

LLOYDS ENGINEERING WORKS LIMITED
(Formerly known as "Lloyds Steels Industries Limited")

Our Company was incorporated as "Climan Properties Private Limited" on September 19, 1994, as a private limited Company under the Companies Act, 1956, and was granted the Certificate of Incorporation by the Registrar of Companies, Mumbai. Subsequently, our Company was converted into a Public Limited Company and the name of our Company was changed to "Climan Properties Limited" on April 17, 2000, vide a fresh certificate of incorporation issued by the Registrar of Companies, Mumbai. Thereafter, the name of our Company was changed from "Climan Properties Limited" to "Encon Technologies Limited" pursuant to a fresh Certificate of Incorporation dated April 19, 2000. Subsequently, the name of our Company was changed to "Lloyds Encon Technologies (I) Limited" on May 31, 2011, vide a fresh certificate of incorporation issued by the Registrar of Companies, Mumbai. The name of our Company was changed to "Lloyds Steels Industries Limited" on May 04, 2013, vide a fresh Certificate of Incorporation issued by the Registrar of Companies, Mumbai.

Pursuant to a scheme of arrangement ("**Scheme**") between Uttam Value Steels Limited ("**UVSL**") and Lloyds Steels Industries Limited, the engineering division of UVSL was demerged from UVSL into Lloyds Steels Industries Limited, by the Hon'ble High Court of Judicature at Bombay vide its order dated October 30, 2015 and speaking to minutes of the order dated November 30, 2015. Subsequent to the sanction of the Scheme, Lloyds Steels Industries Limited was listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") on July 18, 2016. Thereafter, the name of our Company was changed from "Lloyds Steels Industries Limited" to "Lloyds Engineering Works Limited" vide a fresh Certificate of Incorporation dated July 25, 2023 issued by the Registrar of Companies, Mumbai.

Registered Office: Plot No. A-5/5, MIDC Industrial Area, Murbad, Thane 421 401
Corporate Office: A-2, Madhu Estate, 2nd Floor, Pandurang Budhkar Marg, Lower Parel, Mumbai 400 013
Contact person: Rahima Shaikh
Telephone: 02524-222271 | **E-mail id:** infoengg@lloyds.in | **Website:** www.lloydsengg.in
Corporate Identity Number: L28900MH1994PLC081235

PROMOTERS OF OUR COMPANY: MUKESH R. GUPTA, RAJESH R. GUPTA, ABHA M. GUPTA, RENU R. GUPTA, SHREE GLOBAL TRADEFIN LIMITED, LATE CHITRALEKHA R. GUPTA # AND RAGINI TRADING & INVESTMENTS LIMITED*

**Chitralekha R. Gupta's shareholding of 22,172 Equity Shares is under pledge. Hence, the shareholding pattern still reflects her name posthumously.*

**96,86,386 (0.90%) Equity Shares are held in the name of Ragini Trading & Investments Limited which merged with Shree Global TradeFin Limited vide the Scheme of Arrangement which was approved by the Hon'ble High Court Bombay vide their order dated March 09, 2012; as on the date of this Draft Letter of Offer, the said Equity Shares are pledged. Hence, the shareholding pattern still reflects the name of Ragini Trading & Investments Limited.*

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF LLOYDS ENGINEERING WORKS LIMITED (FORMERLY KNOWN AS "LLOYDS STEELS INDUSTRIES LIMITED") (OUR "COMPANY" OR THE "ISSUER" ONLY)

NEITHER OUR COMPANY NOR ANY OF OUR PROMOTERS OR ANY OF OUR DIRECTORS HAVE BEEN DECLARED AS WILFUL DEFAULTERS OR FRAUDULENT BORROWERS BY THE RBI OR ANY OTHER GOVERNMENT AUTHORITY

ISSUE OF UP TO [●] FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹1 EACH OF OUR COMPANY (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE) AGGREGATING UP TO ₹9,836.83 LAKHS# ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] EQUITY SHARE FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS [●] (THE "ISSUE"). FOR FURTHER DETAILS, PLEASE REFER TO "TERMS OF THE ISSUE" BEGINNING ON PAGE 192 OF THIS DRAFT LETTER OF OFFER.

#Assuming full subscription.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Specific attention of the investors is invited to "**Risk Factors**" beginning on page 21 of this Draft Letter of Offer before making an investment in this Issue.

ISSUER'S ABSOLUTE RESPONSIBILITY




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

LISTING

The existing Equity Shares are listed on BSE and NSE (together, the "**Stock Exchanges**"). Our Company has received 'in-principle' approvals from the BSE and NSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide letters dated [●] and [●] respectively. Our Company will also make applications to the Stock Exchanges to obtain their trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE.

LEAD MANAGERS TO THE ISSUE

REGISTRAR TO THE ISSUE

		
<p>Mark Corporate Advisors Private Limited 404/1, The Summit Business Bay, Sant Janabai Road (Service Lane), Off Western Express Highway, Vile Parle (East), Mumbai 400 057 CIN: U67190MH2008PTC181996 Telephone: +91 22 2612 3207/08 E-mail: info@markcorporatedadvisors.com Investor grievance e-mail id: investorgrievance@markcorporatedadvisors.com Contact person: Niraj Kothari Website: www.markcorporatedadvisors.com SEBI registration number: INM000012128</p>	<p>Pioneer Investcorp Limited 1218, 12th Floor, Maker Chambers V, Nariman Point, Mumbai 400 021 CIN: L65990MH1984PLC031909 Tel: +91 22 66186633 E-mail: lewl_cell@pinc.co.in Investor grievance e-mail: mbcompliance@pinc.co.in Contact Person: Varun Jain Website: https://pinc.co.in/ SEBI registration no.: INM000002988</p>	<p>Bigshare Services Private Limited Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai 400 093 CIN: U99999MH1994PTC076534 Telephone: +91 22 6263 8200/22 Email: rightsissue@bigshareonline.com Investor grievance e-mail: investor@bigshareonline.com Contact Person: Mohan D Website: www.bigshareonline.com SEBI registration no.: INR000001385</p>

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATIONS*	ISSUE CLOSES ON#
[●]	[●]	[●]

*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.

#Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Draft Letter of Offer is intended for the convenience of the reader/ prospective investor only and is not exhaustive.

References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, SEBI Listing Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "Statement of Special Tax Benefits" and "Financial Information" beginning on pages 52 and 91 respectively of this Draft Letter of Offer, shall have the meaning given to such terms in such sections.

Company Related Terms

Term	Description
Articles of Association or Articles	The articles of association of our Company, as amended from time to time
Auditors or Statutory Auditors	The current statutory auditors of our Company, namely, S Y Lodha and Associates, Chartered Accountants
Audit Committee	Audit committee of our Board, as described in " Our Management " beginning on page 77 of this Draft Letter of Offer
Audited Financial Statements/ Annual Financial Statements	The audited financial statements of our Company for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 which comprises the balance sheet as at March 31, 2023, March 31, 2022 and March 31, 2021, the statement of profit and loss, including other comprehensive income, the statement of Changes in Equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
Board/ Board of Directors/ Directors	The board of directors of our Company or a duly constituted committee thereof, as appointed from time to time
Company/ our Company/ the Issuer/ We	Lloyds Engineering Works Limited (formerly known as "Lloyds Steels Industries Limited") incorporated under the erstwhile Companies Act 1956, with its Registered Office at Plot number A-5/5, MIDC Industrial Area, Murbad, Thane 421 401
Corporate Office	A-2, Madhu Estate, 2nd Floor, Pandurang Budhkar Marg, Lower Parel, Mumbai 400 013
Corporate Social Responsibility Committee	Corporate Social Responsibility Committee of our Board, as described in " Our Management " beginning on page 77 of this Draft Letter of Offer
Equity Shareholders	Holders of Equity Share(s), from time to time
Equity Shares	Equity shares of face value of ₹1 each of our Company
Executive Director(s)	Whole-time Directors/ Executive Directors on our Board
Independent Director	Independent Directors on the Board, who are eligible to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, please refer to " Our Management " beginning on page 77 of this Draft Letter of Offer.
Key Managerial Personnel	The key managerial personnel of our Company as per the definition provided in Regulation 2(1) (bb) of the SEBI ICDR Regulations
Materiality Policy	A policy adopted by our Company for identification of material litigation(s) for the purpose of disclosure of the same in this Draft Letter of Offer.

Term	Description
Memorandum of Association/ MoA	The Memorandum of Association of our Company, as amended from time to time
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Board, as described in " Our Management " beginning on page 77 of this Draft Letter of Offer
Non-Executive Director(s)	The Non-executive Director(s) on the Board.
Promoters	The promoters of our Company are Mukesh R. Gupta, Rajesh R. Gupta, Abha M. Gupta, Renu R. Gupta, Shree Global Tradefin Limited, Late Chitralkha R. Gupta [#] and Ragini Trading & Investments Limited* <i>[#]Chitralkha R. Gupta's shareholding of 22,172 Equity Shares is under pledge, Hence, the shareholding pattern still reflects her name posthumously. [*]96,86,386 (0.90%) Equity Shares are held in the name of Ragini Trading & Investments Limited which merged with Shree Global Tradefin Limited vide the Scheme of Arrangement which was approved by the Hon'ble High Court of Bombay vide their order dated March 09, 2012; as on the date of this Draft Letter of Offer, the said Equity Shares are pledged. Hence, the shareholding pattern still reflects the name of Ragini Trading & Investments Limited.</i>
Promoter Group	The promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, namely Lloyds Metals and Minerals Trading LLP, and Aeon Trading LLP.
Registered Office	Plot No. A-5/5, MIDC Industrial Area, Murbad, Thane 421 401
Registrar of Companies/ RoC	The Registrar of Companies, Mumbai situated at 100, Everest, Marine Drive, Mumbai 400 002
Rights Issue Committee	The committee of our Board constituted for purposes of the Issue and incidental matters thereof.
Senior Management Personnel	Senior management personnel of our Company determined in accordance with Regulation 2(1) (bbbb) of the SEBI ICDR Regulations and as described in " Our Management " beginning on page 77 of this Draft Letter of Offer
Unaudited Interim Financial Information	The limited reviewed standalone unaudited financial results for the three months periods ended June 30, 2023 prepared in accordance with the Companies Act and SEBI Listing Regulations. For details, see " Financial Information " on page 91 of this Draft Letter of Offer.
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board as described in " Our Management " beginning on page 77 of this Draft Letter of Offer

Issue Related Terms

Term	Description
Abridged Letter of Offer/ ALOF	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013.
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement
Allotment/ Allot/ Allotted	Allotment of Rights Equity Shares pursuant to the Issue
Allotment Account(s)	The account(s) to be opened with the Banker(s) to this Issue, into which the amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013
Allotment Account Bank(s)	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, [●]
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Investor who has been or is to be Allotted the Rights Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allotment Date / Date of Allotment	Date on which the Allotment is made pursuant to this Issue
Allottee(s)	Person(s) to whom the Rights Equity Shares are Allotted pursuant to the Issue

Term	Description
Applicant(s)/ Investors	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Rights Equity Shares pursuant to the Issue in terms of this Draft Letter of Offer
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Rights Equity Shares at the Issue Price
Application Form	Unless the context otherwise requires, an application form or through the website of the SCSBs (if made available by such SCSBs) under the ASBA process used by an Investor to make an application for the Allotment of Rights Equity Shares
Application Money	Amount payable at the time of Application, i.e., ₹[●] per Rights Equity Share in respect of the Rights Equity Shares applied for in the Issue at the Issue Price
Application Supported by Blocked Amount or ASBA	Application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in a the ASBA Account maintained with the SCSB
ASBA Account	Account maintained with the SCSB and specified in the Application Form or the plain paper Application by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application
ASBA Applicant/ ASBA Investor(s)	Eligible Equity Shareholders proposing to subscribe to the Issue through ASBA process
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and any other circular issued by SEBI in this regard.
Banker(s) to the Issue	[●], the Allotment Account Bank to the Issue.
Banker to the Issue Agreement	Agreement to be entered into prior to the filing of the Letter of Offer amongst our Company, the Registrar to the Issue and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors making an application for the Rights Equity Shares.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in " Terms of the Issue " beginning on page 192 of this Draft Letter of Offer.
Controlling Branches /Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Demographic Details	Details of Investors including the Investor's address, PAN, DP ID, Client ID, bank account details and occupation, where applicable
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Stock Exchange	BSE
Draft Letter of Offer or DLOF	This draft letter of offer to be filed with the SEBI and the Stock Exchanges in accordance with the SEBI ICDR Regulations
Eligible Equity Shareholder(s)	Holder(s) of the Equity Shares of our Company as on the Record Date. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders, including any shareholder located in the United States. For further details, see " Notice to Investors " beginning on page 10.
Escrow Account	One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident investors– eligible equity shareholders as on record date making an Application through the ASBA facility

Term	Description
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being [●].
Fraudulent Borrower	Company or person, as the case may be, categorized as a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on fraudulent borrower issued by RBI as defined under Regulations 2(1)(III) of the SEBI ICDR Regulations
IEPF	Investor Education and Protection Fund
Investor(s)	Eligible Equity Shareholder(s) and / or Renouncee(s) who are entitled to apply or make an application for the Equity Shares pursuant to the Issue in terms of the Letter of Offer.
Issue Agreement	Issue Agreement dated August 04, 2023 between our Company and the Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Issue.
ISIN	International securities identification number i.e., INE093R01011
Issue / Rights Issue	Issue of up to [●] Equity Shares of face value of ₹1 each of our Company for cash at a price of ₹[●] per Rights Equity Share aggregating up to ₹9,836.83 Lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. [●]
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Materials	Collectively, this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form and Rights Entitlement Letter and any other material relating to the Issue
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their Applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹[●] per Equity Share
Issue Proceeds or Gross Proceeds	Gross proceeds of the Issue
Issue Size	Amount aggregating up to ₹9,836.83 Lakhs [#] <i>#Assuming full subscription</i>
Key Banker(s) to the Company	CitizenCredit Co-operative Bank Limited, HDFC Bank Limited, Bank of Maharashtra
Lead Managers / LMs / MARK / PINC	The Lead Managers to the Issue, namely, Mark Corporate Advisors Private Limited, and Pioneer Investcorp Limited
Letter of Offer	The final letter of offer to be filed with the Stock Exchanges after incorporating the observations received from the SEBI on this Draft Letter of Offer
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However, supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please refer to " Objects of the Issue " beginning on page 47 of this Draft Letter of Offer
Non-Institutional Investors	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a Depository Participant in accordance with the SEBI ICDR Master Circular and the circulars issued

Term	Description
On Market Renunciation	by the Depositories, from time to time, and other applicable laws The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stockbroker in accordance with the SEBI ICDR Master Circular and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before [●]
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Record Date	Designated date for the purpose of determining the Eligible Equity Shareholders eligible to apply for Rights Equity Shares, being [●]
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened.
Registrar Agreement	Agreement dated August 04, 2023 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Registrar to the Issue / Registrar to the Company/Registrar	Bigshare Services Private Limited, Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri, (East), Mumbai 400 093.
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date
Retail Individual Bidders(s)/Retail Individual Investor(s)/ RII(s)/RIB(s)	An individual Investor (including an HUF applying through Karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹2,00,000 in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations
RE ISIN	ISIN for Rights Entitlement i.e. [●]
Rights Entitlement(s)	Number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being [●] Equity Shares for every [●] Equity Shares held by an Eligible Equity Shareholder.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue.
Self-Certified Syndicate Banks /SCSB(s)	Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&int mId=34
Stock Exchanges	Stock exchanges where the Equity Shares of our Company are presently listed, being BSE and NSE
Transfer Date	The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	Company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in

Term	Description
	Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI

Business and Industry Related Terms

Term	Description
ABC	After Burner Chamber
APD	Approve of Drawings
AMH	Automated Material Handling
ASME	American Society of Mechanical Engineering
AFBC	Atmospheric Fluidised Bed Combustion
BEST	Brihan Mumbai Electric Supply and Transport
BOC	Bought out Components
CAPEX	Capital Expenditure
CFBC	Circulating Fluidised Bed Combustion
CRM	Cold Rolling Mill
CAGR	Compound Annual Growth Rate
DRI	Direct Reduced Iron
DRGS	Drawings
DSC	Differential Scanning Calorimetry
FU	Follow-Up
GA	General Arrangements
GW	Giga Watt
GHG	Green House Gass
HSM	Hot Strip Mill
HRM	Hot Rolling Mill
ISA	Indian Steel Association
IBR	Indian Boiler Regulation
IEA	International Energy Agency
KOM	Kick of Meeting
LOI	Letter of Inference
LPG	Liquid Petroleum Gas
MKTG	Marketing
MT	Million Tonnes
MMT	Million Metric Tonnes
MTPA	Million Tonnes Per Annum
MSED	Maharashtra State Electricity Distribution
MPCB	Maharashtra Pollution Control Board
MIDC	Maharashtra Industrial Development Corporation
NFU	Non- Follow Up
OECD	Organization of Economic Cooperation and Development
P.D.C.A	Plan, Do, Check, Act
PO	Purchase Order
PESO	Petroleum and Explosives Safety Organization
PSU	Public Sector Undertaking
QA	Quality Assurance
QAP	Quality Assurance Plan
QC	Quality Control
SMS	Steel Metal Shop
SPR	strategic petroleum reserves
TPI	Third Party Inspection
TMT	Thermo Mechanically Treated Steel

