to release the shipment to our Company unless security is provided. In connection with the aforesaid, our Company filed a suit, praying for, *inter alia*, (i) a decree of declaration

that our Company is not liable to pay any damages for the containers and further charges on the Shipment and that Defendant no. 1 has no right to create a lien over the Shipment; (ii) mandatory injunction directing the defendants to accept the actual due freight charges and releasing the Shipment; (iii) permanent injunction against the defendants from obstructing and/ or interfering with the Shipment and its dispatch. The matter is currently pending. Defendant no.1 has filed a countersuit against, *inter alia,* our Company. For further details, see "*Litigation filed against our Company - Material civil litigation - Hyundai Merchant Marine Co. Limited"* on page 387.

2. Our Company has filed an application dated September 1, 2021, to initiate corporate insolvency resolution process before the National Company Law Tribunal, Amaravati Bench, Hyderabad (the "**NCLT**") against BGR Energy Systems Limited ("**Corporate Debtor**") under Section 9 of the Insolvency Bankruptcy Code, 2016 claiming an amount of ₹ 95.97 million along with an interest amount of ₹41.22 million ("**Total Claim Amount**"). Our Company had supplied materials worth ₹ 2,362.35 million to the Corporate Debtor. However, the Corporate Debtor started making irregular payments and a sum of ₹ 95.97 million was outstanding. Thereafter, a demand notice dated June 18, 2021 was issued to the Corporate Debtor for the payment of the Total Claim Amount and a reply dated July 9, 2021 was received from the Corporate Debtor without any payment. Of the Total Claim, our Company has received ₹ 78.00 million. An order dated March 24, 2023 was passed by NCLT noting that the Corporate Debtor has failed to comply with the payment terms as per the agreement that was entered into between the Corporate Debtor and our Company (the "**Agreement**"). Pursuant to the Agreement, the interest amount of ₹ 41.22 million had been waived off by the Company and an interest amount at the rate of 2% per month or part of the month shall be charged on every delayed payment. Therefore, the amount outstanding as on the date of the Draft Red Herring Prospectus is ₹ 17.97 million. The next date of hearing was decided as October 4, 2023. The matter is currently pending.

3. Our Company, the operational creditor has filed a petition as an application in form 5 dated September 1, 2021 before the National Company Law Tribunal. Chennai (the "**NCLT**") to initiate corporate insolvency resolution process against BGR Boilers Private Limited ("**Corporate Debtor**") under Section 9 of the Insolvency and Bankruptcy Code, 2016 and Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 claiming an amount of ₹ 88.81 million along with an interest amount of ₹ 23.12 million ("**Total Claim Amount**"). Our Company had supplied materials worth ₹ 1,103.85 million to the Corporate Debtor. However, the Corporate Debtor started making irregular payments and a sum of ₹ 88.81 million was outstanding. Thereafter, a demand notice dated June 18, 2021 was issued to the Corporate Debtor for the payment of the Total Claim Amount and a reply dated July 5, 2021 was received from the Corporate Debtor without any payment. An order was issued by the NCLT, and the next date of hearing was decided as October 9, 2023. The matter is currently pending.

4. Our Company filed a claim in a class in form CA dated August 19, 2022 in respect of the corporate insolvency resolution process of MB Malls Private Limited ("**Corporate Debtor**"). The insolvency proceedings of the Corporate Debtor commenced on August 3, 2022, before the interim resolution professional/ resolution professional, Delhi under Regulation 8A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. Our Company has claimed an amount of ₹ 31.74 million from the Corporate Debtor pursuant to an order dated April 27, 2022 (the "**Order**") issued by the Haryana Real Estate Regulatory Authority, Panchkula. The Order was passed pursuant to the complaint filed by our Company against the Corporate Debtor in relation to the purchase of a property pursuant to a flat buyer agreement dated May 7, 2012 executed between our Company and the Corporate Debtor and subsequent failure of delivery of possession or refund of the amount paid by our Company for a period of more than nine years. The matter is currently pending.

Criminal proceedings

1. Our Company has filed a first information report dated September 22, 2019 ("**FIR**") before the police station, Gadpuri, Haryana under section 380 of the Indian Penal Code, 1860 in relation to a theft on our factory premises situated at Tatarpur Asawati Road, Village Jatola. The FIR was registered by the Court of Judicial Magistrate First Class, Palwal ("**Court of Judicial Magistrate**") in relation to the alleged offenses committed under section 380 and 411 of the Indian Penal Code, 1860 and a summon dated August 31, 2023 was issued to our Company by the Court of Judicial Magistrate to appear before the Court of Judicial Magistrate on September 14, 2023. The matter is currently pending.

2. Our Company has filed a first information report dated September 6, 2023 ("**FIR**") against Upendra Kumar before the police station, Gadpuri, Haryana under section 379 of the Indian Penal Code, 1860 in relation to theft of a vehicle. Thereafter, the Company made an application for claiming custody of the vehicle before the Court of Judicial Magistrate First Class, Palwal ("**Court of Judicial Magistrate**"). The Court of Judicial Magistrate issued a letter dated September 8, 2023 releasing the custody of the vehicle to the Company. The matter is currently pending for hearing.

B. Litigation filed against our Company

Material civil litigation

1. Hyundai Merchant Marine Co. Limited (the "**Plaintiff**") has filed a counter – suit dated August 16, 2016 against, *inter alia,* our Company, Deugro Projects India Private Limited ("**Defendant no. 1**") Associated Container Terminal Limited (the "**Defendant no. 2**") and the Office of Deputy Commissioner of Customs, Faridabad (the "**Defendant no. 3**") before the Court of Civil Judge, Senior Division, Faridabad. Our Company had filed a suit for a decree of declaration, mandatory and consequential relief of perpetual injunction against the Plaintiff, Defendant no.1 and Defendant no. 2 before the Court of Civil Judge, Senior Division, Faridabad in relation to the lien on the cargo (the "**Shipment**") and refusal to release the Shipment to our Company unless security is provided to the Plaintiff. For further details, see *Litigation filed by our Company – Material civil litigation – Hyundai Merchant Marine India Private Limited"* on page 385. In connection with the aforesaid, the Plaintiff has filed a suit, praying for, *inter alia,* (i) decree of recovery of an amount of ₹ 17.85 million in favour of the Plaintiff; (ii) a decree of declaration that the Plaintiff has first lien over the Shipment; (iii) a decree of declaration for the first recovery of the sums due to the Plaintiff if the Shipment is sold off in an auction under Section 48 of the Customs Act, 1962. (iv) sale of the Shipment by Defendant no. 2 and Defendant no. 3, subject to the Plaintiff's entitlement of first recovery of its sums due from the sale proceeds of the Shipment and (v) decree of mandatory injunction directing Defendant no. 2 and Defendant no. 3 to release the sums realized from the auction of the Shipment. The matter is currently pending.

Criminal proceedings

NIL

Actions by regulatory and statutory authorities

1. The Additional Director General of the Directorate of Revenue Intelligence, Kolkata Zonal Unit (the "**DRI Kolkata**") issued a show cause notice dated October 3, 2019 (the "**impugned SCN**") to our Company demanding payment of custom duty in the form of Integrated Goods and Service Tax to the extent of ₹ 81.51 million under Section 28 read with Section 124 of the Customs Act, 1962 (the "**Customs Act**"). Our Company issued an objection letter dated November 27, 2019 against the impugned SCN alleging that the Additional Director General of the DRI, Kolkata does not have the authority to issue the impugned SCN to our Company under the provisions of Section 124 of the Customs Act. Additionally, pursuant to the notification dated November 6, 2019 issued by the Central Board of Indirect Taxes and Customs, the DRI Kolkata issued a letter dated November 13, 2019 to the Additional Director General (Adjudication), Directorate of Revenue Intelligence, Mumbai (the "**DRI Mumbai**") appointing the Additional Director General (Adjudication), Directorate of DRI Mumbai as the common adjudicating authority in relation to the impugned show cause notice issued to our Company. Thereafter, a letter dated September 5, 2023 was issued by the Office of Commissioner of Customs (Adjudication) to our Company in relation to commencement of adjudication proceedings. The matter is currently pending.

2. The Directorate of Enforcement, Ministry of Finance, Department of Revenue, Gurugram Zonal Office, Government of India (the "**Enforcement Directorate**") issued an order dated May 19, 2023 (the "**Demand Order**") to our Company, directing our Company to furnish the records and documents within ten days of receiving the Demand Order including the (i) PAN, address and contact details of directors of our Company; (ii) details of business activity carried on by our Company; (iii) a list of bank accounts that are closed or active along with addresses of bank branches maintained by our Company; (iv) account-wise bank details of all the advance exports payments received against which export has not been undertaken since the financial year 2016; (v) account-wise bank details of all the exports made against which proceeds have not been realised since the financial year 2016; (vi) account-wise bank details of all the advance payments for imports against which imports have not been made since the financial year 2016; (vii) account-wise bank details of imports for which payments have not been made since the financial year 2016; (viii) details of foreign direct investment ("**FDI**") received by our Company, a copy of the form FCGPR and the purpose of the FDI; (ix) details of non-submission of shipping bills and bills of entry since financial year 2016; (x) a copy of the income tax return form, the acknowledgment, the computation of income, a copy of the tax audit report along with the profit & loss accounts and balance sheets for the last three financial years; and (xi) the details of all criminal and civil cases lodged against the directors or our Company before different legal and regulatory authorities or forums. Our Company has submitted a partial response to the Demand Order on June 8, 2023 and a complete response on August 25, 2023. The matter is currently pending.

Material tax litigation

1. The National Faceless Assessment Centre, Income Tax Department, Delhi passed an assessment order dated August 3, 2021 (the "**Assessment Order**") against our Company for the assessment year 2017-2018 (the "**Assessment Year**") under Section 143(3), Section 144C (3) and Section 144B of the Income Tax Act, 1961 (the "**Income Tax Act**"). The Assessment Order was passed in relation to an original return of income for the Assessment Year filed electronically by our Company on November 29, 2017 declaring total income of ₹ 158.56 million which was revised on December 19, 2017. The return was processed by the Central Processing Center of the Income Tax Department (the "**CPC**") deterring the total income under Section 143(1)(a) of the Income Tax Act at ₹ 160.83 million and the case was selected for scrutiny. In view of international transactions undertaken by our Company, the Additional Commissioner of Income Tax, New Delhi, passed an order dated February 14, 2023 under Section 92CA(3) of the Income Tax Act and referred the matter to the Office of the Deputy Commissioner of Income Tax, Transfer Pricing Officer (the "**TPO**") for the determination of arm's length price of international transactions undertaken by our Company during the financial year 2016-2017. Thereafter, the TPO passed an order under Section 92CA(3) of the Income Tax Act where an adjustment of ₹ 0.89 million was made in respect of the corporate guarantee fee payable to our Company for corporate guarantee given to a non-resident associated enterprise. Thereafter, pursuant to the Assessment Order including the transfer pricing adjustment, the total income was assessed at ₹ 207.64 million. Thereafter, aggrieved by the Assessment Order, our Company filed an appeal before the Income Tax Appellate Tribunal, New Delhi. An order dated February 14, 2023 was passed by the Income Tax Department, Office of the Commissioner of Income Tax Appeal, Delhi where the amount demanded was ₹ 18.51 million. The matter is currently pending.

II. Litigation involving our Subsidiaries

A. Litigation filed against our Subsidiaries

Material civil litigation

NIL

Criminal proceedings

NIL

Actions by regulatory and statutory authorities

NIL

Material tax litigation

NIL

B. Litigation filed by our Subsidiaries

Material civil litigation

NIL

Criminal proceedings

NIL

III. Litigation involving our Directors

A. Litigation filed against our Directors

Material civil litigation

NIL

Criminal proceedings

NIL

Actions by regulatory and statutory authorities

NIL

Material tax litigation

NIL

B. Litigation filed by our Directors

Material civil litigation

NIL

Criminal proceedings

NIL

IV. Litigation involving our Promoter

A. Litigation filed against our Promoter

Material civil litigation

NIL

Criminal proceedings

NIL

Actions by regulatory and statutory authorities

NIL

Material tax litigation

NIL

Disciplinary actions including penalty imposed by the SEBI or Stock Exchanges against our Promoter in the last five Fiscals

NIL

B. Litigation filed by our Promoter

Material civil litigation

NIL

Criminal proceedings

NIL

V. Tax proceedings involving our Company, Subsidiaries, Promoter and Directors

Details of outstanding tax proceedings involving our Company, Subsidiaries, Promoter and Directors as of the date of this Draft Red Herring Prospectus are disclosed below:

Nature of proceedings	Number of proceedings	Amount involved* (in ₹ million)
Direct Tax		
Company	5	22.03
Promoter	2	1.00
Directors (including the Promoter)	3	1.00
Subsidiaries	1	1.07
Indirect Tax		
Company	2	3.94
Promoter	Nil	Nil
Directors (including the Promoter)	Nil	Nil

Nature of proceedings	Number of proceedings	Amount involved* (in ₹ million)
Subsidiaries	Nil	Nil

* *to the extent quantifiable*

VI. Outstanding dues to creditors

In terms of the Materiality Policy, the creditors to whom the amount due by our Company exceeds 5% of the total trade payables (i.e., 5% of ₹ 1,320.75 million which is ₹66.04 million) of our Company as per the Restated Consolidated Summary Statements have been considered as Material Creditors of our Company for the purposes of disclosure in this Draft Red Herring Prospectus. Details of outstanding dues owed to Material Creditors, MSME creditors and other creditors of our Company based on such determination, as on March 31, 2023, are disclosed below:

Type of creditors*	Number of creditors	Amount involved (*in ₹ million*)
Dues to MSME	106	43.41
Dues to a Material Creditor	1	126.63
Dues to other creditors	1,402	1,150.71
Total	**1,509**	**1,320.75**

* *Based on the certificate dated September 28, 2023 from VSD & Associates, Chartered Accountants.*

The details pertaining to outstanding dues to the Material Creditors, along with names and amounts involved for each such Material Creditor are available on the website of our Company at https://www.deepiping.com/material-creditors.php.