Term	Description
UVSL	Uttam Value Steels Limited
WHRB	Waste Heat Recovery Boilers
WHR	Waste Heat Recovery

Conventional and General Terms/Abbreviations

Term	Description
₹, Rs., Rupees or INR	Indian Rupees
AGM	Annual General Meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AY	Assessment year
BSE	BSE
CAGR	Compound annual growth rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate identity number
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the rules made thereunder
Companies Act, 2013/ Companies Act	Companies Act, 2013 along with the rules made thereunder
COO	Chief Operating Officer
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CrPC	Code of Criminal Procedure, 1973
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996
Depository Participant / DP	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DP ID	Depository Participant's identification
DTAA	Double Taxation Avoidance Agreement
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation and amortization expense, as presented in the statement of profit and loss
EGM	Extraordinary general meeting
EPS	Earnings per Equity Share
FCNR Account	Foreign currency non-resident account
FDI Circular 2020	Consolidated FDI Policy dated October 15, 2020, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year, Fiscal Year or Fiscal/FY	Period of 12 months ended March 31 of that particular year, unless otherwise stated
FIR	First information report
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI
GAAP	Generally accepted accounting principles
GDP	Gross domestic product

Term	Description
GoI or Government	Government of India
GST	Goods and Service Tax
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
Income Tax Act	Income-tax Act, 1961
Ind AS	Indian accounting standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended
IFRS	International Financial Reporting Standards
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
ITAT	Income Tax Appellate Tribunal
LTV	Loan to value ratio
MCA	Ministry of Corporate Affairs
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996
Net Asset Value per Equity Share or NAV per Equity Share	Net Worth/ Number of Equity shares subscribed and fully paid outstanding as at March 31
Net Worth	Aggregate of Equity Share capital and other equity
NBFC	Non-banking financial companies
NPA(s)	Non-performing assets
NRE Account	Non-resident external account
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO Account	Non-resident ordinary account
NSE	National Stock Exchange of India Limited
NSDL	National Securities Depository 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 03, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
PAN	Permanent account number
PAT	Profit after tax
QP	Qualified purchaser as defined in the U.S. Investment Company Act
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real time gross settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI ICDR Master Circular	SEBI circular bearing number SEBI/HO/CFD/PoD- 2/P/CIR/2023/00094 dated June 21, 2023
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended

Term	Description
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Relaxation Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 06, 2020, read with SEBI circulars bearing reference numbers SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, and SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, as amended
Stock Exchange	BSE and NSE
STT	Securities transaction tax
Supreme Court	Supreme Court of India
TAT	Turnaround time
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Total Borrowings	Aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities
U.S.\$, USD or U.S. dollar	United States Dollar, the legal currency of the United States of America
U.S. Investment Company Act	Investment Company Act of 1940, as amended
U.S. Person	U.S. persons as defined in Regulation S under the U.S. Securities Act or acting for the account or benefit of U.S. persons (not relying on Rule 902(k)(1)(viii)(B) or Rule 902(k)(2)(i) of Regulation S)
U.S. QIB	Qualified Institutional Buyer as defined in Rule 144A
USA, U.S. or United States	United States of America
U.S. SEC	U.S. Securities and Exchange Commission
U.S. Securities Act or Securities Act	U.S. Securities Act of 1933, as amended
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
WHO	World Health Organization

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer, Application Form and Rights Entitlement Letter through email and courier only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. This Draft Letter of Offer will be provided, through email and courier, by the Registrar, on behalf of our Company, to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company and the Stock Exchanges.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer, Letter of Offer, and the Abridged Letter of Offer must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Letter of Offer, or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, the Letter of Offer, or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or the Application Form.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar, or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete, or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Neither the delivery of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer, Letter of Offer, and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE ISSUE OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT THEIR OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE ISSUE OF RIGHTS EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY

REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof ("**United States**"), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and this Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an address in India. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not, and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that the Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

The Rights Entitlements may not be transferred or sold to any person in the United States.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the "**US SEC**"), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Draft Letter of Offer.

Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants/ Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under the applicable laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

All references to "India" contained in this Draft Letter of Offer 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.

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the 'US' or 'U.S.' 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 Letter of Offer is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Letter of Offer has been derived from our Audited Financial Statements. For details, please see "**Financial Information**" beginning on page 91 of this Draft Letter of Offer. Our Company's financial year commences on April 01 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The Government of India has adopted the Indian accounting standards ("**Ind AS**"), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board ("**IFRS**") and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the "**Ind AS Rules**").

Unless stated or the context requires otherwise, our financial data (a) as at and for the Financial Year ended March 31, 2023, March 31, 2022 and March 31, 2021 included in this Draft Letter of Offer is derived from the Audited Financial Statements for the Financial Year ended March 31, 2023, March 31, 2022 and March 31, 2021; and (b) Unaudited Interim Financial Information of our Company, and its share of net profit after tax and total comprehensive income, which comprises of the statement of profit and loss (including other comprehensive income) for the three-months period ended June 30, 2023 together with selected explanatory notes thereon, prepared in accordance with Ind AS 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act read with relevant rules issued thereunder and other accounting principles generally accepted in India. For further information, see "**Financial Information**" on page 91 of this Draft Letter of Offer.

The Audited Financial Statements of our Company for the Financial Year ended March 31, 2023, March 31, 2022 and March 31, 2021 have been prepared in accordance with Ind AS, as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act and in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Rupees in Lakhs.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off and unless otherwise specified all financial numbers in parenthesis represent negative figures. Our Company has presented all numerical information in the Financial Statements in whole numbers and in this Draft Letter of Offer in "lakh" units or in whole numbers where the numbers have been too small to represent in lakh. One lakh represents 1,00,000 and one million represents 1,000,000.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer, and you are urged to consult

your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Letter For further information, see "**Financial Information**" beginning on page 91 of this Draft Letter of Offer.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Draft Letter of Offer, (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.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India; and
- "USD" or "US\$" or "\$" are to United States Dollar, the official currency of the United States of America.

Our Company has presented certain numerical information in this Draft Letter of Offer in "lakh" or "Lac" units or in whole numbers. One lakh represents 1,00,000 and one million represents 1,000,000. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in "**Risk Factors**", "**Our Business**", "**Management's Discussion and Analysis of Financial Conditions and Results of Operation**" beginning on pages 21, 64, and 160 and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Financial Information.

Exchange Rates

This Draft Letter of Offer 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 following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

Name of the Currency	(in ₹)			
	As of June 30, 2023	As of March 31, 2023	As of March 31, 2022	As of March 31, 2021
United States Dollar	82.04	82.22	75.81	73.50

(Source: RBI and FBIL reference rate)

Note: In case March 31 of any of the respective years / period is a public holiday, the previous Working Day not being a public holiday has been considered.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although we believe the industry and market data used in this Draft Letter of Offer is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "**Risk Factors**" beginning on page 21 of this Draft Letter of Offer.

Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD LOOKING STATEMENTS

In this Draft Letter of Offer, we have included statements, which contain words or phrases such as "will", "may", "aim", "is likely to result", "believe", "expect", "continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "pursue" and similar expressions or variations of such expressions, that are "forward looking statements".

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Draft Letter of Offer that are not historical facts. These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections.

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, the competition in our industry and markets, technological changes, our exposure to market risks, general economic and political conditions in India and globally, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, performance of the financial markets in India and globally, changes in laws, regulations and taxes, 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:

- Any adverse outcome in litigation proceedings in which our Company is involved;
- Non-compliance with certain financial covenants of the financing and debt facilities availed by our Company;
- Any adverse changes in central or state government policies;
- Decline in market electricity prices;
- Occurrence of natural calamities or natural disasters affecting the areas in which our Company has operations;
- Changes in weather conditions, which may affect wind patterns;
- Any adverse development that may affect our operations;
- General, political, economic, social and business conditions in India and other global markets; and
- Dependence on a number of key management personnel and senior management personnel and our ability to attract and retain qualified personnel.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, please refer to "**Risk Factors**", "**Our Business**" and "**Management's Discussion and Analysis of Financial Position and Results of Operations**" beginning on pages 21, 64, and 160 respectively of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

Forward looking statements reflect the current views of our Company as of the date of this Draft Letter of Offer and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although, we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our

Company, our Directors, our Promoters, nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company will ensure that investors are informed of material developments from the date of this Draft Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchange.

SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Letter of Offer, including, "**Risk Factors**", "**Objects of the Issue**", "**Our Business**" and "**Outstanding Litigation and Defaults**" beginning on pages 21, 47, 64 and 177, respectively of this Draft Letter of Offer.

1. Primary Business of our Company

The Company provides a comprehensive package of engineering and infrastructure solutions, encompassing designing, engineering, manufacturing, fabrication, and installation of heavy equipment, machinery and systems across a wide spectrum of industries including hydrocarbon, steel, nuclear power, marine, ports, and civil domains.

Our workshops located at Murbad, Thane are accredited with ISO 9001:2015 certification by SGS, UK.

Our key products include but are not limited to industrial process plant equipment, steel plant equipment, machinery and packages, waste heat recovery boilers and AFBC / CFBC boilers, gas / air driers, marine / truck/wagon loading arms and naval steering gear & stabilizer systems with controls (electro-hydraulic & mechanical) For further information, please refer to "**Our Business**" beginning on page 64 of this Draft Letter of Offer.

2. Primary Industry in which our Company operates

Our Company caters to a diverse range of industries, Primary capital goods manufacturing, Steel, Civil Nuclear, Oil and Gas and Defence.

For further information, please refer to "**Industry Overview**" beginning on page 55 of this Draft Letter of Offer.

3. Our Promoters

The Promoters of our Company are (i) Mukesh R. Gupta; (ii) Rajesh R. Gupta; (iii) Abha M Gupta; (iv) Renu R. Gupta; (v) Shree Global Tradefin Limited; (vi) Late Chitralekha R. Gupta[#] and (vii) Ragini Trading & Investments Limited*.

#Chitralekha R. Gupta's shareholding of 22,172 Equity Shares is under pledge. Hence, the shareholding pattern still reflects her name posthumously.

**96,86,386 (0.90%) Equity Shares are held in the name of Ragini Trading & Investments Limited which merged with Shree Global Tradefin Limited vide the Scheme of Arrangement which was approved by the Hon'ble High Court of Bombay vide their order dated March 09, 2012; as on the date of this Draft Letter of Offer, the said Equity Shares are pledged. Hence, the shareholding pattern still reflects the name of Ragini Trading & Investments Limited.*

4. Subscription to the Issue by our Promoters and Promoter Group

Other than Late Chitralekha R. Gupta and Shree Global Tradefin Limited, we have been informed by our Promoters that, they will fully subscribe to their entitlements arising out of the proposed Rights Issue. Further, we have been informed by Shree Global Tradefin Limited and our Promoter Group that they may or may not fully subscribe to their entitlements arising out of the proposed Rights Issue and may renounce whole or a part of their right entitlement in favour of third parties whom Shree Global Tradefin Limited and our Promoter Group may identify in due course or may renounce whole or a part of their right entitlement in the open market. Therefore, the minimum subscription criteria (of at least 90% of the Issue) as provided in proviso to regulation 86(1) of the SEBI ICDR Regulations is applicable to this Issue. Pursuant to regulation 86(2) of the SEBI ICDR Regulations in case of non-receipt of minimum subscription, all application monies received shall be refunded to the Applicants forthwith, but not later than four days from the closure of the Rights Issue.

5. Objects of the Issue

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

(in ₹ Lakhs)	
Particulars	Amount
Gross Proceeds from the Issue [#]	Up to 9,836.83
Less: Issue related expenses	[●]
Net Proceeds of the Issue	[●]

[#]assuming full subscription and allotment

^{*}The issue size shall aggregate up to ₹9,836.83 lakhs. If there is any reduction in the amount on account of or at the time of finalisation of issue price, the same will be adjusted against General Corporate Purpose.

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

(in ₹ Lakhs)	
Particulars	Amount
Augmenting working capital requirements	7,361.83
General Corporate Purposes [#]	[●]
Total Net Proceeds	[●]

[#]To be finalized on determination of the Issue Price and updated in the Letter of Offer prior to filing with the SEBI and Stock Exchanges. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

For further details, please see chapter titled "**Objects of the Issue**" beginning on page 47 of this Draft Letter of Offer.

6. Summary of Financial Information

Following are the details as per the Audited Financial Statement as at and for the Financial Years ended on March 31, 2023; March 31, 2022; and March 31, 2021:

Sr. No.	Particulars	Rs. In Lakhs except per Share Data		
		March 31, 2023	March 31, 2022	March 31, 2021
1.	Authorised Share Capital Equity Share Capital Preference Share Capital	12,000.00	12,000.00	9,000.00
2.	Paid-up Capital	9,886.98	8,986.98	8,986.98
3.	Net Worth attributable to Equity Shareholders ^{*^}	19,536.43	13,523.93	11,344.51
4.	Total Revenue	31,840.61	5,984.73	8,314.46
5.	Profit/(Loss) after tax	3,682.31	594.72	50.37
6. (a)	Earnings per Share Basic (in ₹)	0.38	0.07	0.01
6. (b)	Earnings Per Share diluted (in ₹)	0.36**	0.06**	0.01
7.	Net Asset Value per Equity Share (in ₹) on Basic weighted No. of Shares	2.00	1.50	1.26
8.	Net Asset Value per Equity Share (in ₹) on Diluted weighted No. of Shares	1.86	1.43	1.26
9.	Total Borrowings	4,639.93	1,918.66	86.63

^{*}Including Money Received against Convertible Warrants

[^] Net Worth: Net worth is computed in accordance with Section 2(hh) of SEBI ICDR Regulations. "net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation

of assets, write-back of depreciation and amalgamation.

** As required by IND AS 33, Diluted EPS does not include the effect of OFCDs as it has antidilutive effect on EPS.

Following are the details as per the Unaudited Interim Financial Information for the three months period ending June 30, 2023:

		Rs. In Lakhs except per Share Data
Sr. No.	Particulars	June 30, 2023
1.	Authorised Share Capital Equity Share Capital Preference Share Capital	12,000.00
2.	Paid-up Capital	10,636.98*
3.	Net Worth attributable to Equity Shareholders [^]	23,157.61*
4.	Total Revenue	11,506.37
5.	Profit/(Loss) after tax	1,283.90
6.	Earnings per Share Basic (in ₹) (not annualised)	0.12
	Earnings Per Share diluted (in ₹) (not annualised)	0.12**
7.	Net Asset Value per Equity Share (in ₹) on Basic weighted No. of Shares	2.24
8.	Net Asset Value per Equity Share (in ₹) on Diluted weighted No. of Shares	2.23
9.	Total Borrowings	2,190.95***

* On July 01, 2023, OFCDs of Rs. 2,072.07 Lakhs were converted into 1,51,80,000 equity shares of Re. 1/- each at a price of Rs. 13.65 per equity share.

** As required by IND AS 33, Diluted EPS does not include the effect of OFCDs as it has antidilutive effect on EPS.

***Comprises of amount outstanding towards OFCDs which has since been converted into 1,51,80,000 equity shares of Re. 1/- each at a price of Rs. 13.65 per equity share on July 01, 2023.

[^] Net Worth: "net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the books of accounts as on June 30, 2023, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

For further details, please refer the section titled "**Financial Information**" on page 91 of this Draft Letter of Offer.

7. **Outstanding Litigations**

A summary of outstanding litigation proceedings involving our Company as on the date of this Draft Letter of Offer is provided below:

Nature of Cases	No. of outstanding cases	Amount Involved (in Lakhs)[^]
<i>Litigation involving our Company</i>		
Criminal proceedings	N/A	N/A
Material civil litigation against our Company	6	1,062
Material civil litigation by our Company	3	405
Actions by statutory or regulatory Authorities	N/A	N/A
Direct and indirect tax proceedings	3*	1,146
<i>Litigation involving our Directors</i>		
Criminal proceedings	1**	N/A
Civil litigation filed by our Directors	N/A	N/A
Civil litigation filed against our Directors	N/A	N/A
Actions by statutory or regulatory authorities	N/A	N/A
Direct and indirect tax proceedings	N/A	N/A
<i>Litigation involving our Promoters</i>		
Criminal proceedings	1	N/A
Civil litigation filed by our Promoters	N/A	N/A
Civil litigation filed against our Promoters	N/A	N/A
Actions by statutory or regulatory authorities	N/A	N/A

Nature of Cases	No. of outstanding cases	Amount Involved (in Lakhs) [^]
Direct and indirect tax proceedings	6*	3,030

[^]To the extent quantifiable

*Includes outstanding direct and indirect tax for prior years

**Mukesh R. Gupta is the executive Wholetime Director on the Board and also a Promoter of the Company.

For details, please refer to chapter titled "**Outstanding Litigations and Material Developments**" on page 177 of this Draft Letter of Offer.