It is clarified that such details available on our Company's website do not form a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any source of information including our Company's website, www.deepiping.com, would be doing so at their own risk.

VII. Material Developments since the last balance sheet date

Except as disclosed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 344, there have been no material developments, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, which materially and adversely affect, or are likely to affect, our operations or our profitability taken as a whole or the value of our consolidated 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, statutory, and regulatory authorities of the respective jurisdictions under various rules and regulations. We have set out below an indicative list of material consents, licenses, permissions, registrations, and approvals from the Government of India, various governmental agencies and other statutory and/or regulatory authorities obtained by our Company and Material Subsidiary which are considered necessary for the purpose of undertaking our business activities and other than as stated below, no further material approvals from any regulatory or statutory authority are required to undertake the Offer or continue such business and operations. Unless otherwise stated, these material approvals are valid as of the date of this Draft Red Herring Prospectus. In addition, certain of our material approvals may have expired or may expire in the ordinary course of business, from time to time and our Company and Material Subsidiary have either already made an application to the appropriate authorities for renewal of such material approvals or is in the process of making such renewal applications. In relation to the business activities and operations of our Company and Material Subsidiary, we have disclosed below the material approvals applied for but not received.

We have also set forth below (i) material approvals that have expired and for which renewal applications have been made (ii) material approvals applied for by our Company and Material Subsidiary but not received; and (iii) material approvals required but yet to be obtained or applied for by our Company and Material Subsidiary. For further details in connection with the regulatory and legal framework within which we operate, see the section titled "Key Regulations and Policies in India" on page 219. For details of corporate and other approvals in relation to the Offer, see "Other Regulatory and Statutory Disclosures – Authority for the Offer" on page 398 and for incorporation details of our Company, see "History and Certain Corporate Matters" on page 226.

I. Incorporation details of our Company

(a) Certificate of incorporation dated March 21, 1988 issued by the RoC under the name of 'DE Development Engineers Private Limited'.

(b) Fresh certificate of incorporation dated January 8, 1998 issued by the RoC, consequent upon change in name from 'DE Development Engineers Private Limited' to 'DEE Development Engineers Private Limited', the Company was deemed a public limited company on July 1, 1998 under the name 'DEE Development Engineers Limited', it was converted back to a private company on July 16, 2004 under the name of 'DEE Development Engineers Private Limited'.

(c) Fresh certificate of incorporation dated March 11, 2010, consequent upon change from 'DEE Development Engineers Private Limited' to 'DEE Development Engineers Limited'.

(d) The corporate identity number ("**CIN**") of our Company is U74140HR1988PLC030225.

A. Tax related approvals obtained by our Company

(i) The permanent account number of our Company is AACCD0207H.

(ii) The tax deduction account number of our Company is RTKD04455D.

(iii) The import export code for our Company is 0597021163.

(iv) Goods and Services Tax ("**GST**") registrations for payments under various central and state GST legislations.

B. Labour related approvals obtained by our Company

(i) Certificates of registration issued under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, as amended.

(ii) Certificates of registration issued under the Employees' State Insurance Act, 1948, as amended.

(iii) Registrations under the Contract Labour (Regulation and Abolition) Act, 1970.

C. Material approvals obtained in relation to the business and operations of our Company

In order to carry on our operations, our manufacturing facilities and our research and development activities in India, our Company requires various approvals, licenses and registrations under several central or state-level acts, rules and regulations. Some of the approvals, licenses and registrations that we are required to obtain and maintain may expire in the ordinary course of business, and applications for renewal of such approvals are submitted by us in accordance with applicable procedures and requirements. The list of the material approvals required by us is provided below:

1. ***Approvals in relation to our manufacturing and fabrication facilities:***

Palwal Facility

Our facility at Palwal has three Units, the material approvals obtained by the Units are provided below:

- GST Registration Certificate issued on April 26, 2023 under the Goods and Services Act.

- Factory license issued to Unit I on December 13, 2018, Unit II on December 13, 2018, and Unit III on April 27, 2022, respectively, by the Chief Inspector of Factories, Labour Department Haryana, Chandigarh.

- Registration under the Punjab Shops and Commercial Establishments Act, 1958 issued on April 29, 2019 by the Inspector, Shops and Commercial Establishments Circle to the Palwal Facility.

- Certificate of registration under the Contract Labour (Regulation and Abolition) Act, 1970 issued on May 2, 2018 to Unit I, August 2, 2022 to Unit II, August 20, 2022 to Unit III, respectively by the Additional Labour Commissioner, Labour Department, Haryana, Chandigarh.

- Registration under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 issued to Unit I on March 14, 1991, Unit II on March 3, 2005 and Unit III on February 22, 2011, respectively, by the Assistant Provident Fund Commissioner for the Regional Provident Fund Commissioner, Haryana.

- Registration under the Employees' State Insurance Act, 1948 (the "**ESI Act**") issued to Unit I on October 7, 1988, Unit II on April 17, 2006 and Unit III on March 9, 2011, respectively, for implementation of the provisions of the ESI Act and registration of employees of factories and establishments by the Regional Director, Employees' State Insurance Corporation.

- Fire Safety Certificate dated April 13, 2023 issued to Unit I, Unit II and Unit III by the Assistant Divisional Fire Officer, Palwal, Haryana.

- Certificate of structural stability issued to the Palwal Facility dated July 24, 2023 by Nirman Engineering Consultants Private Limited.

- Industrial Entrepreneurs Memorandum dated May 26, 2023 for manufacturing of other fabricated metal products i.e., fabricated pipes, pipe fittings, parts for boiler, rolled and welded pipes, fabricated structures by the Ministry of Commerce & Industry, Government of India.

- Consent to establish issued on February 24, 2012 to Unit I, May 9, 2014 to Unit II, May 10, 2016 to Unit III granted by the Haryana State Pollution Control Board.

- Consent to operate issued on February 7, 2021 to Unit I, July 22, 2022 to Unit II and on March 28, 2021 to Unit III granted by the Regional Officer, Haryana State Pollution Control Board.

- Authorisation for generation, storage under the Hazardous and Other Wastes (Management & Transboundary Movement Rules, 2016 issued on February 8, 2021 to Unit I and Unit II and on August 20, 2022 to Unit III, respectively by the Regional Officer, Haryana State Pollution Control Board.

- Approval granted by the Chief Inspector of Boilers, Haryana on February 4, 2000 for repairs/erection of boilers/economizers/steam pipe line and feed pipe line and the system adopted by the facility under Regulation 392 of Indian Boiler Regulations as category class 1 repairer/erector.

- Approval granted for fabrication of steam/feed piping systems, manifold, superheater and economiser, coilsets and pressure parts and fittings under the Indian Boiler Regulations, 1950 by the Chief Inspector of Boilers, Haryana on May 22, 1989.

- Certificate of authorisation by the National Board of Boiler and Pressure Vessel Inspectors, America issued to Unit I and Unit II, Palwal Facility on January 20, 2015.

Anjar Facility

- GST Registration Certificate issued on January 5, 2022 under the Goods and Services Act.

- Factory license issued on June 14, 2022 by the Director, Industrial Safety and Health, Gujarat.

- Certificate of registration under the Contract Labour (Regulation and Abolition) Act, 1970 issued on July 26, 2022 by the Assistant Labour Commissioner, Government of Gujarat.

- Certificate of profession tax registration dated January 17, 2023 issued by Shree Ajapar Gram Panchayat, Anjar-Kutch.

- Consolidated consent and authorisation ("**CCA**") under the Water (Prevention & Control of Pollution) Act, 1974, the Air Act, 1981 and Authorization under Hazardous and Other Wastes (Management and Transboundary) Rules, 2016 by the Gujarat Pollution Control Board dated October 20, 2022.

- Consent to establish granted under Water (Prevention & Control of Pollution) Act, 1974, the Air Act, 1981 and the Environment (Protection) Act, 1986 by the Gujarat Pollution Control Board dated July 14, 2022.

- Certificate for the manufacturing of pressure vessels/all types of coils and other components (piping spools) under inspection of Indian Boiler Regulation -1950 Code issued on April 27, 2022 by the Director of Boilers, Gujarat, Ahmedabad.

- Fire Safety Certificate dated July 17, 2023 issued by the Regional Fire Officer, Rajkot, State Fire Prevention Services.

- Plant layout approval issued on May 18, 2022 by the Director, Industrial Safety & Health Gujarat State, Ahmedabad

- Certificate of stability issued on May 26, 2022 by B.J. Chauhan & Associates.

- Industrial Entrepreneurs Memorandum dated May 26, 2023 for manufacturing of other fabricated metal products i.e., fabricated pipes, pipe fittings, parts for boiler, rolled and welded pipes, fabricated structures by the Ministry of Commerce & Industry, Government of India.

Barmer Facility

- GST Registration Certificate issued on February 10, 2022, under the Goods and Services Act.

- Factory license issued on June 24, 2022 by the Chief Inspector of Factories and Boilers, Rajasthan, Jaipur

- Business registration number issued by the Department of Statistic, Department of Economics & Statistics, Rajasthan, Jaipur on April 25, 2022.

- Certificate of registration under the Contract Labour (Regulation and Abolition) Act, 1970 issued on April 29, 2022 by the Registering Officer, Department of Labour Department.

- Certificate of registration under the Building and Other Construction Work (Regulation of Employment and Condition of Services) Act, 1996 issued on April 29, 2022 by the Registering Officer, Government of Rajasthan.

- Consent to operate granted under section 25 and 26 of the Water (Prevention & Control of Pollution) Act, 1974 and section 21(4) of Air (Prevention & Control Pollution) Act, 1981 by the Regional Officer, Rajasthan State Pollution Control Board dated August 2, 2022.

- Consent to establish granted under section 25 and 26 of the Water (Prevention & Control of Pollution) Act, 1974 and section 21(4) of Air (Prevention & Control Pollution) Act, 1981 by the Regional Officer, Rajasthan State Pollution Control Board dated May 9, 2022.

- Authorisation for operating a facility for Collection, Disposal, Generation, Storage, Treatment of Hazardous Wastes Under Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 by the Regional Officer, Rajasthan State Pollution Control Board dated September 9, 2022.

- Fire Clearance Certificate dated June 23, 2023 issued by the Commissioner, Office of the Municipal Council Balotra, Rajasthan.

- Approval of factory building plans granted by the Factories and Boiler Inspection Department, Government of Rajasthan dated June 22, 2022.

- Certificate of stability issued on July 16, 2022 by Moni's Grosam Engineering Design & Research Consultancy.

- Industrial Entrepreneurs Memorandum dated May 26, 2023 for manufacturing of other fabricated metal products i.e., fabricated pipes, pipe fittings, parts for boiler, rolled and welded pipes, fabricated structures by the Ministry of Commerce & Industry, Government of India.

- Conversion of land order dated June 9, 2006 for conversion of land for non agricultural purposes by the Sub Divisional Officer, Barmer.

- Approval for manufacturing of boiler components; pressure vessels/heat exchangers and steam piping fabrication under the Boilers Act, 1923 and Indian Boilers Regulation, 1950 issued on June 22, 2022 by the Chief Inspector of Factories & Boilers, Rajasthan.

- Approval granted by the Chief Inspector of Boilers, Haryana on February 4, 2000 for repairs/erection of boilers/economizers/steam pipe line and feed pipe line and the system adopted by the facility under Regulation 392 of Indian Boiler Regulations as category class 1 repairer/erector.

Bangkok Facility

DEE Piping Systems (Thailand) Co., Limited has obtained all necessary governmental and / or statutory approvals and other authorizations required for its business operations, including those required to manufacture, distribute and sell its products, and own, lease, license or use its properties. Except as set forth below, no government approvals are required by the company to conduct its business, including to manufacture, distribute and sell its products, and own, lease, license or use its properties. The company does not own any intellectual property or use intellectual property without any approval and has all the necessary documents in place to use the intellectual properties used by the company.

- Building construction permit for the office building issued on December 19, 2016 and transfer of the building construction permit issued on June 1, 2017 by Tha Kham district municipality.

- Compliant construction certificate issued on June 22, 2017 by Tha Kham district municipality.

- Building construction permit for factory building issued on July 29, 1994 by Sanitary Committee of Tha Kham district.

- Building construction permit for a building with steel structure issued on February 8, 1999 by Sanitary Committee of Tha Kham district.

- Compliant construction certificate for a steel reinforced concrete building with steel structure issued on May 24, 1999 by Sanitary Committee of Tha Kham district.

- Building construction permit for a building with steel structure issued on January 11, 1994 by Sanitary Committee of Tha Kham district.

- Compliant building alteration certificate for a steel structured warehouse issued on November 27, 2003 by Tha Kham District municipality.[*]

- Compliant construction certificate for a steel structured plants and warehouses issued on July 24, 2006 by Tha Kham district municipality.

- Compliant construction certificate for a steel structured warehouse issued on July 24, 2006 by Tha Kham district municipality.

[*] *The approval has been issued in the name of the former owner and the buildings are currently in the name of DEE Piping Systems (Thailand) Co., Limited. However, no applications have been made for changing the names of the entities in whose name the approvals are issued. For further details, please see "Risk Factors – We are required to comply with various government regulations, including obtaining licenses, permits, approvals and consents under certain environmental laws, which are critical for operating our facilities and biomass power generation plants. If we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, results of operations and cash flows may be adversely affected." on page 44.*

- Building inspection certificate for an iron reinforced concrete factory issued on May 3, 2023 by Tha Kham district municipality.