8. Risk Factors

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares of the Company, material litigations which impact the business of the Company and other economic factors please refer to "**Risk Factors**" beginning on page 21 of this Draft Letter of Offer.

9. Contingent Liabilities

Please refer to the chapters titled "**Financial Information**" beginning on page 91 of the Financial Information section in this Draft Letter of Offer.

10. Related Party Transactions

Please refer to "**Financial Information**" beginning on page 91 of the Financial Information in this Draft Letter of Offer.

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

Our Company has not made any issuances of Equity Shares in the last one year for consideration other than cash.

12. Split or consolidation of Equity Shares in the last one year

Our Company has not carried any split or consolidation of Equity Shares in the last one year.

SECTION II - RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Draft Letter of Offer, including the risks and uncertainties described below and the "**Financial Information**" on page 91 of this Draft Letter of Offer, before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us or Equity Shares or the industries in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, cash flows, prospects, results of operations and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with "**Industry Overview**", "**Our Business**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" beginning on pages 64, 55 and 160, respectively, as well as the other financial information included in this Draft Letter of Offer. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business, cash flows, prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below.

However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue. The following factors have been considered for determining the materiality: (1) some events may not be material individually but may be found material collectively; (2) some events may have material impact qualitatively instead of quantitatively; and (3) some events may not be material at present but may have material impact in future.

This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer. Any potential investor in, and purchaser of, the Equity Shares should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory environment which, in some respects, may be different from that which prevails in other countries. For further information, please refer to "**Forward Looking Statements**" beginning on page 15 of this Draft Letter of Offer.

Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Audited Financial Statements included in this Draft Letter of Offer. For further information, please refer to "**Financial Information**" beginning on page 91 of this Draft Letter of Offer. In this section, unless the context requires otherwise, any reference to "we", "us" or "our" refers to Lloyds Engineering Works Limited (formerly known as "Lloyds Steels Industries Limited").

INTERNAL RISK FACTORS

1. ***Our Company had negative cash flow from operating activities, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.***

	(Rs in Lakhs)		
Cash Flow From	March 31, 2023	March 31, 2022	March 31, 2021
Operating activities	(310.16)	(1,709.13)	1,754.06
Investing Activities	(5,365.38)	(1,193.80)	(1,676.24)
Financing Activities	(1,110.93)	707.51	46.67

2. ***If our Company does not receive the minimum subscription of 90% of the total Issue Size, the Issue may fail.***

In the event our Company does not receive the minimum subscription of 90% of the total Issue Size or the subscription level falls below 90% of the total Issue Size after the Issue Closing Date on account of withdrawal of Applications or technical rejections or any other reason, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date or any other period as may be prescribed under applicable law. Further, in the event, there is a delay in making a refund of the

subscription monies, our Company shall be required to pay interest for the delayed period at such a rate prescribed under applicable law. For further details, please see "*Minimum Subscription – General Information*" beginning on page 43 of this Draft Letter of Offer.

3. *We have entered into related party transactions and may continue to do so in the future.*

Our Company has entered into certain transactions with our related parties including our Promoters, the Promoter Group, our Directors and their relatives. While we believe that all such transactions have been conducted on the arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operation. For details of transactions already executed by our Company with our Promoters, Directors and Group Companies/Entities during last three years, please refer to the "*Related Party Transaction*" under chapter titled "*Restated Financial Information*" on page 91 of this Draft Letter of Offer.

4. *Our contingent liabilities could adversely affect our financial condition and business operations.*

We have disclosed certain contingent liabilities in our Financial Statements. There can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Financial Year or in the future and that our existing contingent liabilities will not have material adverse effect on our business, financial condition and results of operations. If any of these contingent liabilities materialise, our profitability may be adversely affected. For further details in relation to our contingent liabilities, please refer to the section entitled "*Financial Information*" on page 91 of this Draft Letter of Offer.

5. *Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by a public financial institution or a scheduled commercial bank and our management will have broad discretion over utilization of the Net Proceeds.*

Our Company proposes to utilize the Net Proceeds for (i) meeting the working capital requirements of our Company; and (ii) general corporate purposes. Our proposed deployment of Net Proceeds has not been appraised by a public financial institution or a scheduled commercial bank and is based on management estimates. Our management will have broad discretion to use the Net Proceeds. 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 cannot assure you that use of the Net Proceeds to meet our future fund requirements, fund our growth and for other purposes identified by our management would result in actual growth of our business, increased profitability or an increase in the value of our business.

6. *We are dependent on and derive a substantial portion of our revenue from a limited number of customers and our business is also dependent on our continuing relationships with our customers and suppliers who can suspend or cancel delivery of products.*

We depend on a limited number of customers, which exposes us to high risk of customer concentration. Further, significant portion of our revenues are derived from entities that are classified as related parties as per the Companies Act. For instance, during the Fiscal 2023, Fiscal 2022 and Fiscal 2021, our top 10 (ten) customers contributed 96.39%, 91.37%, and 97.94%, respectively to our revenue from operations of which, revenues from related parties constituted 78.14%, 39.05% and Nil for Fiscal 2023, Fiscal 2022 and Fiscal 2021 respectively. Fluctuations in performance of industries in which certain of our customers operate may result in a loss of customers, decrease in the volume of work we undertake, or the price at which we offer our services, which could materially and adversely affect our business, results of operations, cash flows and financial condition. For details of our business, see "*Our Business*" on page 64 of this Draft Letter of Offer.

These customers could cease doing business with us or reduce the volume of business for a number of reasons, including adverse general economic conditions, decline in business/sales of such customers, unfavourable financial position of such customers, an adverse change in any of such customers' supply

chain strategies, reduction in their outsourcing of logistics operations or if such customers decide to choose our competitors over us.

Further, events of force majeure, such as disruptions in transportation services because of weather-related problems, strikes, lock-outs, inadequacies in road infrastructure and port facilities, government actions or other events that are beyond the control of the parties and allow our suppliers to suspend or cancel deliveries of raw materials could impair our ability to source raw materials and components and to supply our products to customers. Similarly, our customers may suspend or cancel order of our products during a period of force majeure and any suspensions or cancellations that are not replaced by deliveries under new contracts or sales to third parties on the spot market would reduce cash flows and could adversely affect our financial condition and results of operations. There can be no assurance that such disruptions will not occur.

7. *Inability to obtain, renew or maintain the statutory and regulatory permits, licenses and approvals required to operate our business could have a material adverse effect on our business.*

We require certain statutory and regulatory permits, licenses and approvals for our business in each of the jurisdictions in which we operate. There can be no assurance that the relevant authorities will issue such permits or approvals in the time frame anticipated by us or, at all. If we are unable to obtain and maintain the requisite licenses in a timely manner or at all, or to renew or maintain existing permits or approvals, or comply with the terms and conditions prescribed in such permits or approvals, it may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations. For instance, the Company was required to apply for renewal 6 months prior to the expiry of the revalidation certificate of enlistment with Engineers India Limited. However, we have made a delayed application to Engineers India Limited

One of the requirements of the title documents pertaining to Plot No. K-3 is that we comply with the provisions of applicable environmental laws. We have been conducting commercial production activities at Plot No. K-3. However, we have till date not availed consent to establish and operate from MPCB, nor have we obtained a no objection certificate from MPCB and NOC from MIDC prior to the commencement of production activities. As on date of this Draft Letter of Offer, we have made an application to MPCB for obtaining consent to operate. Although no show cause notice has been issued against our Company till date in respect of above, in the event of any cognizance being taken by MPCB and any other allied authorities in respect of above, actions may be taken against our Company and its directors, in which event the financials of our Company may be affected. We have not availed no objection certificate for fire from MIDC for Plot No. A-5/4, Plot No. A-5/5 and Plot No. A-6/3.

Further, the name of our Company was changed from "Lloyds Steels Industries Limited" to "Lloyds Engineering Works Limited" on July 25, 2023. As such, we are in the process of making applications to the relevant statutory and regulatory authorities for changing the name of the Company in their records and for issuing fresh approvals, licenses and permits in our new name.

8. *The pledge on shares of some of our Promoters continue, constituting 0.91% of our Equity Share Capital as on July 01, 2023.*

Some of our Promoters who were then majority shareholders of UVSL (formerly known as Lloyds Steel Industries Limited) had pledged their then equity shares in UVSL against loans availed from financial institutions for undertaking capital expenditure of manufacturing facility, working capital purpose and corporate loan purposes of UVSL. UVSL raised further capital from such financial institutions and consequently underwent change of management in 2012. Subsequently, in 2016, vide Hon'ble Bombay High Court approved the Scheme, the engineering division of UVSL was demerged into our Company and the Equity Shares were listed on the Stock Exchanges. As part of the Scheme, our Promoters were issued Equity Shares of our Company ("**Demerged Shares**").

Since their original shares in UVSL were pledged, the Demerged Shares were likewise pledged with the lenders. Although, UVSL has received the no-dues certificate from lenders for satisfaction of the loans, the pledge on the Demerged Shares of our Promoters, except Shree Global Tradefin Limited, continues and has not been released. While our Promoters are in discussions with the lenders to release the pledge

on the Demerged Shares, we cannot assure you that the pledge will be released or that the lenders will not invoke the pledge which as on July 01, 2023, is 0.91% of our Equity Share Capital.

9. ***Our Company and Promoters are party to certain litigation and claims. These legal proceedings are pending at different levels of adjudication before various courts and regulatory authorities. Any adverse decision may make us liable to liabilities/penalties and may adversely affect our reputation, business and financial status. A classification of these legal and other proceedings is given below:***

Our Company, and Promoters are currently involved in legal proceedings in India which are pending at different levels of adjudication before the concerned authority. We cannot assure you that these proceedings will be decided in favour of our Company or Promoters. Any adverse decision in such proceedings may render us liable to penalties and may have a material adverse effect on the financials and reputation of our Company or Promoters which may in turn have an adverse effect on our business. Additionally, during the course of our business we are subject to risk of litigation in relation to contractual obligations, employment and labour law related, personal injury, damage to property, etc.

Nature of Cases	No. of outstanding cases	Amount Involved (in Lakhs)^
<i>Litigation involving our Company</i>		
Criminal proceedings	N/A	N/A
Material civil litigation against our Company	6	1,062
Material civil litigation by our Company	3	405
Actions by statutory or regulatory Authorities	N/A	N/A
Direct and indirect tax proceedings	3*	1,146
<i>Litigation involving our Directors</i>		
Criminal proceedings	1**	N/A
Civil litigation filed by our Directors	N/A	N/A
Civil litigation filed against our Directors	N/A	N/A
Actions by statutory or regulatory authorities	N/A	N/A
Direct and indirect tax proceedings	N/A	N/A
<i>Litigation involving our Promoters</i>		
Criminal proceedings	1	N/A
Civil litigation filed by our Promoters	N/A	N/A
Civil litigation filed against our Promoters	N/A	N/A
Actions by statutory or regulatory authorities	N/A	N/A
Direct and indirect tax proceedings	6*	3,030

^To the extent quantifiable

*Includes outstanding direct and indirect tax for prior years

**Mukesh R. Gupta is the executive Wholetime Director on the Board and also a Promoter of the Company.

10. ***One of our Promoters has been named in a chargesheet filed by the Central Bureau of Investigation ("CBI") for taking delivery and introducing tainted shares in the market.***

In January 2010, the Deputy Superintendent of Police, CBI: BS&FC; Mumbai filed a chargesheet bearing no. RC 5(E)/2001/CBI/BS&FC/Mumbai ("**Chargesheet**") against Mukesh R. Gupta and other defendants named therein under Section 120B of the Indian Penal Code ("**IPC**"), read with Sections 409, 420, 467, 468, 471 of IPC and Commission of Specific Offences under Section 420 of IPC. The charges against Mukesh R. Gupta are that he took delivery of certain tainted shares on instructions of one of the broker defendants and introduced them in the market through another broker, who sold those shares and used the proceeds to boost the share price of a certain company. The investigation, which is now 13 years since the Chargesheet, has not reached a stage wherein Mukesh R. Gupta has been called to file his reply or submit his defence or file any written statement. As on date, the Additional Chief Metropolitan Magistrate, at the Esplanade Court, Mumbai is in the process of recording the statement of witnesses. On being called to the Magistrate Court pursuant to a summons, Mukesh R. Gupta has pleaded not guilty before the Court. Till date, no Court or any authority has conducted any cross examination of Mukesh R. Gupta or framed any charges against him. We cannot assure you that in the future no charges will be framed against Mukesh R. Gupta even though he has pleaded not guilty to the charges. If any charge is

framed against Mukesh R. Gupta, he will submit his defence and attend court proceedings, if called to do so which may require him to spend time and efforts for his defense and attending court hearings, and this may affect our operations, revenue and profitability.

11. *Typographical error on SEBI Complaints Redress System (SCORES).*

The Stock Exchanges status on the SCORES website reflects that our Company is active on NSE, BSE and Calcutta Stock Exchange (CSE). However, we confirm that neither were we listed on CSE in the past or as on the date of this Draft letter of Offer. We have in this regard we have sent an e-mail on July 10, 2023 to portalhelp@sebi.gov.in to rectify the said error appearing on the SCORES website.

12. *There have been certain instances of non-compliance with respect to certain regulatory filings of the Company in the past. Consequently, we may be subject to regulatory actions and penalties, if any, for any such non-compliance and our business, financial condition and reputation may be adversely affected.*

There is delay in filing Form MGT-14 for the board meetings dated November 11, 2020, January 27, 2021, filing Form AOC-4 for the Financial Year 2020-2021, strict application of Secretarial Standard for maintaining secretarial records of the Company and filings with typographical error. The Company has paid the necessary additional fees for the aforesaid delays. Subsequently, the Ministry of Corporate Affairs had issued a subsequent General Circular No. 17/2021 dated October 29, 2021, whereby a relaxation was issued for payment of additional fees in relation to Form AOC-4. Although no notice has been issued against our Company till date in respect of above non-compliances, in the event of any cognizance being taken by the concerned authorities in respect of above, actions may be taken against our Company and its directors, in which event the financials of our Company and our directors may be affected. Further with the expansion of our operations there can be no assurance that deficiencies in our internal controls and compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all.

Further, our Company has made disclosures with certain typographical and clerical errors, for instance, the address of the Corporate Office as appearing on our letterhead in some of the disclosures filed with the Stock Exchanges is erroneous.

13. *Our Company is subject to certain obligations and reporting requirements as may be required under applicable regulations framed by SEBI and may be subject to monetary penalty on account of delayed compliance.*

As the securities of our Company are listed on a stock exchange in India, our Company is subject to certain obligations and reporting requirements under SEBI Insider Trading Regulations, SEBI Takeover Regulations and SEBI Listing Regulations. Though our Company endeavors to comply with all such obligations/reporting requirements, there have been a few instances of non-compliance and delays such as non-compliance with disclosures to the Stock Exchanges pertaining to loss of share certificate (Regulation 39(3)) and disclosures to the Stock Exchanges to be made under Regulation 30 of SEBI Listing Regulations. Further, we have not made certain disclosure in the form and manner required (a) in the business responsibility and sustainability report to be annexed to the Annual Report in accordance with Regulation 34 of SEBI Listing Regulations; and (b) in the Secretarial Audit Report in accordance with Regulation 24A of SEBI Listing Regulations.

While our Company has made the non-compliance good upon payment of penalty amount, any future non-compliances/ delays in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.

14. *The management of our Company is dependent upon our Senior Management Personnel, Whole Time Director and Key Managerial Personnel.*

We operate in an industry where the quality of our people is a critical asset. We benefit significantly from the vision, strategic guidance, experience and skills of several key members of our management team,

which includes our Promoters, supported by the skills, efforts, expertise, continued performance and motivation of our Key Management Personnel, and other personnel. If any of our Whole Time Director, Key Management Personnel and Senior Management Personnel cease to be associated with our Company and we fail to recruit suitable replacements in a timely manner, our ability to manage our growth and our business, results of operations and prospects may be adversely affected.

15. ***Our Company has not registered the logo and the trademark that we use. Our ability to use the logo may be impaired if the same is not registered under our name.***

We have not registered the logo and the trademark of our Company which we use. The registration for the said trademark in our name is important to retain our brand equity. If we do not register our trademark, we may lose the statutory protection available to us under the Trade Marks Act, 1999 for such trademark. We are unable to assure the future viability or value of any of our intellectual. Our Company's business may be affected due to our inability to protect our existing and future intellectual property rights.

16. ***Our Promoters and certain Directors have interests in our Company other than their normal remuneration or benefits and reimbursement of expenses.***

Our Promoters and Directors are interested in our Company to the extent of their shareholding and dividend entitlement thereon in our Company, in addition to normal remuneration or benefits and reimbursement of expenses for instance payment of technical consultancy charges/advisory fees to one of our Non-Executive Director.