- Factory permit for cutting, assembling, welding and installing steel structures issued on December 23, 1994 by the Ministry of Industry.

- Factory expansion permit for installation of additional machinery with 1,871.72 horsepower to increase the total horsepower to 3,378.53 horsepower, issued on July 23, 1996 by the Ministry of Industry.

- Canteen operation permit issued on November 24, 2022 by the Tha Kham municipality.

- Permit for operation of 'Hazardous -to- Health' business issued on November 28, 2022 by the Tha Kham municipality.

- Building construction permit for a steel structured factory building issued on September 6, 1995 by Sanitary Committee of Thakham District.

- Building alteration permit for a steel structured warehouse issued on March 25, 2003 by Thakham District Municipality.

- Building alteration permit for steel structured plants and warehouses issued on February 2, 2006 by Thakham District Municipality.

- Building construction permit for a steel structured warehouse and water drain pipe issued February 2, 2006 by Thakham District Municipality.

- Building alteration permit for steel structured warehouse issued on November 3, 2006 by Thakham District Municipality.

- Building alteration permit for steel structured warehouse issued on July 3, 2007 by Thakham District Municipality.

2. Approvals in relation to our engineering facility

- *Chennai Facility* GST Registration Certificate issued on April 23, 2018, under the Goods and Services Act.

- Registration under the Employees' State Insurance Act, 1948 (the "**ESI Act**") for implementation of the provisions of the ESI Act and registration of employees of factories and establishments issued on November 9, 2022 by the Assistant/Deputy Director, Employees' State Insurance Corporation.

- Registration under the Tamil Nadu Industrial Establishments (National and Festival Holidays) Act, 1958 issued on February 2, 2015 by the Assistant Inspector of Labour, Chennai.

- Certificate of profession tax registration dated July 28, 2017 issued by Commissioner, Revenue Department, Greater Chennai Corporation.

3. ***Approvals in relation to our biomass power generation plants:***

Abohar Facility

- GST Registration Certificate issued on September 23, 2017, under the Goods and Services Act.

- Factory license issued on December 8, 2022 by the Chief Inspector of Factories, Department of Labour, Punjab.

- Registration under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 issued on June 30, 2009 by the Regional Provident Fund Commissioner, Office of the Regional Provident Fund.

- Registration under the Employees' State Insurance Act, 1948 (the "**ESI Act**") for implementation of the provisions of the ESI Act and registration of employees of factories and establishments issued on August 5, 2020 by the Regional Office, Employees' State Insurance Corporation

- No objection certification for setting up of 8 MW capacity biomass power plant issued on February 20, 2008 by the Environmental Engineer (ZP-II), Punjab Pollution Control Board, Patiala.

- Consent to operate an outlet granted under section 25 and 26 of the Water (Prevention & Control of Pollution) Act, 1974 for discharge of effluent, issued on June 17, 2019 by the Assistant Environmental Engineer, Punjab Pollution Control Board.

- Consent to operate granted under section 21 of the Air (Prevention & Control of Pollution) Act, 1974 for discharge of emissions arising out of premises, issued on June 17, 2019 by the Assistant Environmental Engineer, Punjab Pollution Control Board.

- Fire Safety Certificate dated August 8, 2023 issued by Abohar Municipal Corporation, Punjab.

- Certificate for the use of Boiler issued on January 23, 2023 by the Director of Boilers, Punjab.

- Approval granted by the Punjab State Electricity Board for synchronisation of the plant with the PSEB system dated February 6, 2009.

- Technical Clearance Feasibility granted by the Punjab State Electricity Board for the power that will be injected from the biomass power generation plant dated April 30, 2009.

- Approval granted by the Executive Engineer, Abohar, Canal Sub Division for permission of use of canal water dated September 2, 2009.

- Approval from the Chief Town Planner, Punjab, Chandigarh for change of land use for industrial purpose dated February 25, 2008.

- Permission granted by the Forest Divisional Officer, Faridkot Forest Division, Muktsar for a 66 KV line to be constructed issued on August 16, 2010.

- Allotment of site for setting up of biomass power project on Build, Operate and Own basis granted by PEDA on May 18, 2007.

- Right of way granted by the PSEB on January 30, 2009 for constructing 66 KV line.

II. Material approvals that have expired and for which renewal applications have been made:

There are no material approvals that have expired and for which renewal applications have been made as on the date of this Draft Red Herring Prospectus, except as disclosed below:

NIL

III. Material approvals required and applied for but not received by our Company and Material Subsidiary.

There are no material approvals that have been applied for but not received by our Company and Material Subsidiary as on the date of this Draft Red Herring Prospectus, except as disclosed below:

NIL

IV. Material approvals required but yet to be obtained or applied for by our Company and Material Subsidiary.

There are no material approvals required but yet to be obtained or applied for by our Company and Material Subsidiary as on the date of this Draft Red Herring Prospectus, except as disclosed below:

NIL

V. Our Intellectual Property

As on the date of this Draft Red Herring Prospectus, the Company has the following trademarks registered:

Sr. No	Name of the IPR registration/ license	Issuing Authority	Whether registered/ applied for/ unregistered	Trademark Number	Date of registration/ application	Class	Date of Expiry
1.	DEE piping systems	Registrar of Trade Marks, Trade Marks Registry, Government of India	Registered	2556954	July 1, 2023	6	June 30, 2033

For risks associated with intellectual property, see, "*Risk Factors – We may not be able to adequately protect our intellectual property or may unintentionally infringe upon the intellectual property rights of others which could substantially harm our business.*" on page 49.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Fresh Issue has been authorised by our Board pursuant to its resolutions dated September 7, 2023 and by our Shareholders pursuant to their resolution dated September 7, 2023. Our Board has approved this Draft Red Herring Prospectus pursuant to its resolution dated September 28, 2023. For further details, see "*The Offer*" on page 75.

Our Board has taken on record the participation of the Selling Shareholder in the Offer for Sale pursuant to a resolution dated September 25, 2023.

The Selling Shareholder has confirmed and approved his participation in the Offer for Sale in relation to the Offered Shares. For further details, see "*The Offer*" on page 75.

Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by the SEBI or other governmental authorities

Our Company, Promoter, members of the Promoter Group, Directors, the Selling Shareholder are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoter and Directors are associated with as promoters or directors have been debarred from accessing capital markets under any order or direction passed by the SEBI or any other authorities.

Our Company, Promoter or Directors have not been declared as Wilful Defaulters or Fraudulent Borrowers. Our Promoter or Directors have not been declared as Fugitive Economic Offenders.

Directors associated with the securities market

None of our Directors are associated with the securities market in any manner.

There have been no actions initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft Red Herring Prospectus.

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoter and the Selling Shareholder and members of the Promoter Group (to the extent applicable to them) are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, in relation to our Company, as of the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has net tangible assets of at least ₹30 million, calculated on a restated and consolidated basis, in each of the preceding three full financial years, i.e., as at and for Fiscal 2023, Fiscal 2022 and Fiscal 2021, of which not more than 50% are held in monetary assets;

- Our Company has an average operating profit of at least ₹150 million, calculated on a restated and consolidated basis, during the preceding three full financial years, i.e., Fiscal 2023, Fiscal 2022 and Fiscal 2021, with operating profit in each of these preceding three financial years;

- Our Company has a Net Worth of at least ₹10 million, calculated on a restated and consolidated basis in each of the preceding three full financial years, i.e., Fiscal 2023, Fiscal 2022 and Fiscal 2021; and

- Our Company has not changed its name in the last one year.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, restated pre-tax operating profit and Net Worth derived from the Restated Consolidated Summary Statements included in this Draft Red Herring Prospectus as at, and for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 are set forth below:

(in ₹ million unless stated otherwise)

S. No.	Particulars	As at and for Fiscal		
		2023	2022	2021
A.	Restated consolidated net tangible assets(1)	4,355.17	4,259.23	4,689.20
B.	Restated consolidated monetary assets(2)	383.52	329.01	364.10
C.	Restated monetary assets as a percentage of restated consolidated net tangible assets (B/A*100)(2)	8.81	7.72	7.76
D.	Net Worth(4)	4,136.95	4,013.68	4,484.98
E.	Restated consolidated net operating profit(5)	314.49	287.08	182.68

(1) Restated consolidated net tangible assets = the sum of all the net assets of our Group excluding intangible assets as defined in Indian Accounting standard (Ind AS) 38, deferred tax assets (net) and deferred tax liability (net) as defined under (Ind AS) 12, right-of-use assets and lease liabilities as defined under Ind AS 116, goodwill as defined under Ind AS 110 as applicable, specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, as per the Restated Consolidated Summary Statements.

(2) Restated consolidated monetary assets means cash and cash equivalent and other bank balances (including non-current deposits with banks with more than 12 months maturity) excluding balances associated with assets classified as held for disposal.

(3) "Net worth" means the aggregate value of the paid-up equity 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. Net worth represents equity attributable to equity holders of the parent and does not include amount attributable to non-controlling interests .

(4) Restated consolidated net operating profit has been calculated as restated profit before tax excluding finance cost and other income.

Our Company is in compliance with the conditions specified in Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. Except for the options granted pursuant to the DEE ESOP Scheme 2023, 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 of the date of this Draft Red Herring Prospectus.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

The Selling Shareholder confirms that the Equity Shares offered as part of the Offer for Sale have been held in compliance with Regulation 8 of the SEBI ICDR Regulations.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING SBI CAPITAL MARKETS LIMITED AND EQUIRUS CAPITAL PRIVATE LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND THE SELLING SHAREHOLDER IS RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY HIM IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO HIMSELF FOR THE PORTION OF THE EQUITY SHARES BEING OFFERED BY HIM IN THE OFFER FOR SALE, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDER DISCHARGE THEIR RESPECTIVE RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 28, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE

OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All applicable legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus and the Prospectus, as applicable, with the RoC in terms of the Companies Act.

Disclaimer from our Company, the Selling Shareholder, our Directors and the BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made in relation to our Company or the Offer other than those confirmed by them in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance. The Selling Shareholder accepts no responsibility for any statements made other than those specifically made by the Selling Shareholder in relation to himself and the Offered Shares. Except when specifically directed in this Draft Red Herring Prospectus, anyone placing reliance on any other source of information, including our Company's website, www.deepiping.com or any website of any member of the Promoter Group or affiliates of our Company, would be doing so at their own risk.

The Book Running Lead Managers accept no responsibility, save to the limited extent as provided in the Offer Agreement and as will be provided in the Underwriting Agreement.

All information, to the extent required in relation to the Offer, shall be made available by our Company, the Selling Shareholder (to the extent that the information required pertains to himself and the Offered Shares) and the BRLMs to the public and investors at large and no selective or additional information would be made available by our Company, the Selling Shareholder and the BRLMs for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, the BRLMs, 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 Shareholder, the BRLMs, 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, its Subsidiaries, the Selling Shareholder, and their respective directors and officers, affiliates, associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, its Subsidiaries, the Selling Shareholder, and their respective group companies, directors, officers, affiliates, associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

The Offer is being made in India to persons resident in India, including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Systemically Important NBFCs registered with the RBI or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, insurance companies registered with the IRDAI, permitted provident funds and pension funds, National Investment Fund, insurance funds set up and managed by the army, navy and air force of the Union of India, insurance funds set up and managed by the Department of Posts, Government of India and to NBFC-SI, Eligible FPIs, AIFs, FVCIs, Eligible NRIs and other eligible foreign investors, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, state industrial development corporations and registered multinational and bilateral development financial institutions.

This Draft Red Herring Prospectus shall not constitute an offer to sell or an invitation to subscribe to or purchase Equity Shares offered hereby in any jurisdiction including India. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform themselves about, and to observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India.

Bidders are advised to ensure that any Bid from them should not exceed investment limits or the maximum number of Equity Shares that could be held by them under applicable law.

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, India, only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any offer hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, our Subsidiaries, the Selling Shareholder, our Promoter, members of our Promoter Group since the date of this Draft Red Herring Prospectus or that the information contained herein is correct as at any time subsequent to this date.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States. Accordingly, the Equity Shares are being offered and sold outside of the United States in offshore transactions as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of this Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Offer) may violate the registration requirements of the U.S. Securities Act.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off – shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by the NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Listing

The Equity Shares issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on the BSE and NSE. Applications will be made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares being issued and sold in the Offer. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within such time prescribed by the SEBI. If our Company does not allot Equity Shares pursuant to the Offer within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period or such other rate prescribed by SEBI.

The Selling Shareholder undertakes to provide such reasonable assistance as may be requested by our Company, in relation to the Offered Shares to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within such time prescribed by SEBI. Any expense incurred by our Company on behalf of the Selling Shareholder with regard to interest on such refunds will be reimbursed by the Selling Shareholder in proportion to the Offered Shares.

Consents

Consents in writing of the Selling Shareholder, our Directors, our Company Secretary and Compliance Officer, the legal counsel to our Company and the Selling Shareholder as to Indian Law, the legal counsel to the BRLMs as to Indian Law, D&B, the Bankers to our Company, the BRLMs, the Registrar to the Offer, Independent Chartered Accountant, the Syndicate Members, the Escrow Collection Bank(s), the Refund Bank(s), the Public Offer Account Bank(s), the Sponsor Bank(s) and the Monitoring Agency to act in their respective capacities, have been obtained/will be obtained prior to filing of the Red Herring Prospectus with the RoC and filed (as applicable) along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents that have been obtained have not been withdrawn as of the date of this Draft Red Herring Prospectus.