17. ***Our Company has entered into agreements, contracts with private (in India and overseas), public and government companies and such documents provide for clauses that the Company is mandated to comply with. Breach of any of the clauses shall attract penalties or may result in termination of the contracts which may affect the overall profitability/revenue growth of the Company.***

The material contracts provide that we and our agents are required to comply with the applicable environmental laws, rules and regulations, policies as notified by Government of India, road permits for transportation of equipment and material as per the applicable state laws, labour laws, prevention of Corruption Act and other such applicable laws. Since some of the counterparties are based overseas, we are expected to comply with additional laws applicable in their jurisdiction.

18. ***Reliance has been placed on declarations and affidavits furnished by some of our Promoters and Directors for details of their profile included in this Draft Letter of Offer.***

Some of our Promoters and Directors have been unable to trace copies of certain documents pertaining to their educational qualifications and work experience. Accordingly, reliance has been placed on an affidavit furnished by them to disclose such details in this Draft Letter of Offer and neither we, nor the Lead Managers have been able to independently verify these details in the absence of primary documentary evidence. Further, there can be no assurances that they will be able to trace the relevant documents pertaining to their educational qualifications and work experience in the future, or at all. Therefore, we cannot assure you that all or any of the information relating to the educational qualifications and work experience and experience of some of our Promoters and, Directors in "***Our Management***" and "***Our Promoters***" on page 77 and 87 respectively of this Draft Letter of Offer is complete, true and accurate.

19. ***We may be unable to enforce our rights under some of our agreements on account of inadequate stamping and not registering the agreements or other reasons.***

We regularly enter into agreements with third parties, in relation to our business, leasing of immovable properties among others. The terms, tenure and the nature of the agreements vary, depending on, amongst other things, the subject matter of the agreement and the third parties involved. Although, we duly execute our documents, some of the documents executed by us may be inadequately stamped or not registered or may not otherwise be enforceable. Such inadequately stamped or unregistered documents may not be admissible in evidence in a court of law until the applicable stamp duty, with penalty, has been paid and registered, which could, therefore, impact our ability to enforce our rights under the

agreements in a timely manner or at all.

20. ***The COVID-19 pandemic may in the future have, and any similar pandemic situations that may arise in the future, may have a material adverse impact on our business, results of operations, financial condition and cash flows.***

The global spread and unprecedented impact of the COVID-19 pandemic continues to create significant volatility, uncertainty and economic disruption. The pandemic has led governments and other authorities around the world to implement significant measures intended to control the spread of the virus, including lockdowns, shelter-in-place orders, social distancing measures, business closures or restrictions on operations, quarantines, travel bans and restrictions and multi-step policies with the goal of re-opening these markets. These responsive measures have severely impacted the delivery schedules of various orders/jobs under execution by the Company.

The scope, duration, and frequency of the measures implemented, and the adverse effects of COVID-19 remain uncertain and could be severe. However, the Company has tried to cope up with the situation to avoid and not to have an adverse effect on the cash flow and financial position of the Company.

21. ***We operate in highly competitive markets and our business, results of operation and financial condition will depend on how effectively we compete.***

The Company operates in a competitive scenario comprising of Indian and multinational players resulting in a stiff competition from these players. Some of our competitors may have significantly greater financial resources and market reach as compared to us. While we have historically been able to conduct our business at competitive margins and on a cost-effective basis, there can be no assurance that we will be able to do so in the future. We believe that our ability to compete also depends on a number of factors beyond our control, including the ability of our competitors to attract, train, motivate and retain highly skilled technical employees, the price at which our competitors offer comparable services.

22. ***Our business activities and projects are exposed to seasonality and weather conditions.***

Our business activities and projects may be materially and adversely affected by severe weather conditions, which may force us to evacuate personnel or curtail services, replace damaged equipment and facilities or suspend our execution activities during unfavourable weather conditions. Heavy or sustained rainfalls or other extreme weather conditions such as cyclones could result in delays or disruptions to our execution activities during the critical periods of our projects. Monsoon season could limit our ability to carry on construction activities or to fully utilize our resources. Our business activities may also be adversely affected by other natural disasters, including earthquakes and floods, which may cause interruptions of our operations and damages to our properties and working environment which may not be adequately covered by the insurance policies availed by us. During periods of curtailed activity due to severe weather conditions or natural disasters, we may continue to incur operating expenses but our revenues from operations may be delayed or reduced.

In the engineering industry in which we operate, sales volume generally dips in the second quarter, primarily during the rainy seasons impacting our execution, dispatch and logistics, and increases significantly in the fourth quarter primarily to meet the budgeted capital outlay of our clients. This may cause our revenues to vary significantly between different quarters in a Fiscal. Therefore, our results of operations and cash flows across quarters in a Fiscal may not be comparable sequentially and any such comparisons may not be meaningful, or may not be indicative of our annual financial results or our results in any future quarters or periods.

23. ***Any change in existing government policies providing support to the engineering sector, or new policies withdrawing support presently available could adversely affect our business and results of operations.***

Any change in existing government policies providing support to engineering sector, or new policies withdrawing support presently available, in the jurisdictions in which we have operations could adversely affect the supply and demand balance and the competitive environment.

24. *The deployment of funds is entirely at our discretion and as per the details mentioned in the chapter titled "Objects of the Issue".*

As the Issue size is not more than ₹10,000 lakhs, under Regulation 82 of the SEBI ICDR Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilisation of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by an external independent agency. Our Board of Directors along with the Audit Committee will monitor the utilisation of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the Shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoters shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same.

25. *We have not commissioned an industry report for the disclosures made in the chapter titled "Industry Overview" and made disclosures on the basis of the data available on the internet and such third-party data has not been independently verified by us.*

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the chapter titled "**Industry Overview**" of this Draft Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available in the public domain for which relevant consents have not been obtained. We have not independently verified such third party-data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Letter of Offer. Further, the industry data mentioned in this Draft Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Letter of Offer in this context.

26. *Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.*

Our operations may be subject to risks such as fire, accidents and natural disasters. We maintain customary insurance policies for our Company. We believe that we maintain adequate insurance coverage amounts for our business and operations, our insurance policies are subject to exclusions and deductibles, and may not provide adequate coverage or cover all risks. If any or all of our equipment is damaged in whole or in part, or if there is a loss of life of our employees, our operations may get interrupted, totally or partially, for a temporary period.

There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that our insurance policies will be adequate to cover the losses incurred. Notwithstanding the insurance coverage that we carry, we may not be fully insured against certain business risks such as the occurrence of an event that causes losses in excess of limits specified under the relevant policy or losses arising from events not covered by the insurance policies and insurance policies that we procure may not be adequate to cover all the risks associated with our business. Additionally, there may be various other risks and losses for which we are not insured because such risks are either uninsurable or not insurable on commercially acceptable terms.

Our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at an acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance or exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial condition may be adversely affected.

27. ***Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows and working capital and capital expenditure requirements.***

The declaration, payment and amount of any future dividends is subject to the discretion of the Board and Shareholders, and will depend upon various factors, inter alia, our earnings, financial position, capital expenditures and availability of profits, restrictive covenants in our financing arrangements and other prevailing regulatory conditions from time to time. Any of these factors may thus restrict our ability to pay dividends in the future. If we are unable to pay dividends in the future realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

28. ***We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial conditions, results of operations and reputation.***

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

29. ***We are subject to risk of fraud, theft, embezzlement by our employees, contractors and customers, employee negligence or similar incidents may adversely affect our results of operations and financial condition.***

Our operations may be subject to incidents of theft or damage to inventory in transit, prior to or during stocking. We may also encounter some inventory loss on account of employee/contractor/vendor fraud, theft, embezzlement and general administrative error. Although, we have set up various security measures, including tagging our products, CCTV in our offices and the existing manufacturing facility at Thane, deployment of security guards and follow stringent operational processes such as periodic stock taking there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition.

ISSUE SPECIFIC RISK

30. ***Our Company will not distribute this Draft Letter of Offer, the Abridged Letter of Offer and Application Form to overseas Shareholders who have not provided an address in India for service of documents.***

Our Company will dispatch this Draft Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (the "***Issuing Materials***") to such Shareholders who have provided an address in India for the service of documents. The Issuing Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Issuing Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

31. ***SEBI has recently, by way of circulars dated January 22, 2020, May 06, 2020, July 24, 2020, January 19, 2021 and April 22, 2021 and October 01, 2021 streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Draft Letter of Offer.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020,

May 06, 2020, July 24, 2020, January 19, 2021 and April 22, 2021, October 01, 2021 and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, please refer to "*Terms of the Issue*" beginning on page 192 of this Draft Letter of Offer.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "[●]") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

32. *The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholder") may lapse in case they fail to furnish the details of their de-mat account to the Registrar.*

In accordance with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow de-mat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their de-mat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their de-mat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 03, 2018 issued by the SEBI, with effect from April 01, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

33. *Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.*

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renounees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renounee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, please refer to "*Terms of the Issue*" beginning on page 192 of this Draft Letter of Offer.

34. *Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoters or members of our Promoter Group may adversely affect the trading price of the Equity Shares.*

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity

Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoters and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoters and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

35. *You 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 of an Indian company are generally taxable in India. 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. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. 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 gains made upon the sale of the Equity Shares.

36. *You may not receive the Equity Shares that you subscribe to in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.*

The Equity Shares that you subscribe to in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

37. *There is no guarantee that our Equity Shares will be listed in a timely manner or at all, which may adversely affect the trading price of our Equity Shares.*

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

38. *Holder 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, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of 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 shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law 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, your proportional interests in us would be reduced.

39. ***Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.***

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

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

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

EXTERNAL RISK FACTOR

41. ***Availability of credit or financing is a major factor which can have a direct bearing on the performance of the Company.***

Availability of credit or financing is a major factor which can have a direct bearing on the performance of the Company. Tightening of credit norms by the financiers due to economic conditions can have an adverse effect on the performance of the Company.

42. ***Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.***

The industry in which we operate is subject to significant changes in technology. To maintain the competitiveness of our business, we need to keep pace with technological developments and changing standards. If we are unable to adequately respond to the technological changes and the technologies currently employed by us become obsolete, our business, financial condition and results of operations may be materially and adversely affected. In addition, the cost of implementing new technologies and upgrading our plants to keep pace with technological developments may be significant and may adversely affect our results of operations.

43. ***Our business may be affected by certain disruptions.***

Industrial disruptions, work stoppages, labour disputes, refurbishments, installation of new plants etc. can result in production losses, which may adversely affect our profitability. Production may fall below historic or estimated levels as a result of these causes.

44. ***Failure to keep abreast with the latest trends in technology may adversely affect our cost competitiveness and may affect our financial condition adversely.***

Our Company cannot assure that it would successfully implement new technology effectively or adapt to emerging industry standards. If our Company is unable to upgrade itself due to technical, financial, legal and/or other reasons to adapt in timely manner to the changing market conditions, its business, financial performance could be adversely affected.

- 45. *If we are unable to implement our growth strategies in a timely manner, our business and results of operations could be adversely affected.***

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategy may place significant demands on our management and other resources. Our growth strategies involve risks and difficulties, many of which are beyond our control and accordingly there can be no assurance that we will be able to complete our plans on schedule or without incurring additional expenditures or at all. There can be no assurance that we will be able to execute our strategy on time and within the estimated budget in the future. If we are unable to implement our business and growth strategy, this may have an adverse effect on our business, financial condition and results of operations.

- 46. *Any mishaps or accidents at facilities or any emission or leakage from factory could lead to property damage, production loss and accident claims.***

Any mishap or accident in facilities could result in claims against us for damages by employees. We could suffer loss of production, receive adverse publicity and experience diversion of management attention and resources in defending such claims. Any such significant event could have an adverse effect on business, financial condition and results of operations. The manufacturing process does not emit any hazardous effluents. The unit has obtained a No Objection Certificate from Maharashtra Pollution Control Board.

- 47. *The failure to keep technical knowledge confidential could erode competitive advantage.***

The Company possesses extensive technical knowledge about products. Technical knowledge is a significant independent asset, which may not be adequately protected by intellectual property rights such as patent registration. Some of the technical knowledge is protected only by secrecy. As a result, we cannot be certain that technical knowledge will remain confidential in the long run. A significant number of employees have access to confidential design and product information and there can be no assurance that this information will remain confidential. Moreover, certain employees may leave us and join various competitors.

- 48. *Adverse geopolitical conditions such as increased tensions between India and its neighbouring countries, could adversely affect our business, results of operations and financial condition.***

Adverse geopolitical conditions such as increased tensions between India and its neighbouring countries, resulting in any military conflict in the region could adversely affect our business and operations. Such events may lead to countries including the Government of India imposing restrictions on the import or export of products or raw materials, among others, and affect our ability to procure raw materials required for our manufacturing operations. We could also be affected by the introduction of or increase in the levy of import tariffs in India, or in the countries to which we export our products, or changes in trade agreements between countries. For instance, the Government of India has imposed additional tariffs in the nature of countervailing duty and anti-dumping duty on a number of items imported from China. Any such measure which affects our raw material supply or reciprocal duties imposed on Indian products by China or other countries may adversely affect our results of operations and financial condition.

- 49. *Political, economic or other factors that are beyond our control may have adversely affect our business and results of operations.***

The Indian economy is influenced by economic developments in other countries. These factors could depress economic activity which could have an adverse effect on our business, financial condition and results of operations. Any financial disruption could have an adverse effect on our business and future financial performance.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of

India. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies.

Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a 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 and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

50. *A slowdown in economic growth in India could cause our business to suffer.*

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- prevailing regional or global economic conditions; and
- other significant regulatory or economic developments in or affecting India

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

51. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business.

Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

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

We are incorporated in India and we conduct our corporate affairs and our business in India.

Consequently, our business, operations, financial performance will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India's various neighboring countries;
- hostile or war like situations with the neighboring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India's sovereign debt rating by rating agencies; and
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.
- Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on June 14, 2023, pursuant to Section 62(1)(a) of the Companies Act. The terms and conditions of the Issue including the Rights Entitlement, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by the Board of Directors/ Rights Issue Committee at its meeting held on [●]. The following is a summary of the Issue, and it should be read in conjunction with, and is qualified entirely by, the information set out in the chapter titled "*Terms of the Issue*" beginning on page 192 of this Draft Letter of Offer.

Particulars	Details of Equity Shares
Rights Equity Shares proposed to be issued	Up to [●] Equity Shares
Rights Entitlement	[●] Equity Share for every [●] fully paid-up Equity Share(s) held on the Record Date
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any
Record Date	[●]
Face Value per Equity Share	₹1
Issue Price per Rights Equity Shares	₹[●] per Equity Share (including a premium of ₹[●] per Equity Share)
Issue Size	Upto [●] Equity Shares of face value of ₹1 each for cash at a price of ₹ [●] (including a premium of ₹ [●]) per Rights Equity Share aggregating up to ₹9,836.83 Lakhs [#] <i>#Assuming full subscription, to be adjusted as per the Rights Entitlement ratio</i>
Dividend	Such dividend as may be declared by our Board and our shareholders, as per applicable laws
Equity Shares issued, subscribed and paid up prior to the Issue	1,07,88,78,382 Equity Shares. For details, please refer to " <i>Capital Structure</i> " beginning on page 45 of this Draft Letter of Offer
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[●] [#] Equity Shares <i>#Assuming full subscription</i>
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	[●]
Money payable at the time of Application	[●]
Scrip Details	ISIN: INE093R01011 BSE: 539992 NSE: LSIL
ISIN for Rights Entitlements	[●]
Use of Issue Proceeds	For details, please refer to " <i>Objects of the Issue</i> " beginning on page 47 of this Draft Letter of Offer.
Terms of the Issue	For details, please refer to " <i>Terms of the Issue</i> " beginning on page 192 of this Draft Letter of Offer.

Particulars	Details of Equity Shares
Terms of Payment	For details, please refer to " <i>Terms of the Issue</i> " beginning on page 192 of this Draft Letter of Offer.
Due Date	On the Issue application (i.e. along with the Application Form)
Amount payable per Rights Equity Shares (including premium)	[●]

Please refer to the chapter titled "*Terms of the Issue*" on page 192 of this Draft Letter of Offer.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Event	Indicative Date
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights**	[●]
Issue Closing Date*	[●]

*The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.

** Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

GENERAL INFORMATION

Our Company was incorporated as "Climan Properties Private Limited" on September 19, 1994, as a private limited Company under the Companies Act, 1956, and was granted the Certificate of Incorporation by the Registrar of Companies, Mumbai. Subsequently, our Company was converted into a Public Limited Company and the name of our Company was changed to "Climan Properties Limited" on April 17, 2000, vide a fresh certificate of incorporation issued by the Registrar of Companies, Mumbai. Thereafter, the name of our Company was changed from "Climan Properties Limited" to "Encon Technologies Limited" pursuant to a fresh Certificate of Incorporation dated April 19, 2000. Subsequently, the name of our Company was changed to "Lloyds Encon Technologies (I) Limited" on May 31, 2011, vide a fresh certificate of incorporation issued by the Registrar of Companies, Mumbai. The name of our Company was changed to "Lloyds Steels Industries Limited" on May 04, 2013, vide a fresh Certificate of Incorporation issued by the Registrar of Companies, Mumbai.

Pursuant to a Scheme between UVSL and Lloyds Steels Industries Limited, the engineering division of UVSL was demerged from UVSL into Lloyds Steels Industries Limited, by the Hon'ble High Court of Judicature at Bombay vide its order dated October 30, 2015 and speaking to minutes of the order dated November 30, 2015. Subsequent to the sanction of the Scheme, Lloyds Steels Industries Limited was listed on the Stock Exchanges on July 18, 2016. Thereafter, the name of our Company was changed from "Lloyds Steels Industries Limited" to "Lloyds Engineering Works Limited" vide a fresh Certificate of Incorporation dated July 25, 2023 issued by the Registrar of Companies, Mumbai.

Registered Office

Plot number A-5/5

MIDC Industrial Area

Murbad, Thane 421 401

Telephone: +91 02524-222271

Website: www.lloydsengg.in

E-mail: infoengg@lloyds.in

Corporate Office

A-2, Madhu Estate, 2nd Floor,

Pandurang Budhkar Marg

Lower Parel

Mumbai 400 013

Telephone: +91 022-62918111

Website: www.lloydsengg.in

E-mail: infoengg@lloyds.in

Corporate Identity Number: L28900MH1994PLC081235

Registration Number: 081235

Address of the Registrar of Companies

Our Company is registered with the RoC, Mumbai, which is situated at the following address:

Registrar of Companies, Mumbai

100, Everest

Marine Drive, Mumbai 400 002

Company Secretary and Compliance Officer

Rahima Shaikh

A-2, Madhu Estate, 2nd Floor,

Pandurang Budhkar Marg

Lower Parel

Mumbai 400 013

Telephone: +91 022 6291 8111

E- mail: infoengg@lloyds.in

Legal Advisor to the Issue

Rajani Associates, Advocates and Solicitors

204-207, Krishna Chambers

59, New Marine Lines

Mumbai 400 020

Telephone: +91 22 4096 1002

E-mail: sangeeta@rajaniassociates.net

Contact Person: Sangeeta Lakhi

Board of Directors of our Company

Name	Age	Designation	Address	DIN
Mukesh R. Gupta	65	Chairman & Wholetime Director	Vandan CHS Ltd,17 th Floor, 29A, Dongersey Road, Near Elizabeth Hospital, Walkeshwar, Mumbai 400 006	00028347
Ashok Satyanarayan Tandon	64	Non-Executive Non-Independent Director	Flat No.20, Usha Kamal Cooperative Housing Society Ltd., Sector 15, Vashi, Navi Mumbai 400 703	00028301
Bela Sundar Rajan	69	Non-Executive Independent Director	1202, 12 th Floor, Kritika Towers, 11, Sion Trombay Road, Chembur, Mumbai 400 071	00548367
Rajashekhar Mallikarjun Alegavi	73	Non-Executive Non-Independent Director	Room No.804, 8th Floor, Varun Garden Building, 48, Godbunder Road, Chitalsar, Thane (West) 400 610	03584302
Lakshman Ananthsubramanian	74	Non-Executive Independent Director	C-1901, Mayuresh Residency, LBS Marg, Bhandup West, Mumbai 400 078	08648489
Kishor Kumar Mohanlal Pradhan	64	Non- Executive Independent Director	No. F/63, Maker, Kundan Garden, Juhu-Tara Road, Near SNDT University, Santacruz (W), Mumbai 400 049	02749508
Ashok Kumar Sharma	62	Non- Executive Independent Director	Room 6-B, Annapurna, Anushakti Nagar, Mumbai 400 094	09352764

For detailed profile of our Directors, please refer to the chapter titled "**Our Management**" beginning on page 77 of this Draft Letter of Offer.

Details of Key Intermediaries pertaining to this Issue of our Company

Lead Managers to the Issue

Mark Corporate Advisors Private Limited

404/1, The Summit Business Bay,
Sant Janabai Road (Service Lane),
Off Western Express Highway, Vile Parle (East),
Mumbai 400 057

CIN: U67190MH2008PTC181996

Telephone: +91 22 2612 3207/08

E-mail id: info@markcorporateadvisors.com

Investor grievance e-mail id:
investorgrievance@markcorporateadvisors.com

Contact person: Niraj Kothari

Website: www.markcorporateadvisors.com

SEBI registration no.: INM000012128

Pioneer Investcorp Limited

1218, 12th Floor,
Makers Chambers V,
Nariman Point, Mumbai 400 021

CIN: L65990MH1984PLC031909

Tel: +91 22 66186633

E-mail: lewl_cell@pinc.co.in

Investor grievance e-mail:

mbcompliance@pinc.co.in

Contact Person: Varun Jain

Website: <https://pinc.co.in/>

SEBI registration no.: INM000002988

Registrar and Share Transfer Agent to the Company and the Issue

Bigshare Services Private Limited

Office No S6-2, 6th Floor,
Pinnacle Business Park
Next to Ahura Centre, Mahakali Caves Road
Andheri (East), Mumbai 400 093

Telephone: +91 22 6263 8200/22

Email: rightsissue@bigshareonline.com

Investor grievance e-mail: investor@bigshareonline.com

Contact Person: Mohan D

Website: www.bigshareonline.com

SEBI Registration No.: INR000001385

Validity of Registration: Permanent

Key Bankers to the Company

CitizenCredit Co-operative Bank Limited

Address: Bandra Branch, Sunbeam CHS,
64 Mount Carmel Road, Bandra (West)
Mumbai 400 050

Telephone Number: +91 8657464005

Contact person: Jeanne Pereira

Website: www.citizencreditbank.com

E-mail: bandra@citizencreditbank.com

HDFC Bank Limited

Address: Kamala Mill Branch, Kamala City,
Senapati Bapat Marg, Lower Parel,
Mumbai 400 013

Telephone Number: +91 9322157479

Contact person: Hemank Shivalkar

Website: www.hdfcbank.com

E-mail: hemank.shivalkar@hdfcbank.com

Bank of Maharashtra

Address: Industrial Finance Branch, Apeejay House
Fort, Mumbai 400 001

Telephone Number: +91 22 2044 2064

Contact person: Shailesh Ghule

Website: www.bankofmaharashtra.in

E-mail: bom972_cm@mahabank.co.in

Banker to the Issue/ Escrow Collection Bank/ Refund Bank
[•]

Statutory auditors of the Issuer

S Y Lodha and Associates, Chartered Accountants

Unit No 309,
New Sonal Link Industrial Service Premises
New Link Road, Malad West,
Mumbai 400 064

Firm Registration Number: 136002W

Membership No.: 143251

Telephone Number: 022-3563 5006

E-mail: query@syla.in

Peer Review Certificate Number: 014303

Experts

Our Company has received a written consent dated July 01, 2023, from our Statutory Auditors, S Y Lodha and Associates, to include their name in this Draft Letter of Offer as an "expert", as defined under Section 2(38) of the Companies Act, to the extent and in their capacity as statutory auditors, and in respect of the reports issued by them and the Statement of Tax Benefits, included in this Draft Letter of Offer. Such consent has not been withdrawn as on the date of this Draft Letter of Offer.

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs or the SBA Process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. On allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

Statement of Inter-se Allocation of Responsibilities

Sr. No.	Activity	Responsibility	Coordination
1.	Capital structuring with the relative components and formalities such type of instrument, number of instruments to be issued, etc.	Mark and PINC	Mark
2.	Coordination for drafting and design of the Letter of Offer, Abridged Letter of Offer, Application Form and Rights Entitlement Letter as per the SEBI ICDR Regulations, SEBI LODR Regulations and other stipulated requirements and completion of prescribed formalities with the Stock Exchanges and SEBI.	Mark and PINC	Mark
3.	Selection of various agencies connected with Issue, such as Registrars to the Issue, Escrow Bank, Monitoring Agency, Printers and Advertising agencies and coordination of execution of related agreements	Mark and PINC	Mark
4.	Drafting and approval of all statutory advertisements	Mark and PINC	Mark
5.	Drafting and approval of all publicity material including corporate advertisement, brochure, corporate films, etc.	Mark and PINC	PINC
6.	Drafting and design of Roadshow presentation	Mark and PINC	PINC
7.	Formulating & Coordination of marketing strategy	Mark and PINC	PINC
8.	Non-Institutional and Retail Marketing of the Offer, which	Mark and PINC	PINC

Sr. No.	Activity	Responsibility	Coordination
	will cover, inter alia: • Formulating marketing strategies; • Finalising collection centres; and Follow-up on distribution of publicity and Offer material including application form, LoF.		
9.	Co-ordination with stock exchanges and formalities for use of online software, bidding terminal, mock trading, etc. including submission of 1% deposit	Mark and PINC	Mark
10.	Post-issue activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the Bank about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrars to the issue, bankers to the issue, Self-Certified Syndicate Banks, etc. and coordination of underwriting arrangement, if any. Release of 1% security deposit.	Mark and PINC	PINC

Credit Rating

This is an issue of Equity Shares; credit rating is, therefore, not required.

Debenture Trustees

This is an issue of Equity Shares; the appointment of Debenture trustees is, therefore, not required.

Monitoring Agency

The Net Proceeds of the Issue will be less than ₹10,000 lakhs. The SEBI ICDR Regulations does not mandate appointment of a monitoring agency for such issues. Our Company will, therefore, not appoint a monitoring agency.

Underwriting Agreement

This Issue will not be underwritten and our Company has, therefore, not entered into an underwriting arrangement.

Changes in Auditors during the last three years

Name of Auditor	Address and E-mail	Date of Appointment/ Cessation	Reason
Todarwal & Todarwal LLP <i>Firm Registration Number: 111009W</i>	12, Maker Bhavan No. 03, 1st Floor, 21, New Marine Lines, Mumbai <i>E-mail: todarwal@todarwal.com</i>	August 13, 2022	Cessation due to retirement
S Y Lodha and Associates <i>Firm Registration Number: 136002W</i>	Unit No 309 ,3rd Floor, New Sonal Link Service Indus, Link Road, Malad West, Mumbai <i>E-mail: query@syla.in</i>	August 13, 2022	Appointed in place of the retiring auditors

Issue Schedule

Last Date for credit of Rights Entitlements	[•]
Issue Opening Date	[•]

Last date for On Market Renunciation of Rights Entitlements[#]	[●]
Issue Closing Date*	[●]
Finalization of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

#Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

**Our Board, or a duly authorized committee thereof, will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date have not provided details of their demat accounts to our Company or to the Registrar, they must provide their demat account details to our Company or the Registrar no later than two Working Days prior to the Issue Closing Date, i.e., [●] to enable credit of the Rights Entitlements to their respective demat accounts by transfer from the demat suspense escrow account, which will happen one day prior to the Issue Closing Date, i.e., [●].

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. It is encouraged that the Application Forms are submitted well in advance before the Issue Closing Date. For details on submitting Application Forms, please refer to "**Terms of the Issue - Procedure for Application**" beginning on page 202 of this Draft Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholder may be accessed by such respective Eligible Equity Shareholder on the website of the Registrar at www.bigshareonline.com after keying in their respective details along with other security control measures implemented thereat. For further details, please refer to "**Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders**" beginning on page 195 of this Draft Letter of Offer.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before the Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from the market and the purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who receive credit of the Rights Entitlements must make an Application to subscribe to the Equity Shares offered under the Rights Issue.

Minimum Subscription

The objects of the Issue involve (i) meeting the working capital requirements of our Company; and (ii) general corporate purposes.

Other than Late Chitralekha R. Gupta and Shree Global Tradefin Limited, we have been informed by our Promoters that, they will fully subscribe to their entitlements arising out of the proposed Rights Issue. Further, we have been informed by Shree Global Tradefin Limited and our Promoter Group that they may or may not fully subscribe to their entitlements arising out of the proposed Rights Issue and may renounce whole or a part of their right entitlement in favour of third parties whom Shree Global Tradefin Limited and our Promoter Group may identify in due course or may renounce whole or a part of their right entitlement in the open market. Therefore, the minimum subscription criteria (of at least 90% of the Issue) as provided in proviso to regulation 86(1) of the SEBI ICDR Regulations is applicable to this Issue. Pursuant to regulation 86(2) of the SEBI ICDR Regulations in case of non-receipt of minimum subscription, all application monies received shall be refunded to the Applicants forthwith, but not later than four days from the closure of the Rights Issue.

Appraising Entity

The objects of this Issue have not been appraised by any bank or any other independent financial institution or any other independent agency.

Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold for filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees one thousand lakhs to Rupees five thousand lakhs. Since the size of this Issue falls above this threshold, this Draft Letter of Offer has been filed with SEBI for its observations, at SEBI Bhavan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India and through the SEBI intermediary portal at siportal.sebi.gov.in in terms of the SEBI circular bearing reference no. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, and with the Stock Exchanges. After SEBI gives its observations, the Letter of Offer will be filed with SEBI and the Stock Exchanges per the provisions of the SEBI ICDR Regulations.

CAPITAL STRUCTURE

The share capital of our Company, as at the date of this Draft Letter of Offer, and details of the Equity Shares proposed to be issued in the Issue, and the issued, subscribed and paid-up share capital after the Issue, are set forth below:

<i>(in ₹, except shares data)</i>		
	Aggregate value at Face Value	Aggregate value at Issue Price
A AUTHORISED SHARE CAPITAL		
1,20,00,00,000 Equity Shares of ₹1 each	1,20,00,00,000	-
B ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE		
1,07,88,78,382 Equity Shares of ₹1 each	1,07,88,78,382	-
C PRESENT ISSUE IN TERMS OF THIS DRAFT LETTER OF OFFER⁽¹⁾		
Up to [●] Equity Shares, each at a premium of ₹ [●] per Equity Share, i.e., at a price of ₹ [●] per Equity Share	[●]	[●]
D ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE		
[●] Equity Shares of ₹ [●] each, fully paid up ^{# (1)}	[●]	[●]
E SECURITIES PREMIUM ACCOUNT		
Before the Issue		66,39,27,000
After the Issue ⁽²⁾		[●]

[#] To be updated upon finalisation of the Issue Price.

⁽¹⁾ The Issue has been authorised by our Board pursuant to a resolution dated June 14, 2023. The terms of the Issue, including the Record Date and Rights Entitlement Ratio, have been approved by a resolution passed by our Board/Rights Issue Committee at their meeting held on [●].

⁽²⁾ Assuming full subscription for, and Allotment of, the Equity Shares. Subject to finalisation of Basis of Allotment, Allotment and deduction of Issue related expenses.

Notes to the Capital Structure

1. Intention and extent of participation by our Promoters and Promoter Group in the Issue:

Other than Late Chitralekha R. Gupta and Shree Global Tradefin Limited, we have been informed by our Promoters that, they will fully subscribe to their entitlements arising out of the proposed Rights Issue. Further, we have been informed by Shree Global Tradefin Limited and our Promoter Group that they may or may not fully subscribe to their entitlements arising out of the proposed Rights Issue and may renounce whole or a part of their right entitlement in favour of third parties whom Shree Global Tradefin Limited and our Promoter Group may identify in due course or may renounce whole or a part of their right entitlement in the open market. Therefore, the minimum subscription criteria (of at least 90% of the Issue) as provided in proviso to regulation 86(1) of the SEBI ICDR Regulations is applicable to this Issue. Pursuant to regulation 86(2) of the SEBI ICDR Regulations in case of non-receipt of minimum subscription, all application monies received shall be refunded to the Applicants forthwith, but not later than four days from the closure of the Rights Issue.

2. The ex-rights price of the Equity Shares offered pursuant to this Issue and in compliance with the valuation formula set out in Regulation 10(4)(b)(ii) of the Takeover Regulations is ₹[●] per Equity Share.

3. Shareholding Pattern of our Company as per the last filing with the Stock Exchange, in compliance with the provisions of the SEBI LODR Regulations:

- (i) The shareholding pattern of our Company, as on July 01, 2023, may be accessed on the website of the BSE at <https://www.bseindia.com/stock-share-price/lloyds-steels-industries-ltd/lloydsteel/539992/shareholding-pattern/> and the NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=LSIL&tabIndex=equity%20reholding%20Patterns%20-%20Equity,%20SME%20-%20NSE%20India>.
- (ii) A statement as on July 01, 2023, showing holding of Equity Shares of persons belonging to the category of "Promoter and Promoter Group", including details of lock-in, pledge and encumbrance thereon, may be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=539992&qtrid=118.01&QtrName=1-Jul-23> and the NSE at <https://www.nseindia.com/companies->

- listing/corporate-filings-shareholding-pattern?symbol=LSIL&tabIndex=equity.
- (iii) A statement as on July 01, 2023, showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public", including equity shareholders holding more than 1% of the total number of Equity Shares, as well as details of shares which remain unclaimed may be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=539992&qtrid=118.01&QtrName=1-Jul-23> and <https://www.bseindia.com/corporates/shpdrPerct.aspx?scripcd=539992&qtrid=118.01&CompName=Lloyds%20Steels%20Industries%20Ltd&QtrName=1-Jul-23&Type=TM>.
- (iv) A statement as on July 01, 2023, showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public", may be accessed on the website of the NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=LSIL&tabIndex=equity>.