Experts

Our Company has not obtained any expert opinions other than as disclosed below:

Our Company has received written consent dated September 28, 2023 from S. R. Batliboi & Co. LLP, Chartered Accountants, to include their name as required under section 26 (1) 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 their (i) examination report, dated September 25, 2023 on our Restated Consolidated Summary Statements; and (ii) their report dated September 28, 2023 on the statement of special tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated September 25, 2023 from SANMARKS & Associates, Chartered Accountants, the statutory auditors of one of our Subsidiaries, DEE Fabricom India Private Limited to be named as an "expert" under Section 2(38) read with Section 26(5) of the Companies Act, 2013, in respect of the report on the utilization of loans for the purpose availed dated September 23, 2023. Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated September 25, 2023 from Bangkok International Audit Co. Ltd. , Certified Public Accountants, to be named as an "expert" under Section 2(38) and other applicable provisions of the Companies Act, 2013, in respect of the statement of special tax benefits in relation to DEE Piping Systems (Thailand) Co. Limited dated September 6, 2023 included in this Draft Red Herring Prospectus and report on the utilization of loans for the purpose availed dated September 9, 2023. Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated September 28, 2023 from VSD & Associates, Chartered Accountants, to be named as an "expert" under Section 2(38) and other applicable provisions of the Companies Act, 2013. Such consent has not been withdrawn until the filing of this Draft Red Herring Prospectus with the SEBI.

Our Company has received written consent dated September 25, 2023 from M/s. Kapil Kumar & Co., practicing company secretary, to be named as an "expert" under Section 2(38) and other applicable provisions of the Companies Act, 2013. Such consent has not been withdrawn until the filing of this Draft Red Herring Prospectus with the SEBI.

Further, our Company has received written consent dated August 25, 2023 from Vinay Kumar Wadhawan, an independent chartered engineer, to be named as an "expert" under Section 2(38) and other applicable provisions of the Companies Act, 2013 to the extent and in his capacity as a chartered engineer and in respect of the certificate dated August 25, 2023 issued by him in relation to our Company's manufacturing capacities and capacity utilization at all of its manufacturing facilities included in this Draft Red Herring Prospectus. Such consent has not been withdrawn until the filing of this Draft Red Herring Prospectus with the SEBI.

Particulars regarding capital issues by our Company and listed group companies, subsidiaries or associate entities during the last three years

Other than as disclosed in the section '*Capital Structure*' on page 90, 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 associates. Further, as on the date of this Draft Red Herring Prospectus, our Company does not have any listed Subsidiaries or group companies.

Commission and brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public offer of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

Details of Public or Rights Issues by our Company during the last five years

Our Company has not made public issues or undertaken any rights issue during the last five years.

Performance vis-à-vis Objects

Our Company has not undertaken any public issues or rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis Objects – Details of Public or Rights Issues by listed subsidiaries of our Company

Our Company does not have any listed Subsidiaries.

Price Information of Past Issues Handled by the BRLMs (during the current Fiscal and two Fiscals preceding the current Fiscal)

1. SBI Capital Markets Limited

(i) Price information of past public issues (during the current Fiscal and the two Fiscals immediately preceding the current Financial Year) handled by SBI Capital Markets Limited:

Sr. No.	Issue Name**	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Yatra Online Limited	7750.00	142.00	September 28, 2023	130.00	-	-	-
2	Senco Gold Limited#	4050.00	317.00	July 14, 2023	430.00	25.28% [-0.70%]	-	-
3	Tamilnad Mercantile Bank Limited @	8,078.40	510.00	September 15, 2022	510.00	-8.43% [-3.36%]	2.14% [4.34%]	-15.82% [-2.83%]
4	Paradeep Phosphates Limited @	15,017.31	42.00	May 27, 2022	43.55	-10.24% [-3.93%]	27.50% [7.65%]	31.19% [11.91%]
5	Life Insurance Corporation of India (1)@	205,572.31	949.00	May 17, 2022	867.20	-27.24% [-3.27%]	-28.12% [9.47%]	-33.82% [13.76%]
6	Star Health and Allied Insurance Company Ltd (2)#	64,004.39	900.00	December 10,2021	845.00	-14.78% [+1.72%]	-29.79% [-6.66%]	-22.21% [-6.25%]
7	Tarsons Products Limited (3)@	8,738.40	662.00	November 26, 2021	700.00	-4.16% [+0.03%]	-4.46% [+0.22%]	0.20% [-5.35%]
8	Aditya Birla Sun Life AMC Limited#	27,682.56	712.00	October 11, 2021	715.00	-11.36% [+0.55%]	-23.85% [-0.74%]	-25.65% [-0.90%]
9	Nuvoco Vistas Corporation Limited@	50,000.00	570.00	August 23, 2021	471.00	-5.83% [+6.21%]	-9.74% [+7.34%]	-32.76% [4.10%]
10	Windlas Biotech Limited@	4,015.35	460.00	August 16, 2021	439.00	-18.02% [+4.79%]	-34.42% [+9.18%]	-37.01% [+4.62%]

: www.nseindia.com and www.bseindia.com

Notes:

* *The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days isa 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.*

** *The information is as on the date of this document.*

* *The information for each of the financial years is based on issues listed during such financial year.*

@ *The S&P BSE SENSEX index is considered as the Benchmark Index, BSE being the designated stock exchange*

\# *The Nifty 50 index is considered as the Benchmark Index, NSE being the designated stock exchange*

1 *Price for retail individual bidders and eligible employee was Rs 904.00 per equity share and for Eligible Policy Holders and was Rs 889.00 per equity share*

2 *Price for eligible employee was Rs 820.00 per equity share*

3 *Price for eligible employee was Rs 639.00 per equity share*

4 *Price for eligible employee was Rs 795.00 per equity shareSource: www.nseindia.com and www.bseindia.com*

(ii) Summary statement of price information of past public issues (during the current Fiscal and the two Fiscals immediately preceding the current Financial Year):

Financial Year	Total no. of IPOs #	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2023-24*	2	1,180.00	-	-	-	-	1	-	-	-	-	-	-	-
2022-23	3	2,28,668.02	-	1	2	-	-	-	-	1	1	-	1	-
2021-22	10	2,17,814.28	-	-	6	1	2	1	-	3	1	3	-	3

* *The information is as on the date of this Offer Document.*

\# *Date of Listing for the issue is used to determine which financial year that particular issue falls into*

2. Equirus Capital Private Limited

(i) Price information of past public issues (during the current Fiscal and the two Fiscals immediately preceding the current Fiscal) handled by Equirus Capital Private Limited:

Sr. No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	Listing Date	Opening Price on listing date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Anand Rathi Wealth Limited#	6,593.75	550.001	December 14, 2021	602.05	+12.38% [+5.22%]	+4.46% [-4.42%]	+19.55% [-6.56%]
2.	Metro Brands Limited#	13,675.05	500.00	December 22, 2021	436.00	+21.77% [+4.45%]	+14.57% [+0.64%]	+7.93% [-9.78%]
3.	Prudent Corporate Advisory Services Limited#	4,282.84	630.002	May 20, 2022	660.00	-20.71% [-5.46%]	-2.10% [+10.92%]	+26.23% [+13.89%]
4.	Dreamfolks Services Limited#	5,621.01	326.00	September 06, 2022	505.00	+12.07% [-1.91%]	+14.80% [+6.20%]	+42.44% [+1.03%]
5.	Harsha Engineers International Limited$	7,550.00	330.003	September 26, 2022	450.00	+31.92% [+3.76%]	+10.68% [+4.65%]	-2.18% [-0.42%]
6.	Inox Green Energy Services Limited#	7,400.00	65.00	November 23, 2022	60.50	-30.77% [-1.11%]	-32.77% [-1.33%]	-26.85% [+0.36%]
7.	Divgi TorqTransfer Systems Limited#	4,121.20	590.00	March 14, 2023	600.00	+12.04% [+4.30%]	+39.64% [+8.16%]	+67.75% [+14.51%]
8.	Netweb Technologies India Limited#	6,310.00	500.004	July 27, 2023	942.50	+73.20% [-2.08%]	N.A.	N.A.

Sr. No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	Listing Date	Opening Price on listing date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
9.	TVS Supply Chain Solutions Limited$	8,800.00	197.00	August 23, 2023	207.05	+8.71% [+1.53%]	N.A.	N.A.
10.	Zaggle Prepaid Ocean Services Limited$	5,633.77	164.00	September 22, 2023	164.00	N.A.	N.A.	N.A.

Source*: www.bseindia.com and www.nseindia.com for price information and prospectus/basis of allotment for issue details.*

Notes:

1. *A discount of ₹ 25 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Anand Rathi Wealth Limited IPO*
2. *A discount of ₹59 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Prudent Corporate Advisory Services Limited IPO*
3. *A discount of ₹31 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Harsha Engineers International Limited IPO*
4. *A discount of ₹25 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Netweb Technologies India Limited IPO*
5. *Price on Designated Stock Exchange of the respective Issuer is considered for all of the above calculations.*
6. *In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.*
7. *N.A. (Not Applicable) – Period not completed.*

 # The S&P BSE SENSEX is considered as the Benchmark Index

$ The S&P CNX NIFTY is considered as the Benchmark Index

(ii) Summary statement of price information of past public issues (during the current Fiscal and the two Fiscals immediately preceding the current Financial Year):

Fiscal	Total no. of IPOs	Total amount of funds raised (Rs. Mn.)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2023-2024*	3	20,743.77	-	-	-	1	-	1	-	-	-	-	-	-
2022-2023	5	28,975.05	-	1	1	-	1	2	-	1	1	1	2	-
2021-2022	5	49,335.49	-	-	1	1	-	3	-	1	-	1	1	2

** The information is as on the date of this Offer Document.*

The information for each of the financial years is based on issues listed during such financial year.

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in the SEBI circular dated January 10, 2012, bearing reference number CIR/MIRSD/1/2012, please see the websites of the BRLMs indicated in the table below:

S. No.	Name of the BRLM	Website
1.	SBI Capital Markets Limited	www.sbicaps.com
2.	Equirus Capital Private Limited	www.equirus.com

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange as of the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, read with the SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In the event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the BRLMs shall compensate the investors at the rate higher of ₹100 per day or 15% per annum of the application amount for the period of such delay.

All grievances (other than from Anchor Investors) in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, UPI ID, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. Further, the Bidder shall also enclose a copy of the Acknowledgement Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Book Running Lead Managers, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the Book Running Lead Managers where the Bid cum Application Form was submitted by the Anchor Investor.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Bank(s) for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Book Running Lead Managers and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Our Company, the Book Running Lead Managers and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Disposal of Investor Grievances by Our Company

Our Company shall, post the filing of this Draft Red Herring Prospectus, apply for the authentication on the SCORES in terms of the SEBI circular no. CIR/OIAE/1/2014 dated December 18, 2014, the SEBI circular no. SEBI/HO/OIAE/IGRD/CIR/P/2019/86 dated August 2, 2019, the SEBI circular no. SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and the SEBI circular no. 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 has also constituted a Stakeholders' Relationship Committee to review and redress shareholder and investor grievances. See "*Our Management – Committees of the Board – Stakeholders' Relationship Committee*" on page 256.

Our Company has not received any investor grievances during the three years preceding the date of this Draft Red Herring Prospectus and there are no investor complaints pending as of the date of this Draft Red Herring Prospectus.

The Selling Shareholder has authorised the Company Secretary and Compliance Officer of our Company, and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Our Company estimates that the average time required by it or the Registrar to the Offer or the relevant Designated Intermediary for the redressal of routine investor grievances shall be seven days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Disposal of investor grievances by listed group companies and listed Subsidiaries

As of the date of this Draft Red Herring Prospectus, we do not have listed Subsidiaries. We do not have any group companies.

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

Our Company has not applied for or received any exemption from complying with any provisions of securities laws from SEBI.

SECTION VII: OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued, transferred and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, our Memorandum of Association and our Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by the SEBI, the Government of India, the Stock Exchanges, the RBI, the RoC and/or any other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

The Offer

The Offer comprises of a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholder. The fees and expenses relating to the Offer shall be borne by each of our Company and the Selling Shareholder in the manner agreed to among our Company and the Selling Shareholder and in accordance with applicable law. For details in relation to Offer expenses, see "*Objects of the Offer*" on page 106.

Ranking of the Equity Shares

The Equity Shares being issued, transferred and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and our Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of the right to receive dividend and voting. The Allottees, upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For more information, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 437.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to our Shareholders in accordance with the provisions of Companies Act, our Memorandum of Association and our Articles of Association and provisions of the SEBI Listing Regulations and other applicable law. Dividends, if any, declared by our Company after the date of Allotment (pursuant to transfer of Equity Shares from the Offer for Sale), will be payable to the Allottees who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable law. For more information, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of the Articles of Association*" on pages 267 and 437, 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 ("**Floor Price**") and at the higher end of the Price Band is ₹[●] per Equity Share ("**Cap Price**"). The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Offer Price, Price Band and the minimum Bid Lot will be decided by our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and shall be published in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper (Hindi also being the regional language of Haryana, where our Registered Office is located), each with wide circulation, and advertised at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges to upload on their respective websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges.

The Offer Price shall be determined by our Company and the Selling Shareholder, in consultation with the BRLMs, after the Bid/Offer Closing Date.

At any given point of time, there shall be only one denomination of Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

- right to receive dividends, if declared;
- right to attend general meetings and exercise voting rights, unless prohibited by law;
- right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
- right to receive offers for rights Equity Shares and be allotted bonus Equity 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; and
- such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and our Articles of Association and other applicable laws.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 437.