4. Details of shares locked-in, pledged, encumbrance by Promoters and Promoter Group:

The details of shares locked-in, pledged and encumbered by the Promoters and Promoter Group may be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=539992&qtrid=118.01&QtrName=1-Jul-23> and the NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=LSIL&tabIndex=equity>.

5. Our Company shall ensure that any transaction in the Equity Shares by the Promoters and the Promoter Group during the period between the date of filing this Draft Letter of Offer and the date of closure of the Issue shall be reported to the Stock Exchange within 24 hours of such transaction.

6. At any given time, there shall be only one denomination of the Equity Shares of our Company.

7. Details of outstanding securities of our Company

Except what is stated below, as on date of this Draft Letter of Offer, there are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Letter of Offer.

Except for the issue of any Equity Shares or options/units pursuant to LLOYDS STEELS ESOP-2021, there will be no further issue of Equity Shares whether by way of a public issue, qualified institutions placement, issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Letter of Offer with SEBI and Stock Exchanges until the Equity Shares have been listed on the Stock Exchanges, or all application monies have been refunded, as the case may be.

Further, the Rights Equity Shares allotted pursuant to the Rights Issue, shall be fully paid up. For further details on the terms of the Issue, please see the section entitled "*Terms of the Issue*" on page 192.

OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds from this Issue towards the following objects:

1. To meet the Working Capital requirements of the Company; and
2. General Corporate Purposes

The main objects and the objects incidental and ancillary to the main objects of our MOA enable our Company to undertake the activities for which the funds are being raised through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our MOA.

Issue Proceeds

The details of the Issue Proceeds are set forth in the table below:

<i>(₹ in lakhs)</i>	
Particulars	Amount
Gross Proceeds from this Issue [^]	Up to 9,836.83
Less: Estimated Issue related expenses ^{^^}	[●]
Net Proceeds from the Issue	[●]

[^] assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio

^{^^} To be finalized upon determination of the Issue Price and updated in the Letter of Offer. See “-Estimated Issue Related Expenses” on page 50

Requirement of Funds and utilization of Net Proceeds

The proposed utilization of the Net Proceeds by our Company is set forth in the following table:

<i>(₹ in lakhs)</i>	
Particulars	Amount
Augmenting Working Capital Requirements	7,361.83
General Corporate Purpose [*]	[●]
Total Net proceeds	[●]

^{*} The amount shall not exceed 25% of the Gross Proceeds

There are no existing or anticipated transactions in relation to utilization of Net Proceeds with our Promoters, Directors, Key Managerial Personnel or associate companies (as defined under Companies Act, 2013).

Means of Finance

The funding requirements mentioned above are based on our Company's internal management estimates and have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment and interest or exchange rate fluctuations. Consequently, our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our management, subject to applicable law. If additional funds are required for the purposes as mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them, subject to compliance with applicable laws.

The fund requirements set out above are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 62(1)(c) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Proposed schedule of implementation and deployment of Net Proceeds

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

(₹ in Lakhs)			
Sr. No.	Particulars	Amount to be deployed from the Net Proceeds in Fiscal 2024	Amount to be funded from the Net Proceeds
1.	To meet the working capital requirements of the Company	7,361.83	7,361.83
2.	General corporate purposes*	[•]	[•]
3.	Total	[•]	[•]

*The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds

In the event that the estimated utilization of the Net Proceeds in a scheduled Fiscal Year is not completely met (in full or in part), due to factors stated above and other factors such as (i) economic and business conditions; (ii) the timing of completion of the Issue; (iii) market conditions outside the control of our Company; and (iv) any other business and commercial considerations, the remaining Net Proceeds shall be utilized (in full or in part) in subsequent periods as may be determined by our Company, in accordance with applicable laws. Any change in estimated schedule of utilization shall be subject to shareholders approvals and in accordance with applicable laws. If the actual utilisation towards the Objects of the Issue, in full or in part, is lower than the proposed deployment, such balance will be used for future growth and towards General Corporate Purposes to the extent that the total amount to be utilised towards General Corporate Purposes will not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations.

In case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilising our internal accruals, General Corporate Purposes and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue.

In the event the Net Proceeds are not completely utilized for the purposes stated above and as per the estimated schedule of utilisation specified above, the same would be utilized in subsequent Financial Years for achieving the objects of the Issue.

Details of the Objects

The details of the Objects of the Issue are set out below:

1. *Funding the working capital requirements of our Company*

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, net worth, financing from banks and unsecured loans. We operate in a highly competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances, business or strategy, foreseeable opportunity. Consequently, our fund requirements may also change.

The details of Company's working capital as at March 31, 2022 and as at March 31, 2023 and the source of funding, on the basis of restated financial statements, as certified by our Statutory and Peer Review Auditor, M/s S Y Lodha and Associates, Chartered Accountants, vide their report dated July 01, 2023 are provided in the table below. Further, in light of the incremental business requirements, our Company requires additional working capital for funding its working capital requirements in the Fiscal 2024. On the basis of our existing working capital requirements and the projected working capital requirements, our Board pursuant to its resolution dated July 01, 2023 has approved the business plan for the Fiscal 2024 and the proposed funding of such working capital requirements, The breakup of the working capital requirements year wise is given in the table below:

	(₹ in Lakhs)		
Particulars	Fiscal 2022 (Audited)	Fiscal 2023 (Audited)	Fiscal 2024 (Estimated)
Current Assets			
Inventories	4,885.07	11,457.99	16,917.76
Trade Receivables	982.59	2,909.45	4,492.51
Cash & Cash Equivalents and Other Bank Balances	2,459.40	807.42	466.03
Loans & Advances	2,875.00	5,215.00	5,215.00
Other Current Financial Assets	403.95	769.29	769.29
Current Tax Asset	190.94	280.71	280.71
Other Current Assets	4,671.56	9,428.18	9,428.18
Total Current Assets (A)	16,468.51	30,868.04	37,569.48
Current Liabilities			
Trade Payables	778.96	2,478.18	3,117.70
Lease Liabilities	36.36	83.45	83.45
Short Term Borrowings	32.65	4,597.28	76.18
Other Financial Liabilities	445.10	256.34	256.34
Other Current Liabilities	1,830.48	8,912.65	11,362.65
Provisions	85.92	321.89	321.89
Total Current Liabilities (B)	3,209.47	16,649.79	15,218.21
Net Working capital Requirement (A-B)	13,259.04	14,218.25	22,351.27
Incremental Working Capital		959.21	8,133.02
Funding Pattern			
Internal Accruals		959.21	771.19
Net Proceeds from the Issue	0.00	0.00	7,361.83
TOTAL	0.00	959.21	8,133.02

Note: Pursuant to the certificate dated July 01, 2023 issued by the Statutory Auditor.

Assumptions for Holding Levels

	(In days)		
Particulars	Holding Level for Fiscal 2022 (Actual)	Holding Level for Fiscal 2023 (Actual)	Holding Level for Fiscal 2024 (Estimated)
Current Assets			
Trade Receivables	68	23	25
Inventories	839	159	152
Current Liabilities			
Trade Payables	186	32	30

Justification for Holding Period levels

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

Trade receivables	Our Company had maintained trade receivable days of 68 in the Fiscal 2022 and 23 for Fiscal 2023. The trade receivables days are estimated to be 25 for the Fiscal 2024.
Inventories	The Company had maintained inventory days of 839 in Fiscal 2022 and 159 for Fiscal 2023, The inventory days is estimated to be 152 for Fiscal 2024.
Trade Payables	The Company had maintained trade payable days of 186 in Fiscal 2022 and 32 days for Fiscal 2023. It is estimated to be 30 days for the Fiscal 2024.

Our Company proposes to utilize ₹7,361.83 Lakhs out of the Net Proceeds in the Fiscal 2024 towards our working capital requirements. The balance portion of our working capital requirement for the Fiscal 2024 will be arranged from Internal Accruals.

2. **General Corporate Purpose:**

We intend to deploy balance Net Proceeds aggregating upto ₹[●] Lakhs towards general corporate purposes. The general corporate purposes for which our Company proposes to utilize includes, but is not restricted to, Strategic initiatives, Funding growth opportunities, investment in associates, entering into brand building exercises and strengthening our marketing capabilities, partnerships, tie-ups or contingencies in ordinary course of business which may not be foreseen or any other purposes as approved by our Board of Directors.

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. However, not more than 25% of the Gross Proceeds of the Issue would be deployed for the General Corporate purposes.

Deployment of Funds

Our Company has deployed a sum of ₹4.00 Lakhs up to July 31, 2023 towards the Objects of the Issue mentioned above (certified by M/s S Y Lodha and Associates, Chartered Accountants, vide their Certificate dated August 04, 2023. The details of the deployment are as under:

Particulars	₹ in Lakhs
Deployment of Funds	
Issue Expenses	4.00
Sources of Funds	
Internal Accruals*	4.00

* The said amount has been met by the Company from its own resources and we have been informed that the same will be adjusted against the Issue Proceeds.

Estimated Issue Related Expenses

The estimated Issue related expenses are as follows:

Sr. No.	Particulars	Estimated Amount* (₹ lakhs)	As a percentage of total estimated Issue expenses*	As a percentage of Gross Issue size*
1	Fees payable to the Lead Managers (including brokerage and selling commission)	[●]	[●]%	[●]%
2	Fees payable to the Registrar to the Issue	[●]	[●]%	[●]%
3	Fees payable to the Legal Advisors, other professional service providers	[●]	[●]%	[●]%
4	Advertising, marketing and shareholder outreach expenses	[●]	[●]%	[●]%
5	Fees payable to regulators, including Stock Exchanges, SEBI, depositories and other statutory fee	[●]	[●]%	[●]%
6	<i>Others</i>	[●]	[●]%	[●]%
	Printing and stationery	[●]	[●]%	[●]%
	Statutory Auditors	[●]	[●]%	[●]%
	Miscellaneous expenses and stamp duty	[●]	[●]%	[●]%
	Total estimated Issue related expenses	[●]	100.00%	[●]%

* Includes applicable taxes. Subject to finalization of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. Amount will be finalized at the time of filing of the Letter of Offer and determination of Issue Price and other details.

Bridge Financing Facilities

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

Interim use of Net Proceeds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company intends to temporarily deposit the funds in the scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934 as may be approved by our Board of Directors or a duly constituted committee thereof. In accordance with the Companies Act, our Company confirms that pending utilization of the Net Proceeds towards the stated objects of the Issue, our Company shall not use/deploy the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets .

Monitoring of utilization of funds

Since the Issue is for an amount less than ₹ 10,000 lakhs, in terms of Regulation 82 of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of the Issue. As required under the SEBI Listing Regulations, the Audit Committee appointed by the Board shall monitor the utilization of the proceeds of the Issue. We will disclose the details of the utilization of the Net Proceeds of the Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements.

As per the requirements of Regulations 18(3) read with Part C of Schedule II of the SEBI Listing Regulations, we will disclose to the Audit Committee the uses / application of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in this Letter of Offer and place it before the Audit Committee. The said disclosure shall be made till such time that the Gross Proceeds raised through the Issue have been fully spent. The statement shall be certified by our Statutory Auditor.

Further, in terms of Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in this Draft Letter of Offer. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under Regulations 33 of the SEBI Listing Regulations and be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of Regulation 18 of the SEBI Listing Regulations.

Appraising entity

None of the objects of this Issue, for which the Net Proceeds will be utilized, have been appraised.

Strategic or financial partners

There are no strategic or financial partners to the Objects of the Issue.

Interest of Promoters, Promoter Group and Directors, in the objects of the Issue.

Neither the Promoters, Promoter Group, Directors, Group Companies or Key Management Personnel has entered into nor are planning to enter into any arrangement/ agreements with Promoters, Promoter Group, Directors, Key Management Personnel or our Group Companies in relation to the utilization of the Net Proceeds of the Issue. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the Objects, as set out above.

STATEMENT OF SPECIAL TAX BENEFITS

The information provided below sets out the Possible Special Direct Tax & Indirect Tax benefits available to the Company, and its Shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of Equity Shares, under the current tax laws presently in force in India. Several of these benefits are dependent on the Company and its Shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company, and the Shareholders of the Company to derive the direct and indirect tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company, and the Shareholders of the Company may or may not choose to fulfill. Further, certain tax benefits may be optional, and it would be at the discretion of the Company or the Shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Tax Laws.

The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own Tax Consultant with respect to the tax implications of an investment in the shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

The tax benefits stated below are as per the Income tax Act, 1961 (“**IT Act**”) as amended from time to time and applicable for financial year 2023-24 relevant to assessment year 2024- 25 (AY 2024-25) and Indirect Tax Laws as amended from time to time and applicable for financial year 2023-24

I. Under the IT Act

1. Special Tax Benefits available to the Company under the Act

- Lower Corporate Tax rate under Section 115BAA

A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 (“**the Amendment Act, 2019**”) granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and cess of 4%) from the Financial Year 2019-20, provided such companies do not avail specified exemptions/incentives (e.g. deduction under Section 10AA, 32(1)(ia), 33ABA, 35(2AB), 80-IA etc.)

The Amendment Act, 2019 also provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax (“**MAT**”) under Section 115JB. The CBDT has further issued Circular 29/2019 dated October 02, 2019 clarifying that since the MAT provisions under Section 115JB itself would not apply where a domestic company exercises option of lower tax rate under Section 115BAA, MAT credit would not be available. Corresponding amendment has been inserted under Section 115JAA dealing with MAT credit.

The Company has exercised the above option.

- Deductions from Gross Total Income

Section 80JJAA -Deduction in respect of employment of new employees

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.

Section 80M - Deduction in respect of inter-corporate dividends

A new Section 80M has been inserted by the Finance Act, 2020 w.e.f. April 01, 2020 providing for deduction from gross total income of a domestic company, of an amount equal to dividends received

by such Company from another domestic Company or a Foreign Company or a Business Trust as does not exceed the amount of dividend distributed by it on or before one month prior to the date of filing its tax return as prescribed under Section 139(1) of the Act.

Where the Company receives any such dividend during a Financial Year and also, distributes dividend to its shareholders before the aforesaid date, as may be relevant to the said Financial Year, it shall be entitled to the deduction under Section 80M of the Act.

2. Special Tax Benefits available to Shareholders

There are no Special Tax Benefits available to the Shareholders (other than Resident Corporate Shareholder) of the Company.

With respect to a Resident Corporate Shareholder, a new section 80M is inserted in the Finance Act, 2020, to remove the cascading effect of taxes on inter-corporate dividends during financial year 2020-21 and thereafter. The section provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other Domestic Company or a Foreign Company or a Business Trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other Domestic Company or Foreign Company or Business Trust as does not exceed the amount of dividend distributed by it on or before the due date. The “due date” means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139.

NOTES:

- *The above statement of Possible Special Tax Benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.*
- *The above statement covers only certain Special Tax Benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.*
- *The above statement of Possible Special Tax Benefits is as per the current Direct Tax Laws relevant for the assessment year 2024-25. Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.*
- *In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, entered into between India and the country in which the non-resident has fiscal domicile.*
- *As the Company has opted for concessional corporate income tax rate as prescribed under section 115BAA of the Act, it will not be allowed to claim any of the following deductions:*
 - *Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)*
 - *Deduction under clause (iia) of sub-section (1) of section 32 (Additional Depreciation)*
 - *Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, Site restoration fund)*
 - *Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section or subsection (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)*
 - *Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)*
 - *Deduction under section 35CCD (Expenditure on skill development)*
 - *Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or section 80M;*
 - *No 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 above*
 - *No 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 above*
- *This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax*

consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

II. Under the Indirect Tax Laws

3. Special Indirect Tax Benefits available to the Company

The Company is not entitled to any special tax benefits under indirect tax laws

4. Special Tax Benefits available to Shareholders

The Shareholders of the Company are not entitled to any Special Tax Benefits under indirect tax laws

NOTES:

- These benefits are dependent on the Company fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.
- This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her Tax Advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The 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.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section is extracted from publicly available information, data and statistics, various government publications and industry sources. The data may have been reclassified by us for the purpose of inclusion in this Draft Letter of Offer. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

*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 and accordingly, investment decisions should not be based on such information. You should read the entire Draft Letter of Offer, including the information contained in the sections titled “**Risk Factors**” and “**Financial Information**” and related notes on page 21 and 91 respectively of this Draft Letter of Offer before deciding to invest in the Issue.*

Our Company caters to a diverse range of industries, including Hydrocarbon, Nuclear Power, Steel, Marine/ Navy, and more, by providing key products tailored to their specific needs, an overview of which has been given in "**Our Business**" section.

An overview of the industries in which we operate is given below:

1. CAPITAL GOODS MANUFACTURING INDUSTRY

India’s capital goods manufacturing industry has a strong base for its engagement across sectors such as Engineering, Construction, Infrastructure and Consumer goods, amongst others.

Capital Goods sector contributes approximately 12% of India’s manufacturing output and 1.9% to GDP. (Source: Ministry of Heavy Engineering – Annual Report 2022-23)

The capital goods industry is broadly divided into 10 sub-sectors where Electrical equipment is the largest sub-sector followed by Plant equipment, and Earthmoving/ Mining machinery. These sub-sectors are as follows:

- Heavy electrical equipment
- Process plant equipment
- Earth-moving and mining machinery
- Printing machinery
- Food processing machinery
- Dies, Moulds and press tools
- Textile machinery
- Machine tools
- Plastic machinery
- Metallurgical machinery

The boiler industry’s market size stood at US\$ 146 million in 2019 and is expected to grow at a CAGR of 6% to reach US\$ 194 million by 2025.

Process plant equipment, Earth moving, construction and mining equipment: The market size of process plant equipment sector stood at US\$ 3.7 billion. Nearly 65% of the total manufacturers are small and medium enterprises. In 2021, the production data of Earthmoving and Mining Machinery stood at US\$ 3.5 billion India construction equipment market is projected to cross US\$ 4.7 billion by 2025, on account of anticipated growth in construction industry, increasing foreign investments, and rising number of smart city projects in the country.

The Indian automated material handling (AMH) market was valued at US\$ 1,353.8 million in 2020 and is expected to go up to US\$ 2,739.34 million by 2026 at a CAGR of 12.7%. The Indian material handling

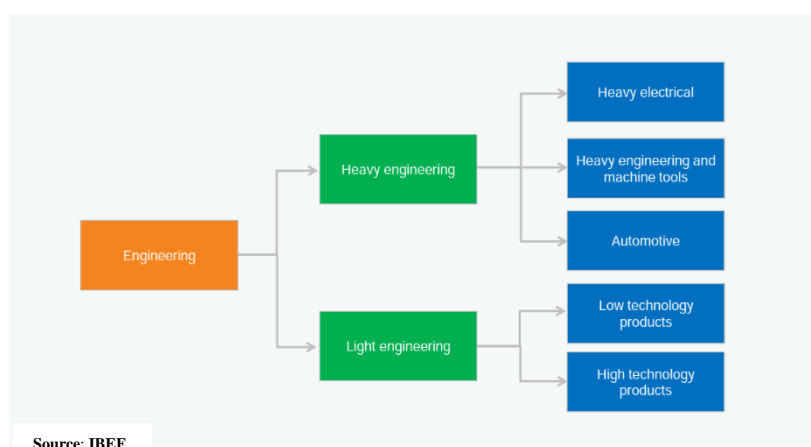
sector has observed a momentous growth in recent years due to rising investment in infrastructure development, increased demand for higher automation, and safe working practices in the manufacturing area.

The Indian material handling equipment sector has grown at a CAGR of 10% between 2016-20.

(Source: IBEF-Engineering and Capital Goods Industry Report, May 2023 Last updated :Aug,2023 on the website link <https://www.ibef.org/industry/engineering-india>)

Engineering

The engineering sector is characterized by linkages with other economic sectors, since this sector is the supplier of their capital equipment's. The engineering sector is the largest sector amongst other industrial segments. It is a diverse industry with a number of segments, and can be broadly categorized into two parts, namely, **Heavy Engineering and Light Engineering**.



There are however a number of sub sectors within the engineering industry namely iron and steel; other base metals and their products; mechanical machinery; electrical machinery; transport equipment (including auto motives); instruments and appliances; time measuring instruments; musical instruments; arms and ammunition; and furniture and related articles etc.

Heavy engineering industry comprises of plant and machinery, equipment/ accessories required for manufacture /production, either directly or indirectly, of goods or rendering services required for replacement, modernization, technological upgradation, and expansion. It also includes packaging machinery and refrigeration equipment.

Demand for engineering sector services is being driven by capacity expansion in industries like infrastructure, electricity, mining, oil and gas, refinery, steel, automobiles, and consumer durables.

India has a competitive advantage in terms of manufacturing costs, market knowledge, technology, availability of skilled manpower and innovation in various engineering sub-sectors. India's engineering sector has witnessed a remarkable growth over the last few years, driven by increased investment in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of huge strategic importance to India's economy.

An Overview of the Sub-Sectors that we serve is as follows:

i. Machine Tools

The Machine Tool industry supplies machinery for the entire manufacturing sector. The manufacturers of machine tools are mostly SMEs, few of them are mid-sized manufacturers which have an annual turnover varying between Rs. 300-500 crore. The types of machine tools currently manufactured are general/special purpose machines, standard Computer Numerical

Control (CNC) machines, gear cutting, grinding, medium size machines, electrical discharge machining (EDM), presses, press brakes, pipe bending, rolling, bending machines, etc.

The Indian machine tool market size reached US\$ 1.4 billion in 2022. The market is expected to reach US\$ 2.5 billion by 2028, exhibiting a growth rate (CAGR) of 9.4% during 2023-28.

(Source: IBEF-Engineering and Capital Goods Industry Report, May 2023 Last updated :Aug,2023 on the website link <https://www.ibef.org/industry/engineering-india>)

ii. Earthmoving, Construction and Mining Machinery

The Indian Earthmoving, Construction and Mining Machinery produces backhoe loaders, compactors, mobile cranes, pavers, batching plants, crawler crane, transit mixer, concrete pump, tower cranes, hydraulic excavators, dumpers, mining shovel, walking draglines, dozers, wheel loaders, graders, drilling equipment, tunnelling machine, etc. The global leading manufacturers/technologies have manufacturing presence in India through their wholly owned subsidiaries or through technology license arrangements.

In 2021, the production data of Earthmoving and Mining Machinery stood at US\$ 3.5 billion India construction equipment market is projected to cross US\$ 4.7 billion by 2025, on account of anticipated growth in construction industry, increasing foreign investments, and rising number of smart city projects in the country.

(Source: IBEF-Engineering and Capital Goods Industry Report, May 2023 Last updated :Aug,2023 on the website link <https://www.ibef.org/industry/engineering-india>)

Production data (Rs. In Crores)

S. No.	Sub sector of Capital Goods	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
1.	Machine Tools	5,803	7,294	9,612	6,152	6,602	9,307
2.	Dies, Moulds and Press Tools	14,750	16,068	13,600	13,682	12,294	13,128
3.	Textile Machinery	6,650	6,900	6,865	5,355	5,093	11,700
4.	Printing Machinery	13,986	12,968	12,390	12,678	10,058	13,215
5.	Earthmoving and Mining Machinery	25,000	31,800	38,900	31,020	29,021	28,674
6.	Plastic Machinery	3,000	3,375	3,100	2,350	3,710	3,850
7.	Food Processing Machinery	15,246	15,600	8,750	7,547	10,250	12,210
8.	Process Plant Equipment	19,500	18,400	27,400	29,250	21,938	24,000

Source : Ministry Of Heavy Industries – Annual report 2022-23

Notable trends in the industry

- **Diversification**

Creation of a significant number of special economic zones (SEZs) across the country has been approved.

The development of Delhi Mumbai Industrial Corridor (DMIC) across seven states will further bolster the engineering sector.

- **Partnership**

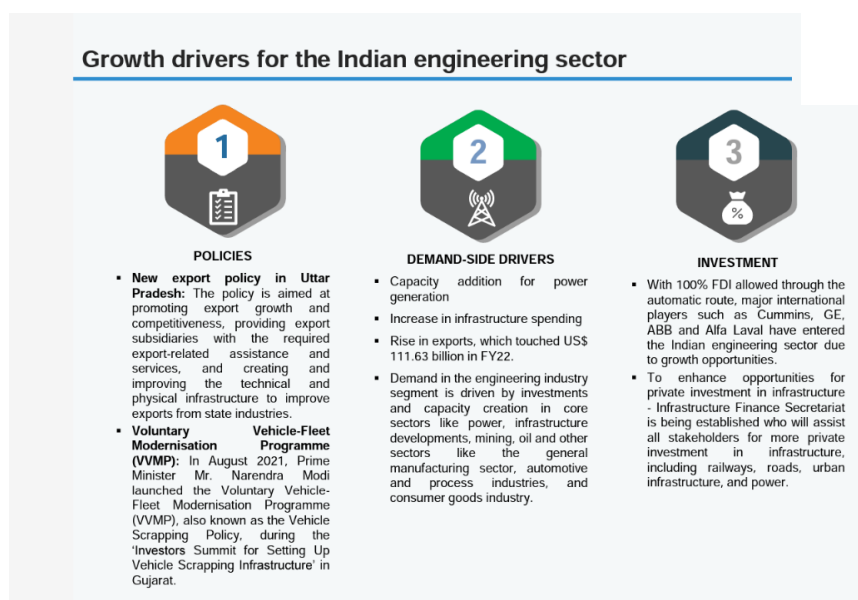
Companies across this sector are partnering with technology providers to enhance their capabilities and sustain the market uncertainties.

The government's commitment to maintain growth by empowering the states to accelerate capital expenditure along with programs such as Atmanirbhar Bharat, Power for All, Digital

India, National Logistics Policy, National Rail Plan, and Green Hydrogen Policy, to name a few, are encouraging for the nation's economy. India is positioning itself to be a high-end manufacturing hub, and the incremental capital expenditure is expected to be concentrated in areas where India needs to reduce its dependency on global supply chains. The long-term growth prospects depend on attracting consistent investments. While private capex is likely to remain healthy over the next couple of years, public capex is expected to be led by various government initiatives.

Source: Budget Document [sbe48.pdf \(indiabudget.gov.in\)](#)

India's index of industrial production (IIP) grew 5.2% YoY in Jan 2023 vs. 4.7% YoY growth in Dec 2022.



Make in India 2.0 with PLI scheme

To enhance India's integration into the global value chain, 'Make in India 2.0' is currently focusing on 27 sectors, which include 15 manufacturing sectors and 12 service sectors. 24 sub-sectors have been chosen that will meet the need for import substitution, have huge export potential and lead to increased employment opportunities in India. The government has launched the PLI scheme which is expected to attract a capex of ~Rs3tr over the next five years. With domestic production substituting imports going ahead, the trade deficit is likely to reduce significantly. The sectors for which the PLI scheme has been announced currently constitute ~40% of India's total imports. The scheme spread across 14 sectors, will enhance India's manufacturing capex by 15%-20% from FY23F. The PLI scheme across these key investments in core competency and cutting-edge technologies, ensure efficiency, create economies of scale, and make India an integral part of the global value chain. (Source : Budget Document [sbe48.pdf \(indiabudget.gov.in\)](#))

Sources:

IBEF-Engineering Industry Report, Nov 2022 Last updated :Dec,2022 on the website link <https://www.ibef.org/industry/indian-engineering-industry-analysis-presentation>

Invest India <https://www.investindia.gov.in/sector/capital-goods> (updated as on July 24, 2023)

2. STEEL INDUSTRY:

The crude steel capacity of the country has increased from 137.97 million tonnes (MT) in 2017-18 to 154.06 MT in 2021-22 and is envisaged to reach 300 MT by 2030-31. The production capacity of 300 MT is expected to be achieved by the private and public sectors by expanding their production capacities. The National Steel Policy, 2017 aims to provide the conducive environment for attaining this objective

by providing policy support and guidance to steel producers.

(Source: <https://pib.gov.in/pressreleaseiframepage.aspx?prid=1906442>)

Steel sector in India is one of the fastest growing, in-demand and robust sectors. Rapid rise in production has resulted in India becoming the 2nd largest producer of crude steel during last four years (2018-2021), from its 3rd largest status in 2017. The country was also the largest producer of Sponge Iron or DRI in the world and the 2nd largest finished steel consumer in the world after China in 2021 (provisional), based on rankings released by the World Steel Association.

(Source: https://steel.gov.in/sites/default/files/AN%20OVERVIEW%20OF%20STEEL%20SECTOR_0.pdf)

The distribution of iron and steel industry is spread across the states of Odisha, Jharkhand, Chhattisgarh, Karnataka, Maharashtra, West Bengal, and Gujarat, while the use of steel in construction, automotive, railways, capital goods and consumer durables, has been growing.

The growth prospects and steel industry outlook in India is favourable. The rising demand for affordable housing, infrastructure development and construction projects, has led to a pan-India need for steel metal. Moreover, the government's initiative to make India self-sufficient has made room for sustainable urban development, construction of proposed logistics parks and industrial corridors – all adding to the meteoric demand for finished steel and steel as a raw material.

The country has seen many new applications for new grades of steel, especially in the automotive and renewable energy spaces that have huge potential. Steel producers are looking at policies affecting the steel industry as well as downstream opportunities to produce and market their products.

Railways: The government's initiative to redevelop 50+ existing railway stations and in the Union Budget 2023, it plans to provide a capital of ₹2.4 lakh crore to Railways which is expected to increase the demand for steel.

Logistics: In the Union Budget 2023, an investment of ₹75,000 crore is planned for 100+ critical transportation infrastructure projects that will connect ports, coal, steel, fertilizer, and food grain sectors across the first- and last-mile delivery network. This is expected to improve connectivity and transportation services across major points, in turn leading to a rise in demand for steel.

3. **CIVIL NUCLEAR SECTOR**

A nuclear power plant is a facility that converts atomic energy into usable power. In a nuclear electric power plant, the heat produced by a reactor is generally used to drive a turbine, which drives an electric generator. Nuclear Power plant equipment is any equipment used in a nuclear power plant for the safe and consistent generation of nuclear energy.

Nuclear power is environment friendly and clean source of power generation. It can offer the nation sustainable long term energy security. The country's energy transition toward achieving the objective of a net zero economy will be assisted by the expansion of nuclear generating capacity.

India has the second-largest population in the world. There is constant increase in the energy demand in the Indian industrial sector as well as for residential use which is expected to drive the Indian power plant equipment market.

The India nuclear power plant equipment market is expected to grow at a CAGR of more than 4% in coming 5 years (2023-28).

COVID-19 negatively impacted the market in 2020. Presently the market is likely to reach pre-pandemic levels. Despite the fact that nuclear energy makes up a small share of the country's installed capacity mix, with rising demand for clean energy, the government is expected to invest significantly in the development of new nuclear power plant facilities.

Over the medium term, the significant contribution of nuclear energy in reducing GHG emissions while fulfilling the increasing energy demands of a growing population and supporting sustainable

development is driving the market.

On the other hand, rising investments in alternative clean energy sources such as solar and wind are expected to restrain the market's growth during the forecast period.

The research and development into commercializing new nuclear reactor designs, such as Fast Breeder Reactor, is expected to be a significant opportunity for the market

India had nearly 6.8 GW of installed nuclear capacity as of 2021, and as of December 2022, around 8.7 GW net capacity was under construction and over 80 GW planned or proposed.

Moreover the Indian Government announced its plan to increase its nuclear power capacity three times to 22.48 gigawatts by 2031 from just over 3%-5% of the nation's electricity production.

Nuclear power plants serve as vital facilities that harness atomic energy and convert it into usable power. In a nuclear electric power plant, the heat generated by a reactor is utilized to drive a turbine, which, in turn, powers an electric generator. The equipment used within these nuclear power plants plays a crucial role in ensuring safe and consistent generation of nuclear energy.

One of the remarkable features of nuclear power is its environmental friendliness, serving as a clean source of power generation. By opting for nuclear energy, a nation can embrace sustainable long-term energy security while significantly reducing its carbon footprint.

In India, the country with the second-largest population globally, the demand for energy in both the industrial and residential sectors is consistently on the rise. As a result, the Indian power plant equipment market is expected to experience substantial growth, driven by the increasing energy requirements. Projections suggest that the India nuclear power plant equipment market will grow at a Compound Annual Growth Rate (CAGR) of over 4% over the next five years (2023-2028).

The government's commitment to embracing clean energy solutions offers significant opportunities for the expansion of nuclear power plant facilities. While nuclear energy currently constitutes a relatively small share of the country's installed capacity mix, the government's focus on clean energy and sustainable development is expected to drive substantial investments in new nuclear power plant projects.

The Indian nuclear power plant equipment market is currently dominated by a few large players. However, there are a number of smaller companies that are also active in the market. These smaller companies are expected to play an increasingly important role in the market as the demand for nuclear power plant equipment grows.

Over the medium term, the contribution of nuclear energy in reducing greenhouse gas emissions while meeting the energy needs of a growing population and supporting sustainable development is a key market driver. However, the rising investments in alternative clean energy sources, such as solar and wind, may pose some challenges and restrain the market's growth during the forecast period.

Nonetheless, the ongoing research and development initiatives to commercialize new nuclear reactor designs, such as the Fast Breeder Reactor, present significant opportunities for the market.

The project pipeline strengthened in line with these targets is driving the market considerably in coming years.

Sources: <https://www.mordorintelligence.com/industry-reports/india-nuclear-power-plant-equipment-market>

4. OIL AND GAS SECTOR

The oil and gas sector is among the eight core industries in India and plays a major role in influencing the decision-making for all the other important sections of the economy.

India's economic growth is closely related to its energy demand, therefore, the need for oil and gas is projected to increase, thereby making the sector quite conducive for investment.