Allotment of Equity Shares only in dematerialised form

In terms of Section 29 of the Companies Act, 2013, and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, the following agreements have been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated August 4, 2023 among our Company, NSDL and the Registrar to the Offer; and
- Tripartite agreement dated September 13, 2023 among our Company, CDSL and the Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in dematerialised form in multiples of one Equity Share subject to a minimum allotment of [●] Equity Shares. For details of basis of allotment, see "*Offer Procedure*" on page 418.

Joint Holders

Subject to the provisions contained in our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

Nomination facility to Bidders

In accordance with Section 72 of the Companies Act, 2013, and the rules framed thereunder, the sole Bidder, or the First Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by our Board, elect either:

(a) to register himself or herself as the holder of the Equity Shares; or

(b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment in the Offer will be made only in dematerialised mode there is no need to make a separate nomination with our Company. Nominations registered with the respective Collecting Depository Participant of the Bidder would prevail. If the Bidders wish to change the nomination, they are requested to inform their respective Collecting Depository Participant.

Period of operation of subscription list – Bid/Offer Programme

BID/OFFER OPENS ON	[●][(1)]
BID/OFFER CLOSES ON	[●][(2)(3)]

(1) *Our Company and the Selling Shareholder, 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) *Our Company and the Selling Shareholder, 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.*

(3) *UPI mandate end time and date shall be 5:00 p.m. on the Bid/Offer Closing Date, i.e., on [●].*

An indicative timetable in respect of the Offer is disclosed below:

Event	Indicative Date
Bid/Offer Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA*	On or about [●]
Credit of Equity Shares to dematerialised accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

* *In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism), exceeding [●] Working Days from the Bid/Offer Closing Date, for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the investor grievance until the date on which the blocked amounts are unblocked. The Bidder shall be compensated in the manner specified in the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circulars dated June 2, 2021, April 20, 2022 and 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.*

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 Shareholder or the BRLMs.

While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and commencement of trading of the Equity Shares on the Stock Exchanges are taken within the time period of the Bid/Offer Closing Date, as may be prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company and the Selling Shareholder, 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. 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 Selling Shareholder confirms that he shall extend reasonable support and co-operation in relation to the Offered Shares, as may be requested by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within the time period of the Bid/Offer Closing Date, as may be prescribed by the SEBI.

The SEBI is in the process of streamlining and reducing the post issue timeline for initial public offerings and has through its circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, reduced the time period for listing of shares in public issue from existing 6 days to 3 days. The revised timeline of T+3 days shall be 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. Please note that we may need to make appropriate changes in the Red Herring Prospectus and Prospectus depending upon the prevailing conditions at the time of the opening of the Offer. 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.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with listing timelines and activities prescribed by the SEBI, 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 and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

* *UPI mandate end time shall be 5:00 p.m. on the Bid/ Offer Closing Date*

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 UPI Bidders.

On Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by RIBs after taking into account the total number of Bids received and as reported by the Book Running Lead Managers to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date until the Bid/ Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLMs and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

It is clarified that Bids 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 the prescribed time on the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Bids and any revision in Bids will be accepted only during Working Days. 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.

Investors may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. Neither our Company, nor the Selling Shareholder, nor any member of the Syndicate is liable for any failure in uploading or downloading the Bids due to faults in any software / hardware system or otherwise; or blocking of application amount by SCSBs on receipt of instructions from the Sponsor Banks 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-a-vis* data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

Our Company and the Selling Shareholder, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI ICDR Regulations, provided that the revised Cap Price shall be less than or equal to 120% of the revised Floor Price, the Floor Price shall not be less than the face value of the Equity Shares, and that the revision in the Price Band shall not exceed 20% on either side, *i.e.*, the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. Provided that, the Cap Price of the Price Band shall be at least 105% of the Floor Price.

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

Minimum subscription

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any, within 60 days from the Bid/Offer Closing Date, 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 Shareholder, to the extent applicable, and our Company shall forthwith refund the entire subscription amount received in accordance with applicable law. If there is a delay beyond the prescribed time, our Company, to the extent applicable, shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable law, including the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023. Subject to applicable law, the Selling Shareholder shall not be responsible to pay interest for any delay, unless such delay is solely and directly attributable to an act or omission of the Selling Shareholder, in which case such liability shall be on a several and not joint basis and shall be to the extent of the Offered Shares.

The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale. If there is a delay beyond the prescribed period, our Company becomes liable to pay the amount, our Company and our Directors, who are officers in default, shall pay interest at the rate of 15% per annum.

In the event of an undersubscription in the Offer, the Equity Shares will be Allotted in the following order:

i. such number of Equity Shares will first be Allotted by our Company such that 90% of the Fresh Issue portion is subscribed;

ii. upon (i), all the Equity Shares held by the Selling Shareholder and offered for sale in the Offer for Sale will be Allotted (in proportion to the Offered Shares being offered by the Selling Shareholder to the aggregate Offered Shares in the Offer for Sale); and

iii. once Equity Shares have been Allotted as per (i) and (ii) above, such number of Equity Shares will be Allotted by our Company towards the balance 10% of the Fresh Issue portion.

In accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000, failing which the entire application monies shall be refunded forthwith in accordance with SEBI ICDR Regulations and other applicable laws. In case of delay, if any, in refund within such timelines as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company and the Selling Shareholder shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangement for disposal of odd lots

Since the Equity Shares will be traded in dematerialised form only and the market lot for the Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Restrictions, if any, on transfer and transmission of Equity Shares

Except for lock-in of the pre-Offer capital of our Company, the minimum Promoter's Contribution and the Anchor Investor lock-in in the Offer as detailed in "*Capital Structure*" on page 90, and except as provided in the Articles of Association as detailed in "*Description of Equity Shares and Terms of the Articles of Association*" on page 437, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/splitting.

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 and the Selling Shareholder, in consultation with the BRLMs, reserve the right not to proceed with the Offer, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company and the Selling Shareholder, in consultation with the BRLMs, decides not to proceed with the Offer, 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. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank(s) to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, withdraws the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with a public offering of Equity Shares, our Company shall file a fresh draft red herring prospectus with the SEBI and the Stock Exchanges.

OFFER STRUCTURE

The Offer of up to [●] Equity Shares bearing 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 by our Company aggregating up to ₹3,250.00 million and an Offer for Sale of up to 7,900,000 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholder.

Our Company, in consultation with the Book Running Lead Managers, may consider a Pre-IPO Placement of up to [●] specified securities aggregating up to ₹650.00 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the Book Running Lead Managers and the Pre-IPO Placement, if any, will be undertaken prior to filing of this Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the size of the Fresh Issue will be reduced by the number of specified securities issued and allotted in the Pre-IPO Placement, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement shall not exceed 20% of the size of the Fresh Issue.

The Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company. The Offer is being made through the Book Building Process.

Particulars	QIBs(1)	Non-Institutional Bidders	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 Retail Individual Bidders	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 QIBs. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs	Not less than 15% of the Offer or the Offer less allocation to QIBs and Retail Individual Bidders will be available for allocation, out of which: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹200,000 and up to ₹1,000,000; and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1,000,000 provided that the unsubscribed portion in either of the sub-categories specified above may be allocated to applicants in the other sub-category of Non-Institutional Bidders	Not less than 35% of the Offer or Offer less allocation to QIBs and Non-Institutional Bidders will be available for allocation
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual	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 the SEBI ICDR Regulations. For details see, "*Offer Procedure*" on page 418.	The allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details, see "*Offer Procedure*" on page 418.

Particulars	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders
	Funds receiving allocation as per (a) above. Our Company and the Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion (of up to [●] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price		
Minimum Bid	Such number of Equity Shares so that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares	Such number of Equity Shares so that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares	[●] Equity Shares and in multiples of [●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer (excluding the Anchor Portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer (excluding the QIB Portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
Mode of Allotment	Compulsorily in dematerialised form		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	[●] Equity Shares and thereafter 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 2013, scheduled commercial banks, Mutual Funds registered with SEBI, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million National Investment Fund set up by the Government, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of karta), companies, corporate bodies, scientific institutions, societies, trusts and FPIs who are individuals, corporate bodies and family offices	Resident Indian individuals, Eligible NRIs and HUFs (in the name of karta)
Mode of Bidding	Only through the ASBA process (except for Anchor Investors).	Only through the ASBA process (including UPI Mechanism for Bids up to ₹ 0.50 million).	Only through the ASBA process (including the UPI Mechanism).

Particulars	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
Terms of Payment	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[(4)] **In case of all other Bidders**: Full Bid Amount shall be blocked in the bank account of the ASBA Bidder (other than Anchor Investors) that is specified in the ASBA Form at the time of submission of the ASBA Form		

* *Assuming full subscription in the Offer.*

(1) *Our Company and the Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion 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 price Anchor Investor Allocation Price. In the event of under -subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For details, see "Offer Structure" on page 415.*

(2) *Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR read with Regulation 45 and in compliance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to QIBs. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the 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 from them at or above the Offer Price. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. 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 and the Selling Shareholder 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 409.*

(3) *In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids, except as otherwise permitted, in any or all categories.*

(4) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay -In Date as indicated in the CAN. Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

The Bids by FPIs with certain structures as described under the section entitled "Offer Procedure - Bids by FPIs" on page 423 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 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.

The Bids by FPIs with certain structures as described under "*Offer Procedure — Bids by FPIs*" on page 423 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 Shareholder, the members of the Syndicate, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholder, 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 409.

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 also 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 through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer, (ii) maximum and minimum Bid size, (iii) price discovery and allocation, (iv) payment instructions for ASBA Bidders, (v) issuance of Confirmation of Allocation Note and Allotment in the Offer, (vi)general instructions (limited to instructions for completing the Bid cum Application Form), (vii) Designated Date, (viii) disposal of applications, (ix) submission of Bid cum Application Form, (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds), (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications, (xii) mode of making refunds, and (xiii) interest in case of delay in Allotment or refund.

*The SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective until June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II until further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**"), as may be prescribed by the SEBI. Pursuant to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, the final reduced timeline of T+3 days using the UPI Mechanism for applications by UPI Bidders has been made voluntary for public issues opening on or after September 1, 2023, and mandatory for public issues opening on or after December 1, 2023 ("**T+3 Circular**"). This Draft Red Herring Prospectus has been drafted in accordance with UPI Phase II framework and also reflects additional measures for streamlining the process of initial public offers. Please note that we may need to make appropriate changes in the Red Herring Prospectus and Prospectus depending upon the prevailing conditions at the time of the opening of the Offer.*

Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. The provisions of these circulars 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 ₹500,000 shall use the UPI Mechanism. This circular has come into force for initial public offers opening on or after May 1, 2022 and the provisions of these circular are deemed to form part of this Draft Red Herring Prospectus.

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, 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.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process. 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. Additionally, SEBI vide its circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 has reduced the time period for refund of application monies from 15 days to four days.

Our Company, the Selling Shareholder and the Syndicate 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 Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus and the Prospectus.

Further our Company, the Selling Shareholder and the Syndicate Members are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations, through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company and the Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation 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, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders in accordance with the SEBI ICDR Regulations, 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 and the Selling Shareholder, 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.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, the PAN and UPI ID, for UPI Bidders using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get their Equity Shares dematerialised subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

Phased implementation of UPI

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, among others, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, a Retail Individual Investor 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 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: Pursuant to SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, Phase III has been notified, and accordingly the revised timeline of T+3 days has 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. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Circular, once Phase III becomes applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 issued by SEBI, as amended by the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated April 20, 2022 (the "**UPI Streamlining 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 Streamlining 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. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post– Offer BRLM will be required to compensate the concerned investor.

The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Offer Opening Date. If the Offer is made under UPI Phase III of the UPI Circular, the same will be advertised in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper (Hindi also being the regional language of Haryana, 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 Sponsor Bank(s) to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/or payment instructions of the UPI Bidders using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the Abridged Prospectus will be available with the Designated Intermediaries at relevant Bidding Centres and at our Registered Office. The electronic copy of the Bid cum Application Forms will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. The UPI Bidders can additionally Bid through the UPI Mechanism.

ASBA Bidders (other than UPI Bidders using UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected. The ASBA 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.

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 using UPI Mechanism may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. Retail Individual Bidders authorising an

SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. 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. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

The prescribed color of the Bid cum Application Forms for various categories is as follows:

Category	Color of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including Eligible NRIs, FVCIs, FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis	[●]
Anchor Investors	[●]

* *Excluding electronic Bid cum Application Form*

Notes:

(1) *Electronic Bid cum Application Forms and the Abridged Prospectus will also be available for download on the website of the NSE (www.nseindia.com) and the BSE (*www.bseindia.com*).*

(2) *Bid cum Application Forms for Anchor Investors will be made available at the offices of the BRLMs.*

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges. For ASBA Forms (other than through the UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate the UPI Mandate Request to UPI Bidders for blocking of funds. The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank(s), 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 Bank(s) and the Bankers to the Offer. The BRLMs shall also be required to obtain the audit trail from the Sponsor Bank(s) and the Bankers to the Offer for analyzing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to the SEBI circulars dated June 2, 2021 and April 20, 2022.

Pursuant to NSE circular dated July 22, 2022 with reference no. 23/2022 and BSE circular dated July 22, 2022 with reference no. 20220722-30, has mandated that Trading Members, Syndicate Members, RTA and Depository Participants shall submit Syndicate ASBA bids above ₹500,000 and NII & QIB bids above ₹200,000, through SCSBs only.

For all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders Bidding through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation on compliance with the UPI Circulars.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

The Sponsor Bank(s) shall host a web portals for intermediaries (closed user group) from the date of Bid/Offer Opening Date until the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

Electronic registration of Bids

a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.

b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids 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 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.

Participation by the Promoter, the members of the Promoter Group, the BRLMs, the Syndicate Members and persons related to Promoter/the members of the Promoter Group/the BRLMs

The BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion, as may be applicable to such Bidders, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the BRLMs nor any associate of the BRLMs can apply in the Offer under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associate of the BRLMs;

(ii) insurance companies promoted by entities which are associate of the BRLMs;

(iii) AIFs sponsored by the entities which are associate of the BRLMs; or

(iv) FPIs (other than individuals, corporate bodies and family offices) sponsored by the entities which are associate of the BRLMs.

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, among the Anchor Investor and the BRLMs.

Further, except for the sale of Equity Shares by the Selling Shareholder, our Promoter and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer.

However, a QIB who has any of the following rights in relation to our Company shall be deemed to be a person related to our Promoter or the members of the Promoter Group of our Company:

(i) rights under a shareholders' agreement or voting agreement entered into with our Promoter or the members of the Promoter Group of our Company;

(ii) veto rights; or

(iii) right to appoint any nominee director on the Board.

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 and the Selling Shareholder, 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 such 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 HUFs

Bids by HUFs, should be made in the individual name of the Karta. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "*Name of sole or First Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta*". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment.

Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorise their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and Eligible NRI Bidders Bidding on a non-repatriation basis by using Resident Forms should authorise their respective SCSBs (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis 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).

In accordance with the FEMA Non-debt Instruments Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity 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 applying in the Offer using UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such application.

Also see "*Restrictions on Foreign Ownership of Indian Securities*" on page 436.

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-debt Instruments Rules, with effect from April 1, 2020, the aggregate FPI investment limit is the sectoral cap applicable to an Indian company as prescribed in the FEMA Non-debt Instruments Rules with respect to its paid-up equity capital on a fully diluted basis. Currently, the sectoral cap is 100% and accordingly, the applicable limit with respect to our Company is 100%.

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 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).

In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

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 asset) 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 issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by, or on behalf of is subject to, inter alia, the following conditions:

(i) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and

(ii) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

Bids by FPIs which utilise the multi investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of the SEBI FPI Regulations (the "**Operational FPI Guidelines**"), submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids ("MIM Bids"). FPIs bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected, except for Bids from FPIs that utilise the multi investment manager structure in accordance with the Operational FPI Guidelines (such structure referred to as "**MIM Structure**"). In order to ensure valid Bids, FPIs making MIM Bids using the same PAN and with 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.

Further, in the following cases, the bids by FPIs will not be considered as multiple Bids: involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments ("**ODI**") which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category I FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in this Draft Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form "exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus."

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the "**FPI Group**") shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer Equity Share capital shall be liable to be rejected.

Bids by SEBI registered AIFs, VCFs and FVCIs

The SEBI FVCI Regulations, SEBI VCF Regulations and the SEBI AIF Regulations prescribe, *inter alia*, the investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI respectively. While the SEBI VCF Regulations have since been repealed, the funds registered as VCFs under the SEBI VCF Regulations continue to be regulated by such regulations until the existing fund or scheme managed by the fund is wound up. FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering. Category I AIF and Category II AIF cannot invest more than 25% of the investible funds in one investee company directly or through investment in the units of other AIFs, subject to the conditions prescribed by the SEBI. A Category III AIF cannot invest more than 10% of the investible funds in one investee company directly or through investment in the units of other AIFs, subject to the conditions prescribed by the SEBI. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than $1/3^{rd}$ of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, a VCF that has not re- registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations (and accordingly shall not be allowed to participate in the Offer) until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, AIFs, FPIs and FVCIs, and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, the Selling Shareholder or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholder, 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 as per the Banking Regulation Act, 1949, as amended, ("**Banking Regulation Act**"), and the Master Directions – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, and Master Circular on Basel III Capital Regulations dated July 1, 2014, 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 paid-up share capital and reserves, whichever is lower.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid- up share capital of such investee company, 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. The bank is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. The aggregate investment by a banking company 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, shall not exceed more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap does not apply to the cases mentioned in (i) and (ii) above.

Further, the aggregate equity investment made by a banking company in all its subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments, cannot exceed 20% of the banking company paid up share capital and reserves.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013 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 Bids.

Bids by Systemically Important NBFCs

In case of Bids made by Systemically Important NBFCs registered with RBI, a certified copies of the (i) certificate of registration issued by RBI, (ii) last audited financial statements on a standalone basis (iii) a net worth certificate from its statutory auditor(s), and (iv) such other approval as may be required by the Systemically Important NBFCs are required to be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder, in consultation with the BRLMs, reserves the right to reject any Bid, without assigning any reason thereof.

Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, directions, 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 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 and the Selling Shareholder, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of 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 and the Selling Shareholder, in consultation with the BRLMs, reserves the right to reject any Bid, without assigning any reason thereof.

Bids under power of attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, Systemically Important NBFCs, insurance funds set up by the army, navy or air force of the Union 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 (subject to applicable laws) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholder, in consultation with the BRLMs reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Selling Shareholder, in consultation with the BRLMs, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and the Selling Shareholder, in consultation with the BRLMs, may deem fit.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Offer.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, the key terms for participation by Anchor Investors are provided below:

(i) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.

(ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.

(iii) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

(iv) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date, and will be completed on the same day.

(v) Our Company and the Selling Shareholder, in consultation with the BRLMs may finalise 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 ₹2,500.00 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum Allotment of ₹50 million per Anchor Investor.

(vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Offer Period. 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.

(vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(viii) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Offer Price will be payable by the Anchor Investors on the Anchor Investor pay-in date specified in the CAN. If the Offer Price is lower than the Anchor Investor Offer Price, Allotment to successful Anchor Investors will be at the higher price.

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

(x) Neither (a) BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLMs) nor (b) the Promoter, Promoter Group or any person related to the Promoter or members of the Promoter Group shall apply in the Offer under the Anchor Investor Portion.

(xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder 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, when filed. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation and as specified in this Draft Red Herring Prospectus, or as will be specified in the Red Herring Prospectus and the Prospectus.

For more information, please read the General Information Document.

Certain 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 Acknowledgement 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 Acknowledgement 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 Shareholder 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, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General instructions

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. UPI Bidders can revise their Bid(s) during the Bid/Offer Period and withdraw or lower the size of their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/Offer Period.

Do's:

A. 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.

B. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

C. Ensure that you have Bid within the Price Band;

D. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

E. Ensure that you (other than the Anchor Investors) have mentioned the correct details of your ASBA Account (*i.e.*, bank account number) in the Bid cum Application Form if you are not a UPI Bidder using the UPI Mechanism in the Bid cum Application Form and if you are a UPI Bidder using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

F. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the 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 General Information Document;

G. UPI Bidders Bidding shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID (only for UPI Bidders using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

H. Ensure that you have funds equal to or more than the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;

I. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with the Syndicate Member, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;

J. The ASBA bidders shall ensure that bids above ₹ 500,000, are uploaded only by the SCSBs;

K. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the ASBA Account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

L. 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 the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

M. Ensure that you request for and receive a stamped Acknowledgment Slip in the form of a counterfoil or acknowledgement specifying the application number as a proof of having accepted the of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

N. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed, and obtain a revised Acknowledgement Slip;

O. 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;

P. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular (No. MRD/DoP/Cir-20/2008) dated June 30, 2008 issued by the SEBI, 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 the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the Income Tax Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

Q. 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;

R. 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;

S. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trusts, etc., the relevant documents, including a copy of the power of attorney, if applicable, are submitted;

T. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

U. Since the Allotment will be in demat form only, ensure that the depository account is active, the correct DP ID, Client ID, the PAN, and UPI ID (for UPI Bidders Bidding through UPI Mechanism) and PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI Mechanism) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI Mechanism) and PAN available in the Depository database;

V. In case of QIBs and NIBs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);

W. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Offer, which is UPI 2.0 certified by NPCI;

X. Bidders (except UPI Bidders Bidding through the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process.

Y. In case of UPI Bidders, once the Sponsor Bank(s) issues the Mandate Request, the UPI Bidders would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request to authorise the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

Z. UPI Bidders Bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;

AA. Ensure that when applying in the Offer using the UPI Mechanism, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;

BB. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in the UPI Bidder's ASBA Account;

CC. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;

DD. 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;

EE. Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;

FF. UPI Bidders Bidding through UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her/its UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, a 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 authorises the Sponsor Bank(s) to block the Bid Amount mentioned in the Bid cum Application Form;

GG. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) prior to 5:00 p.m. on the Bid/ Offer Closing Date;

HH. Bids by Eligible NRIs, HUFs and any individuals, corporate bodies and family offices who are FPIs and registered with SEBI for a Bid Amount of less than ₹200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the Non-Institutional Portion for allocation in the Offer;

II. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank(s), as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank(s) for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

JJ. Ensure that the Demographic Details are updated, true and correct in all respects; and

KK. Ensure that your PAN is linked with your Aadhaar card, and that you are in compliance with notification dated Feb 13, 2020 and press release dated June 25, 2021 and September 17, 2021, each issued by the Central Board of Direct Taxes.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

A. Do not Bid for lower than the minimum Bid size;

B. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

C. Do not Bid/revise the Bid Amount to an amount calculated at less than the Floor Price or higher than the Cap Price;

D. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);

E. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

F. Do not pay the Bid Amount in cheques, demand drafts, cash, money order, postal order or by stock invest;

G. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

H. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;

I. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

J. Do not submit the Bid for an amount more than funds available in your ASBA account;

K. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;

L. If you are a QIB, do not submit your Bid after 3 p.m. on the Bid/Offer Closing Date for QIBs;

M. Do not Bid for Equity Shares in excess of what is specified for each category;

N. In case of ASBA Bidders and UPI Bidders using UPI mechanism, do not submit more than one Bid cum Application Form per ASBA Account or UPI ID, respectively.;

O. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;

P. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a color prescribed for another category of Bidder;

Q. 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;

R. 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);

S. 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 the applicable laws or regulations, or under the terms of the Red Herring Prospectus;

T. Do not submit the General Index Register ("**GIR**") number instead of the PAN;

U. Do not submit incorrect details of the DP ID, Client ID, the 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;

V. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

W. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are RIB and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;

X. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;

Y. Anchor Investors should not Bid through the ASBA process;

Z. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;

AA. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

BB. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;

CC. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected;

DD. 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;

EE. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders Bidding using the UPI Mechanism; and

FF. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post-Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see "*General Information*" on page 83.

For helpline details of the BRLMs pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see '*General Information*' on page 84.

Grounds for Technical Rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;

5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank(s));

6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

7. Bids submitted without the signature of the First Bidder or sole Bidder;

8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

9. ASBA Form by the RIBs by using third party bank accounts or using third party linked bank account UPI IDs;

10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;

11. GIR number furnished instead of PAN;

12. Bids by RIBs Bidding in the Retail Portion with Bid Amount of a value of more than ₹200,000;

13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

14. Bids accompanied by stock invest, money order, postal order or cash; and

15. Bids by QIBs uploaded after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges.

Further, Bidders shall be entitled to compensation in the manner specified in the SEBI circular dated March 16, 2021 read with SEBI circular dated June 21, 2023 and SEBI circulars dated June 2, 2021 and April 20, 2022 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares through the Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent of the Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to Bidders other than to the RIBs, NIBs and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to the availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis.

The allotment of Equity Shares to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in Non-Institutional Portion, and the remaining 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.

Payment into Escrow Account(s) for Anchor Investors

Our Company and the Selling Shareholder, in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Account(s). For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favor of:

(a) In case of resident Anchor Investors: "[●]"; and

(b) In case of Non-Resident Anchor Investors: "[●]".

Anchor Investors should note that the escrow mechanism is not prescribed by the SEBI and has been established as an arrangement between our Company, the Selling Shareholder and the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper (Hindi also being the regional language of Haryana, 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. The advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment advertisement

Our Company, the Book Running Lead Managers and the Registrar to the Offer shall publish an allotment advertisement before commencement of trading of the Equity Shares on the Stock Exchanges, disclosing the date of commencement of trading of the Equity Shares on the Stock Exchanges in: (i) [●] editions of [●], a widely circulated English national daily newspaper; (ii) in all editions of [●], a Hindi national daily newspaper (Hindi also being the regional language of Haryana, where our Registered Office is located), each with wide circulation

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholder and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the finalization of the Offer Price but prior to the filing of Prospectus.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the 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, for fraud involving an amount of at least ₹1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5 million or with both.

Undertakings by our Company

Our Company undertakes the following:

(i) adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors;

(ii) the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

(iii) all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within the time period of the Bid/Offer Closing Date, as may be prescribed by the SEBI or under any applicable law;

(iv) if Allotment is not made within the prescribed time period under applicable law, the entire Bid amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;

(v) the funds required for making refunds (to the extent applicable) to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

(vi) where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

(vii) Except for Equity Shares allotted pursuant to the Offer, no further issue of the Equity Shares shall be made until the Equity Shares issued through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc, other than as disclosed in accordance with Regulation 56;

(viii) Promoter's contribution, if any, shall be brought in advance before the Bid/Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees;

(ix) Our Company shall not have any recourse to the proceeds of the Fresh Issue until final listing and trading approvals have been received from the Stock Exchanges;

(x) that if our Company does not proceed with the Offer after the Bid / Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid / Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly; and

(xi) if our Company and the Selling Shareholder, in consultation with the BRLMs withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, it shall be required to file a fresh draft red herring prospectus with the SEBI.

Undertakings by the Selling Shareholder

The Selling Shareholder undertakes the following:

(i) he is the legal and beneficial owners of the Equity Shares offered by him in the Offer for Sale;

(ii) the Offered Shares are free and clear of any encumbrances and shall be transferred to the successful Bidders under applicable law free and clear of any encumbrances;

(iii) the portion of the Offered Shares offered for sale by the Selling Shareholder are eligible for being offered in the Offer for Sale in terms of the SEBI ICDR Regulations;

(iv) he shall provide such reasonable assistance and cooperation as may be reasonably required by our Company and the Book Running Lead Managers in redressal of such investor grievances in relation to its Offered Shares and statements specifically made or confirmed by it in this Draft Red Herring Prospectus in relation to itself as a Selling Shareholder;

(v) he shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person (whether related to itself or not) for making a Bid in the Offer;

(vi) he shall provide such reasonable support and cooperation as required under applicable law or requested by our Company and/or the Book Running Lead Managers in relation to its Offered Shares, (a) for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges, and/ or (b) refund orders (if applicable); and

(vii) he shall not have any recourse to the proceeds of the Offer for Sale until final listing and trading approvals have been received from the Stock Exchanges.

The statements and undertakings provided above are statements which are specifically confirmed or undertaken by the Selling Shareholder in relation to himself and the Offered Shares.

Utilization of Offer Proceeds

Our Company declares that:

(i) all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

(ii) details of all monies utilised out of the Fresh Issue shall be disclosed, and continue to be disclosed until the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

(iii) details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

The Government of India has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. 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*) ("**DPIIT**") issued the FDI Policy, which with effect from October 15, 2020 consolidated, subsumed superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as of and prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. Up to 100% foreign investment under the automatic route is currently permitted for our Company. For further details, see "*Key Regulations and Policies*" on page 219.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that: (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations, (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. For details of the aggregate limit for investments by NRIs and FPIs in our Company, see "*Offer Procedure – Bids by Eligible NRIs*" and "*Offer Procedure – Bids by FPIs*" on page 423.

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 ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Non-debt Instruments Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Non-debt Instruments Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Bid/Offer Period.

As per the existing policy of the Government of India, OCBs cannot participate in the Offer. For further details, see "*Offer Procedure*" on page 418.

The Equity Shares issued in the Offer have not been and will not be registered under the U.S. Securities Act, and shall not be offered or sold within the United States, Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

INTERPRETATION

1. In these Articles: -

(a) **"Act"** means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable;

(b) **"Articles"** means the Articles of Association of the Company;

(c) **"Board" or "Board of Directors"** means the board of directors of the Company in office at applicable times;

(d) **"Company"** means DEE Development Engineers Limited;

(e) **"Depository"** means a depository, as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996 and a company formed and registered under the Companies Act, 2013 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992;

(f) **"Director"** shall mean any director of the Company, including alternate directors, Independent Directors and nominee directors appointed in accordance with and the provisions of these Articles;

(g) **"Equity Shares"** or **"Shares"** shall mean the issued, subscribed and fully paid-up equity shares of the Company having a face value of such amount as prescribed under the Memorandum of Association;

(h) **"Office"** means the Registered Office of the Company;

(i) "**the Registrar**" means the registrar of the companies of the state in which the office of the Company is for the time being situated; and

(j) **"the Seal"** means the Common Seal of the Company.

Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act, or any Statutory modifications thereof in force at the date at which these Articles become binding on the Company.

Except where the context requires otherwise, these Articles will be interpreted as follows:

(a) headings are for convenience only and shall not affect the construction or interpretation of any provision of these Articles;

(b) where a word or phrase is defined, other parts of speech and grammatical forms and the cognate variations of that word or phrase shall have corresponding meanings;

(c) words importing the singular shall include the plural and vice versa;

(d) all words (whether gender-specific or gender neutral) shall be deemed to include each of the masculine, feminine and neuter genders;

(e) the expressions "hereof", "herein" and similar expressions shall be construed as references to these Articles as a whole and not limited to the particular Article in which the relevant expression appears;

(f) the ejusdem generis (of the same kind) rule will not apply to the interpretation of these Articles. Accordingly, include and including will be read without limitation;

(g) any reference to a person includes any individual, firm, corporation, partnership, company, trust, association, joint venture, government (or agency or political subdivision thereof) or other entity of any kind, whether or not having separate legal personality. A reference to any person in these Articles shall, where the context permits, include such person's executors, administrators, heirs, legal representatives and permitted successors and assigns;

(h) a reference to any document (including these Articles) is to that document as amended, consolidated, supplemented, novated or replaced from time to time;

(i) references made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the Ministry of Corporate Affairs. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Companies Act, 2013 have been notified;

(j) a reference to a statute or statutory provision includes, to the extent applicable at any relevant time: (i) that statute or statutory provision as from time to time consolidated, modified, re-enacted or replaced by any other statute or statutory provision; and (ii) any subordinate legislation or regulation made under the relevant statute or statutory provision;

(k) references to writing include any mode of reproducing words in a legible and non- transitory form; and

(l) references to Rupees, Rs., Re., INR, ₹ are references to the lawful currency of India.

PUBLIC COMPANY

2. The Company is a public company within the meaning of Sections 2(71) and 3(1) (a) of the Companies Act, 2013

AUTHORISED SHARE CAPITAL

3. The authorised 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 of association, with power to increase or reduce such capital from time to time and power to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the articles of association of the Company, subject to the provisions of applicable law for the time being in force.

KINDS OF SHARE CAPITAL

4. 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.

SHARE CAPITAL AND VARIATION OF RIGHTS

5. Subject to the provisions of Section 62 and other applicable 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, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may be 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 shares shall not be given to any person or persons without the sanction of the Company in the general meeting.

6. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided:

(a) one certificate for all his shares without payment of any charges; or

(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two Directors or by a director and the company secretary, wherever the Company has appointed a company secretary:

Provided that in case the Company has a common seal it shall be affixed in the presence of the persons required to sign the certificate.

(iii) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

(iv) In accordance with Section 56 and other applicable provisions of the Act and the rules:

Every shareholder shall be entitled, without payment, to one or more certificates, in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, or within thirty days of the receipt of instrument of transfer, sub-division, consolidation or renewal of its shares as the case may be and for transmission requests for securities held in dematerialized mode and physical mode must be processed within seven days and twenty one days respectively, after receipt of the specified documents. In respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to the first named joint holders shall be sufficient delivery to all such holders. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding rupees two.

7. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and and in case of splitting, consolidation of share certificates and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article 7 shall be issued on payment of twenty rupees for each certificate. Such share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company. Every such certificate shall be issued in the manner prescribed under Section 46 of the Act and the rules framed thereunder. Particulars of every share certificate issued shall be entered in the register of members against the name of the person, to whom it has been issued, indicating the date of issue.

(ii) The provisions of Articles (4) and (5) shall mutatis mutandis apply to debentures of the Company.

8. Except as required by the Act, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

9. (i) The Company may exercise the powers of paying commissions conferred by sub- section (6) of section 40, provided that the rate percent 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 there under.

(ii) 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.

(iii) 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.

10. (i) 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.

(ii) To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply, such that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

11. 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 and whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourth 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 issued shares of that class, as prescribed by the Act. Subject to the provisions of the Act, to every such separate meeting, the provisions of these articles of association relating to meeting shall mutatis mutandis apply.

12. Subject to the provisions of section 55, 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.

FURTHER ISSUE OF SHARES

13. (1) Where at any time the Board or the Company, as the case may be, 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 the rules made thereunder:

(A) (i) 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 paid-up share capital on those shares by sending a letter of offer subject to the conditions mentioned in sub- clause (ii) to (iv) below;

(ii) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days (or such lesser number of days as may be prescribed under the Act or the rules made thereunder, or other applicable law) and not exceeding thirty days from the date of the offer, within which the offer if not accepted, shall be deemed to have been declined.

Provided that the notice shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue;

(iii) 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 (ii) shall contain a statement of this right;

(iv) After the expiry of time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that the person declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the members and the Company;

(B) to employees under any scheme of employees' stock option subject to special resolution passed by the shareholders of the Company and subject to the rules and such other conditions, as may be prescribed under applicable law; or

(C) to any person(s), if it is authorised by a special resolution, whether or not those persons include the persons referred to in clause (A) or clause (B) above either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the Act and the rules made thereunder;

Nothing in this article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the Company having an option to convert such debentures or loans into shares in the Company or to subscribe for shares of the Company:

Provided that the terms of issue of such debentures or loans containing such an option have been approved before the issue of such debentures or the raising of such loans by a special resolution passed by the shareholders of the Company in a general meeting. Notwithstanding anything contained in Article 13 (C) hereof, where any debentures have been issued, or loan has been obtained from any government by the Company, and if that government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion:

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to National Company Law Tribunal which shall after hearing the Company and the government pass such order as it deems fit. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the rules made thereunder.

RIGHT TO CONVERT LOANS INTO CAPITAL

Notwithstanding anything contained in sub-clauses(s) of Article 13 above, but subject, however, to the provisions of the Act, the Company may increase its subscribed capital on

exercise of an option attached to the debentures or loans raised by the Company to convert such debentures or loans into shares or to subscribe for shares in the Company.

PREFERENCE SHARES

14. (a) Redeemable preference shares:

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have the power to issue on a cumulative or non-cumulative basis, preference shares liable to be redeemed in any manner permissible under the Act, and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

(b) Convertible redeemable preference shares:

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis convertible redeemable preference shares, whether compulsorily convertible or optionally convertible, liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for redemption at a premium or otherwise and/or conversion of such shares into such securities on such terms as they may deem fit

ALTERATION TO MEMORANDUM

15. The Company shall have the power to alter the conditions of the memorandum in any manner.

LIEN

16. (i) 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 of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect.

(ii) The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

(iii) Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The fully paid up shares shall be free from all lien and that in case of partly paid shares, the Company's lien shall be restricted to money called or payable at a fixed time in respect of such shares.

17. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made-

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

18. (i) To give effect to any such sale, the Board may authorize 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.

(iii) 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.

19. (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.

20. The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities, including debentures, of the Company.

CALLS ON SHARES

21. (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 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) A call may be revoked or postponed at the discretion of the Board.

22. 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.

23. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

24. (i) 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 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.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

25. (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 Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

26. 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;

(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 percent per annum, as may be agreed upon between the Board and the member paying the sum in advance; and

(c) The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

27. The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities, including debentures, of the Company, to the extent applicable

TRANSFER OF SHARES

(i) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.

(ii) 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.

28. 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.

29. The Board may decline to recognize any instrument of transfer unless-

(a) the instrument of transfer is in writing and the form as prescribed in rules made under sub-section (1) of section 56 of the Act;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

30. On giving not less than seven days' previous notice in accordance with section 91 and rules made there under, 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 and for more than forty-five days in the aggregate in any year

31. Subject to the provisions of sections 58 and 59 of the Act, these articles and other applicable provisions of the Act or any other law for the time being in force, the Board with sufficient cause. may, refuse to register the transfer of, by operation of law of the right to, any securities or interest of a shareholder in the Company. The Company shall, within thirty days from the date on which the instrument of transfer, was delivered to the Company, send a notice of refusal to the transferee and transferor, giving reasons for such refusal.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares.

32. There shall be a common form of transfer in accordance with the Act and rules and as per the requirement of the stock exchanges.

33. Subject to the provisions of these articles, any transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for transfer of shares comprised in a share certificate to several shareholders, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of shares in violation of the stock exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number

34. No fee shall be payable to the Company, in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, or for sub division and/or consolidation of shares and debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.

TRANSFER OF PARTLY PAID SHARES

35. Where in the case of partly paid shares, an application for registration is made by the transferor alone, the transfer shall not be registered, unless the Company gives the notice of the application to the transferee in accordance with the provisions of the Act.

TRANSMISSION OF SHARES

36. (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.

37. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

38. (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 Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

39. 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.

40. The provisions of these Articles, shall, mutatis mutandis, apply to the transfer of or the transmission by law of the right to any securities including, debentures of the Company.

FORFEITURE OF SHARES

41. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

42. 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.

43. 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. Such forfeiture shall include all dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

44. (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.

45. (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.

46. (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.

(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.

47. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

48. The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities, including debentures, of the Company.

ALTERATION OF CAPITAL

49. The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

50. Subject to the provisions of section 61, the Company may, by ordinary resolution, -

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

51. 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 "stock-holder" respectively.

52. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by the Act,-

(a) its share capital;

(b) any capital redemption reserve account; or

(c) any share premium account,

and in particular without prejudice to the generality of the foregoing power may be: (i) extinguishing or reducing the liability on any of its shares in respect of share capital not paid up; (ii) either with or without extinguishing or reducing liability on any of its shares, cancel paid up share capital which is lost or is unrepresented by available assets; or (iii) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up share capital which is in excess of the wants of the Company; and may, if and so far as is necessary, alter its Memorandum of Association, by reducing the amount of its share capital and of its shares accordingly

RIGHTS TO ISSUE SHARE WARRANTS

53. The Company may issue share warrants subject to, and in accordance with provisions of the Act. The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

ISSUE OF BONUS SHARES

54. (1) The Company may issue fully paid-up bonus shares to its members, in any manner whatsoever, out of;

(i) its free reserves;

(ii) the securities premium account; or

(iii) the capital redemption reserve account:

Provided that no issue of bonus shares shall be made by capitalising reserves created by the revaluation of assets.

(2) The Company shall not capitalise its profits or reserves for the purpose of issuing fully paid-up bonus shares under clause (1) above, unless;

(i) it has, on the recommendation of the Board, been authorized in the General Meeting of the Company;

(ii) it has not defaulted in payment of interest or principal in respect of fixed deposits or debt securities issued by it;

(iii) it has not defaulted in respect of the payment of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus;

(iv) the partly paid-up shares, if any outstanding on the date of allotment, are made fully paid-up;

(v) it complies with such conditions as may be prescribed by the Act.

(3) The bonus shares shall not be issued in lieu of dividend.

DEMATERIALISATION OF SECURITIES

55. (a) The Company shall recognise interest in dematerialised securities under the Depositories Act, 1996. Subject to the provisions of the Act, either the Company or the investor may exercise an option to issue (in case of the Company only), deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event, the rights and obligations of the parties concerned and matters connected therewith or incidental thereof shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof, the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and other applicable law.

(b) Dematerialisation/Re-materialisation of securities.

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialise its existing securities, re materialise its securities held in Depositories and/or offer its fresh securities in the dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

(c) Option to receive security certificate or hold securities with the Depository Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its Record, the name of the allottees as the beneficial owner of that Security.

(d) Securities in electronic form all securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository. (e) Beneficial owner deemed as absolute owner except as ordered by a court of competent jurisdiction or by applicable law required and subject to the provisions of the Act, the Company shall be entitled to treat the person whose name appears on the applicable register as the holder of any security or whose name appears as the beneficial owner of any security in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such securities or (except only as by these Articles otherwise expressly provided) any right in respect of a security other than an absolute right thereto in accordance with these articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any security in the joint names of any two or more persons or the survivor or survivors of them.

(e) Register and index of beneficial owners the Company shall cause to be kept a register and index of members with details of securities held in materialised and dematerialised forms in any media as may be permitted by law including any form of electronic media in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996 with details of shares held in physical and dematerialised forms in any medium as may be permitted by law including in any form of electronic medium. The register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India, a branch Register of Members, of members resident in that state or country.

CAPITALISATION OF PROFITS

56. (i) 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 in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in these Articles either in or towards

(a) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(b) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(c) partly in the way specified in sub-clause (a) and partly in that specified in sub- clause (b);

(d) A securities premium account, free reserves and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;

(e) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

57. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall-

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power-

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

BUY-BACK OF SHARES

58. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

GENERAL MEETINGS

59. All general meetings other than annual general meeting shall be called extraordinary general meeting.

60. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) 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.

PROCEEDINGS AT GENERAL MEETINGS

61. 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.

62. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.

63. 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.

64. 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.

ADJOURNMENT OF MEETING

65. (i) 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.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) 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.

(iv) 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

66. 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.

67. A member may exercise his vote at a meeting by electronic means in accordance with section 108 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 proceeded 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. (i) 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.

(ii) 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. 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.

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. (a) The number of Directors shall not be less than three and not more than fifteen.

Provided Company may appoint more than fifteen directors after passing a special resolution.

(b) The following shall be the first Directors of the Company:

1) Krishan Lalit Bansal;

2) Lajwant Rai; and

3) Dalip Singh Sidhu

77. (i) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) 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. The Board shall have the power to determine the directors whose period of office is or is not liable to be determined by retirement of Directors by rotation.

79. The Board may pay all expenses incurred in getting up and registering the Company.

80. The Company may exercise the powers conferred on it by section 88 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.

81. 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.

82. 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.

83. A director shall not be required to hold any qualification shares of the Company.

84. (i) Subject to the provisions of section 149, 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.

(ii) 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.

PROCEEDINGS OF THE BOARD

85. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) 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. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) 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 far 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. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their numbers to be Chairperson of the meeting.

89. (i) 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.

(ii) 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.

90. (i) A committee may elect a Chairperson of its meetings.

(ii) 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.

91. (i) A committee may meet and adjourn as it thinks fit.

(ii) 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.

92. 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.

93. 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

94. 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;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

95. A provision of the Act or these Articles 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.

THE SEAL

96. (i) The Board shall provide for the safe custody of the seal.

(ii) The Seal of the Company shall not be required to be affixed to any instrument, but if so required, then it shall not be affixed except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least one Directors; and that Director shall sign every instrument to which the seal of the Company is so affixed in their presence.

BORROWING POWERS

97. Subject to sections 73 and 179 of the Companies Act. 2013, and Regulations made there under and Directions issued by the RBI the Board may, from time to time, raise or borrow any sums of money for and on behalf of the Company from the member or other persons, companies or banks or they may themselves advance money to the Company on such interest as may be approved by the Directors.

98. The Board may, from time to time, secure the payment of such money in such manner and upon such terms and conditions in all respects as they deem fit and in particular by the issue of bonds or debentures or by pledge, mortgage, charge or any other security on all or any properties of the Company (both present and future) including its uncalled capital for the time being.

99. Any bonds, debentures, debenture-stock or other securities may if permissible in 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 shareholders' meeting accorded by a special resolution.

DIVIDENDS AND RESERVE

100. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

101. Subject to the provisions of section 123, 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.

102. (i) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide without setting them aside as a reserve.

103. (i) 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.

(ii) 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.

(iii) 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.

104. 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.

105. (i) Any dividend, interest or other monies payable in cash in respect of shares may be 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.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

106. 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.

107. 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.

108. No dividend shall bear interest against the Company.

109. Where capital is paid in advance of calls upon the footing that the same shall carry interest, such capital shall not whilst carrying interest, confer a right to dividend or to participate in profits or dividends.

UNPAID OR UNCLAIMED DIVIDEND

110. If the Company has declared a dividend but which has not been paid or claimed or the dividend warrant in respect thereof has not been posted or sent within thirty days from the date of declaration, transfer the total amount of dividend, which remained unpaid or unclaimed within seven days from the date of expiry of the said period of thirty days to a special account to be opened by the Company in that behalf in any scheduled bank or private sector bank.

111. Any money so transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. "Investors Education and Protection Fund".

112. No unpaid or unclaimed dividend shall be forfeited by the Board before the claim becomes barred by law and such forfeiture, if effected, shall be annulled in appropriate cases.

AMALGAMATION

113. Subject to provisions of these Articles, the Company may amalgamate or cause itself to be amalgamated with any other person, firm or body corporate subject to the provisions of the Act and the transferee gives no objection to the transfer within the time period prescribed.

ACCOUNTS

114. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being Directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.

WINDING UP

115. Subject to the provisions of Chapter XX of the Act and rules made there under-

(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.

INDEMNITY

116. 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.

GENERAL AUTHORITY

117. Wherever in the applicable provisions under Companies Act, 2013 it has been provided that any Company shall have any right, privilege or authority or that any Company could carry out any transaction only if the Company is authorised by its Articles, then and in that case this Article hereby authorises and empowers the Company to have such right, privilege or authority and to carry out such transaction as have been permitted by the Act without there being any other specific Article in that behalf herein provided.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, will be attached to the copy of the Red Herring Prospectus which will be filed with the RoC, and will also be available at the following weblink: https://www.deepiping.com/material-contracts.php. Physical copies of the above- mentioned documents referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

Material contracts to the Offer

1. Offer Agreement dated September 28, 2023 entered into among our Company, the Selling Shareholder and the BRLMs.

2. Registrar Agreement dated September 27, 2023 entered into among our Company, the Selling Shareholder and the Registrar to the Offer.

3. Monitoring Agency Agreement dated [●] entered into between our Company and the Monitoring Agency.

4. Cash Escrow and Sponsor Bank(s) Agreement dated [●] entered into among our Company, the Selling Shareholder, the BRLMs, the Syndicate Members, the Bankers to the Offer, and the Registrar to the Offer.

5. Share Escrow Agreement dated [●] entered into among our Company, the Selling Shareholder, and the Share Escrow Agent.

6. Syndicate Agreement dated [●] entered into among our Company, the Selling Shareholder, the BRLMs and the Syndicate Members.

7. Underwriting Agreement dated [●] entered into among our Company, the Selling Shareholder and the Underwriters.

Material Documents

1. Certified copies of the Memorandum of Association and the Articles of Association, as amended until date.

2. Certificates of incorporation dated March 21, 1988, January 8, 1998 and March 11, 2010 issued by RoC.

3. Resolution dated September 7, 2023 passed by the Board authorising the Offer and other related matters.

4. Resolution dated September 7, 2023 passed by the Shareholders authorising the Fresh Issue and other related matters.

5. Resolution dated September 25, 2023 passed by the Board taking on record the participation of the Selling Shareholder in the Offer for Sale and other matters.

6. Resolution dated September 28, 2023 passed by the Board approving this Draft Red Herring Prospectus and certain other related matters.

7. Consent letter of the Selling Shareholder for participation in the Offer for Sale, as detailed in "*The Offer*" on page 75.

8. Engagement letter dated May 26, 2023 entered into between the Company and D&B for appointment of D&B.

9. Report titled "*Industry Report on Pipe Fabrication & Process Piping Solutions*" dated September 2023 issued by D&B.

10. Consent letter dated September 22, 2023 issued by D&B, with respect to the D&B Report.

11. The examination report dated September 25, 2023 of the Statutory Auditors on the Restated Consolidated Summary Statements included in this Draft Red Herring Prospectus.

12. Written consent dated September 28, 2023 from S. R. Batliboi & Co. LLP, Chartered Accountants, to include their name as required under section 26 (1) 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 their (i) examination report, dated September 25, 2023 on our Restated Consolidated Summary Statements; and (ii) their report dated September 28 on the statement of special tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft

Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

13. Consent from Vinay Kumar Wadhawan, independent chartered engineer, to include his name as an "expert" under Section 2(38) and other applicable provisions of the Companies Act, 2013 to the extent and in his capacity as a chartered engineer and in respect of his certificate dated August 25, 2023 in relation to the Company's manufacturing capacities and capacity utilization at all of its manufacturing facilities and the details derived from such certificate and included in this Draft Red Herring Prospectus.

14. Consent from Bangkok International Audit Co. Ltd. , Certified Public Accountant, to be named as an "expert" under Section 2(38) and other applicable provisions of the Companies Act, 2013, in respect of the statement of special tax benefits of DEE Piping Systems (Thailand) Co. Limited, our Material Subsidiary, and its shareholders dated September 25, 2023 included in this Draft Red Herring Prospectus and the report on utilization of loan utilization for the purpose availed.

15. Consent from SANMARKS & Associates, Chartered Accountants to be named as an "expert" under Section 2(38) and other applicable provisions of the Companies Act, 2013, in respect of the report on utilization of loan utilization for the purpose availed.

16. Consent from VSD & Associates, Chartered Accountants, to be named as an "expert" under Section 2(38) and other applicable provisions of the Companies Act, 2013.

17. Consent from M/s. Kapil Kumar & Co., practicing company secretary, to include his name as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in his capacity as practicing company secretary and in respect of the certificate dated September 25, 2023, issued by him in connection with, inter alia, certain of the corporate records of our Company.

18. Consents of the BRLMs, the Registrar to the Offer, the Syndicate Members, Bankers to the Company, Escrow Collection Bank(s), Public Offer Account Bank(s), Refund Bank(s) and Sponsor Bank(s), Monitoring Agency, the legal counsel to the Company and the Selling Shareholder as to Indian law, legal counsel to the BRLMs as to Indian law, our Directors and the Company Secretary and Compliance Officer, to act in their respective capacities.

19. Report on the statement of special tax benefits available to our Company and our Shareholders, dated September 28, 2023 issued by the Statutory Auditors.

20. The statement of special tax benefits available to DEE Piping Systems (Thailand) Co. Limited, our Material Subsidiary, and its shareholders dated September 6, 2023 issued by Bangkok International Audit Co. Ltd. , Certified Public Accountant.

21. Copies of annual reports of our Company for Fiscal 2023, Fiscal 2022 and Fiscal 2021.

22. Collaboration Agreement dated February 7, 2023 entered into by and amongst our Company and a confidential party.

23. Agreement with the Whole-time Director, Shikha Bansal, dated December 31, 2020, governing the terms of appointment and remuneration.

24. Agreement with the Whole-time Director, Ashima Bansal, dated September 24, 2022, governing the terms of appointment and remuneration.

25. Tripartite agreement dated August 4, 2023, among our Company, NSDL and the Registrar to the Offer.

26. Tripartite agreement dated September 13, 2023, among our Company, CDSL and the Registrar to the Offer.

27. Certificate dated September 28, 2023 from VSD & Associates, Chartered Accountants, with respect to our key performance indicators.

28. Due diligence certificate to SEBI from the BRLMs dated September 28, 2023.

29. In-principle listing approvals dated [●] and [●] from BSE and NSE, respectively.

30. Final observation letter bearing number [●] dated [●] issued by SEBI.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, guidelines, or regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Krishan Lalit Bansal
(*Chairman and Managing Director)*

Place: Faridabad

Date: September 28, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, guidelines, or regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ashima Bansal
(*Whole-time Director)*

Place: Faridabad

Date: September 28, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, guidelines, or regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Shikha Bansal
(*Whole-time Director)*

Place: Faridabad

Date: September 28, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, guidelines, or regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Bhisham Kumar Gupta
(*Independent Director)*

Place: New Delhi

Date: September 28, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, guidelines, or regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Shilpi Barar
(*Independent Director)*

Place: Faridabad

Date: September 28, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, guidelines, or regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ashwani Kumar Prabhakar
(*Independent Director)*

Place: New Delhi

Date: September 28, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, guidelines, or regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Sameer Agarwal

Place: Faridabad

Date: September 28, 2023

DECLARATION

I, Krishan Lalit Bansal, acting as a Selling Shareholder, hereby certify and declare that all statements, disclosures, and undertakings made or confirmed by me in this Draft Red Herring Prospectus about or specifically in relation to myself and portion of the Equity Shares being offered by me in the Offer are true and correct. I assume no responsibility, as a Selling Shareholder, for any other statements, disclosures or undertakings including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY KRISHAN LALIT BANSAL

Place: Faridabad

Date: September 28, 2023