- India is largest exporter of petroleum products in Asia since 2009 (FY 20-21), Fourth largest global refiner, and third largest LPG consumer.
- India consumed 204.23 MMT petroleum products and 63.9 BCM natural gas in FY 2021-22, making a growth of 5.1% and 5% over the FY 2020-21.
- India's oil demand is expected to increase by 40% to 6.7 mb/day by 2030 and further to 8.3 mb/day in 2050 from 4.7 mb/day in 2021.

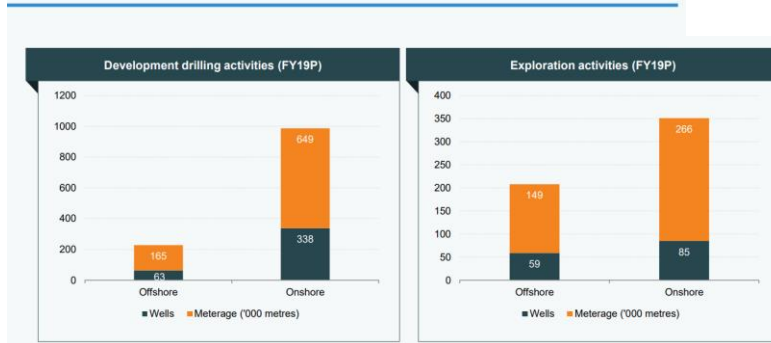
Source: <https://www.investindia.gov.in/sector/oil-gas> (updated as on June 19, 2023)

According to the International Energy Agency (India Energy Outlook 2021), primary energy demand is expected to nearly double to 1,123 million tonnes of oil equivalent, as India's gross domestic product (GDP) is expected to increase to US\$ 8.6 trillion by 2040.

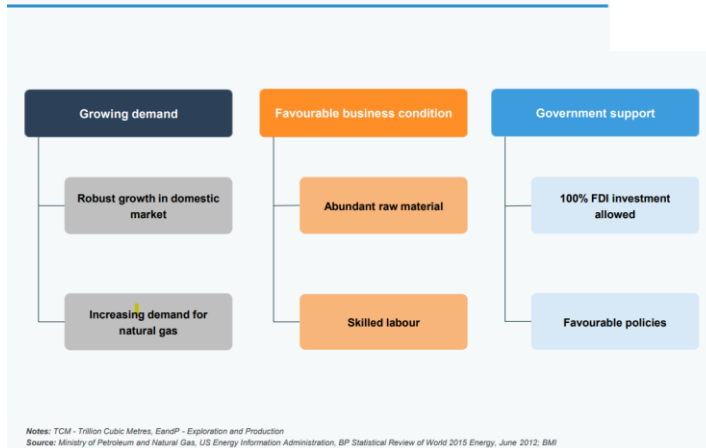
India is already a refining hub with 23 refineries, and expansion is planned for tapping foreign investment in export-oriented infrastructure, including product pipelines and export terminals. India's crude oil production in FY22 stood at 29.7 MMT. India aims to commercialize 50% of its SPR (strategic petroleum reserves) to raise funds and build additional storage tanks to off-set high oil prices. In September 2021, the Indian government approved oil and gas projects worth Rs.1 lakh crore (US\$13.46billion) in Northeast India. These projects are expected to be completed by 2025.

The India Oil and Gas market size is expected to grow from 36,241.28 million cubic meter in 2023 to 46,691.84 million cubic meter by 2028, at a CAGR of 5.20% during the forecast period (2023-2028). (Mordor Intelligence)

Upstream segment: exploration and development activities



Growth drivers



Factors such as the increasing natural gas pipeline capacity and the increasing demand for petroleum products are expected to drive the Indian oil and gas market during next few years. Also, the oil and natural gas market is a major industry in the energy market and plays an influential role in the global

economy as the world's primary fuel source. The processes and systems involved in producing and distributing oil and gas are highly complex, capital-intensive, and require state-of-the-art technology.

Sources:

<https://www.mordorintelligence.com/industry-reports/india-oil-and-gas-market>

Source: IBEF- Indian Oil And Gas Industry Report , Nov 2022 Last updated :Dec,2022 on the website link <https://www.ibef.org/industry/indian-oil-and-gas-industry-analysis-presentation>

5. **DEFENCE SECTOR**

India is positioned as the 3rd largest military spender in the world, with its defence budget accounting for 2.15% of the country's total GDP. Over the next 5-7 years, the Government of India plans to spend \$ 130 Bn for fleet modernisation across all armed services. The industry gets INR 5.94 lakh crore in Budget 2023-24, a jump of 13% over previous year.

The geopolitical conflicts between India and its neighbouring nations and the threat of terrorism have forced the country further to reinforce its perimeter security and naval and airborne capabilities. The country has constantly been increasing its defence expenditure over the years. The military budget for 2022, valued at USD 70.6 billion (INR 5.25 trillion), represented an increase of 10% compared to the previous year's allocation and the sharpest increase in the defence budget in recent years. The increasing defence budget is expected to drive market growth in coming years.

The Government of India opened the defence industry for private sector participation to provide impetus to indigenous manufacturing. SRIJAN portal has been launched to promote indigenization. 19,509 defence items, have been displayed on the portal for indigenization. India now has around 194 defence tech startups building innovative tech solutions to empower and support the country's defence efforts.

DRDO's Technology Development Fund (TDF) for MSMEs & Startups to indigenize cutting-edge defence technologies. 164 Technologies being indigenized, \$30.8 Mn funds sanctioned, 1886 experts and 5270 companies engaged.

Under the Atmanirbhar Bharat Initiative, four positive indigenization lists of 411 products have been promulgated by Department of Military Affairs and Ministry of Defence to be manufactured domestically for the defence sector, instead of being sourced via imports.

Defence Acquisition Procedure (DAP 2020)

DAP 2020 aims to empower Indian domestic industry through Make in India initiative and it has Laid down a strict order of preference for procurements and has adequately included provisions to encourage FDI to establish manufacturing hubs both for import substitution and exports while protecting interests of Indian domestic industry.

Salient features of DAP 2020

- Reservation in Categories for Indian Vendors.
- Enhancement of Indigenous Content.
- Rationalization of Trial and Testing Procedures.
- Make & Innovation.
- Design & Development.
- Industry Friendly Commercial Terms.

Opportunities in the defence manufacturing

1. **Make in India Initiative**

Government's emphasis on 'Make in India' initiative in the Defence sector provides huge opportunities for domestic players to enhance their indigenization efforts.

Under the Atmanirbhar Bharat Initiative, four positive indigenization lists of 411 products have been

promulgated by Department of Military Affairs and Ministry of Defence to be manufactured domestically for the defence sector, instead of being sourced via imports.

2. Government Policy Support

FDI in the defence sector is allowed up to 74% through automatic route (from earlier 49%) for companies seeking new industrial licenses. FDI beyond 74% and up to 100% will be permitted under the Government route.

3. Technological Modernisation via Public Private Partnership

75 newly developed Artificial Intelligence (AI) products/technologies are inaugurated. These products are expected to open up new business avenues for the Defence PSUs.

DRDO's Technology Development Fund (TDF) for MSMEs & Startups to indigenize cutting-edge defence technologies. 163 Technologies being indigenized, US\$ 30 million funds sanctioned, 1,703 experts and 5,020 companies engaged.

4. Self-reliance

- The present 'Defence Production & Export Promotion Policy (DPEPP) 2020' is positioned as Ministry of Defence's overarching guiding document to provide a focused, structured and significant thrust to defence production capabilities of the country for self-reliance and exports.
- The Government has taken several policy initiatives in the past few years and brought in reforms to encourage indigenous design, development and manufacture of defence equipment, thereby promoting self-reliance in defence manufacturing & technology in the country.
- These initiatives, inter-alia, include according priority to procurement of capital items of Buy Indian (IDDM) category from domestic sources under Defence Acquisition Procedure (DAP)-2020; Notification of four 'Positive Indigenisation Lists' of total 411 items of Services and three 'Positive Indigenisation Lists' of total 3,738 items of Defence Public Sector Undertakings (DPSUs), for which there would be an embargo on the import beyond the timelines indicated against them; Simplification of Industrial licensing process with longer validity period; Liberalization of Foreign Direct Investment (FDI) policy allowing 74% FDI under automatic route; Simplification of Make Procedure; Launch of Mission Def Space; Launch of Innovations for Defence Excellence (iDEX) scheme by involving Start-ups & Micro, Small and Medium Enterprises (MSMEs); Implementation of Public Procurement (Preference to Make in India) Order 2017; Launch of an indigenization portal namely SRIJAN to facilitate indigenisation by Indian Industry including MSMEs; Reforms in Offset policy with thrust on attracting investment and Transfer of Technology for Defence manufacturing by assigning higher multipliers; and Establishment of two Defence Industrial Corridors, one each in Uttar Pradesh and Tamil Nadu; Earmarking of 25% of R&D Budget for Industry led R&D; Progressive increase in allocation of Defence Budget of military modernization for procurement from domestic sources, etc.

Sources:

<https://www.mordorintelligence.com/industry-reports/india-defense-market>

IBEF- Defence Manufacturing Industry Report, May 2023 Last updated :Aug,2023 on the website link <https://www.ibef.org/industry/defence-manufacturing>

Invest India <https://www.investindia.gov.in/sector/defence-manufacturing> (updated as on May 30, 2023)

OUR BUSINESS

Brief History

Our Company was incorporated as "Climan Properties Private Limited" on September 19, 1994, as a private limited Company under the Companies Act, 1956, and was granted the Certificate of Incorporation by the Registrar of Companies, Mumbai. Subsequently, our Company was converted into a Public Limited Company and the name of our Company was changed to "Climan Properties Limited" on April 17, 2000, vide a fresh certificate of incorporation issued by the Registrar of Companies, Mumbai. Thereafter, the name of our Company was changed from "Climan Properties Limited" to "Encon Technologies Limited" pursuant to a fresh Certificate of Incorporation dated April 19, 2000. Subsequently, the name of our Company was changed to "Lloyds Encon Technologies (I) Limited" on May 31, 2011, vide a fresh certificate of incorporation issued by the Registrar of Companies, Mumbai. The name of our Company was changed to "Lloyds Steels Industries Limited" on May 04, 2013, vide a fresh Certificate of Incorporation issued by the Registrar of Companies, Mumbai.

Pursuant to a Scheme between UVSL and Lloyds Steels Industries Limited, the engineering division of UVSL was demerged from UVSL into Lloyds Steels Industries Limited, by the Hon'ble High Court of Judicature at Bombay vide its order dated October 30, 2015 and speaking to minutes of the order dated November 30, 2015. Subsequent to the sanction of the Scheme, Lloyds Steels Industries Limited was listed on the Stock Exchanges on July 18, 2016.

Furthermore, in May 2021, there was a significant change in the management of the Company due to a takeover in accordance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. As a consequence, Shree Global Tradefin Limited (promoter of Lloyds Metals and Energy Limited) emerged as the new promoters of the Company, taking over the management and control from promoter entities of UVSL belonging to Miglani family of Uttam group.

Thereafter, the name of our Company was changed from "Lloyds Steels Industries Limited" to "Lloyds Engineering Works Limited" vide a fresh Certificate of Incorporation dated July 25, 2023 issued by the Registrar of Companies, Mumbai.

OUR COMPANY

Our Company bearing CIN L28900MH1994PLC081235 is a process plant equipment provider in India.

We provide a comprehensive package of engineering and infrastructure solutions, encompassing designing, engineering, manufacturing, fabrication, and installation of heavy equipment, machinery and systems across a wide spectrum of industries including hydrocarbon, steel, nuclear power, marine, ports, and civil domains.

Our workshop located at Murbad, Thane Dist. Maharashtra is accredited with ISO 9001:2015 certification by SGS, UK.

Further, as approved by our Board in its meeting held on March 15, 2023, our Company has on March 15, 2023 entered into a Memorandum of understanding with Thriveni Earthmovers Private Limited ("**TEPL**") to incorporate a new company with the name and style of Lloyds Infrastructure & Construction Limited for all construction activities such as design, engineering and construction of road infrastructure, bridge infrastructure, railway infrastructure, industrial civil work, complex /township, slurry pipeline, fabrication of steel structures and technological structure. Also, erection and installation of steel structures, technological structures and equipment's, electrical & instrumentation components and mechanical & utilities etc. or any type of government or private construction contracts including BOOT, BOO, BOLT, PPP Models and the same can be carried out on own-account basis or on a fee or contract basis.

INDUSTRIES SERVED:

INDUSTRY	PRODUCTS
Hydrocarbon	Designer & manufacturer of process equipment & packages such as pressure vessels, columns, heat exchangers, reactors, digesters & desalters, tanks, steam drums, scrubbers and accumulators, air/gas/liquid drying units, waste

INDUSTRY	PRODUCTS
	heat recovery boilers, LPG mounded vessels, skids, etc.
Steel	Ball grinding mills & rotary dryers, equipment for steel melting shop, hot rolling mill equipment, equipment for continuous slab casters, rotary kiln, cooler & ABC/DSC equipment for sponge iron plant, cold rolling mill equipment, tunnel furnace equipment, manufacturing of equipment based on client design and drawings such as roll on shield & steam generator supporting structure. Steel plant equipment & machinery as per client/ consultant design & drawings for SMS, HSM, coke, blast furnace, plate mill, CRM, HRM, coke oven, pellet plants, slab caster, sponge iron, WHR boiler, AFBC / CFBC / grate boilers, DRI plant, ball mills, WHR/AFBC/CFBC boilers, power plants, etc
Nuclear Power	Designer & Manufacturer of Process Equipment & Packages such as Pressure vessels, Columns, Heat exchangers, Reactors, Tanks, Air/Gas/Liquid Drying Units, Skids, etc
Marine/Navv	Manufacturing and supplying various products like a Fin Stabiliser required to be setup in various Navy warships, The Electro-Hydraulic Steering Gear for Marine ships etc.
Ports/Jetties/Refineries	Design, engineering & supply critical components like Swivel Joints, Seals, Coupler Hydraulic valve etc. Leading manufacturers of Truck and Wagon Loading Arms for handling different products.
Power	Design, and manufacturing of thermal power plants and their various equipment thereof in likes as boilers, condensers, heaters, tanks & vessels etc.

OUR KEY PRODUCTS

a) **Industrial Process Plant Equipment**

We specialize in the design and manufacturing of cutting-edge Process Plant Equipment. Our expertise lies in crafting high-quality Pressure Vessels, Columns, Heat Exchangers, Reactors, Steam Drums, and other static equipment used in a wide range of industries, including refineries, petrochemicals, power generation, chemical processing, and the Oil & Gas sector.

b) **Steel Plant Equipment, Machinery and Packages**

Our expertise lies in heavy fabrication, precision machining, and seamless assembly for units such as SMS, HSM, CRM, HRM, Blast Furnace, Coke Oven, Slab Caster, and more, all of which play a pivotal role in producing steel products and valuable by-products.

In addition to these essential components, we also specialize in providing cutting-edge solutions for DRI Plants, Power Plants, Pellet Plants, WHR Boilers, AFBC/CFBC Boilers, which are vital for the smooth operation of steel plants and the production of a wide array of steel products and by-products.

c) **Waste Heat Recovery Boilers and AFBC / CFBC Boilers**

We design and manufacture Waste Heat Recovery Boilers which are used to recover heat from the waste flue gases produced in various industrial processes that would otherwise be wasted and convert it into useful energy, typically in the form of high-pressure steam. The recovered heat can be utilized for various purposes, such as generating additional power or providing process steam for various industrial operations.

In addition to our Waste Heat Recovery Boilers, we also manufacture high-performance Oil-Fired Boilers. These boilers are designed to generate steam specifically for process purposes, catering to a wide range of industries.

We have executed Waste Heat Recovery Boilers up to 5000Nm³//Hr capacity having capability to execute up to 20000Nm³/Hr



d) **Gas / Air Dryers**

We are designer and manufacturer of air/gas drying units for process industries. Our units remove moisture and other impurities from air and gas, making them suitable for use in a variety of applications, including the oil and gas industry.

We have been executing Air, Gas & Liquid Dryer Packages with scope including Process Design, Thermal Design, manufacturing, Inspection & Testing as per IBR & customer specification.

e) **Marine / Truck/Wagon Loading Arms**

Loading arms are specialized mechanical devices used in industries to safely and efficiently load or unload various fluids (liquids or gases) into or from tankers, trucks, railcars, or other transportation vessels. They provide a flexible and ergonomic solution for transferring fluids between storage tanks and vehicles, eliminating the need for manual handling and reducing the risk of spills, accidents, and injuries.

We, supply a variety of marine, truck, and rail loading arms for LPG, petroleum, chemical, and sulphur products.



f) **Naval Steering Gear & Stabilizer systems with Controls (Electro-Hydraulic & Mechanical)**

The Electro-Hydraulic Steering Gear on Marine Ships are used to facilitate turning of Ships as desired by Operator (Helmsman)/ pilot of the Ship. This is done by turning the Rudders of the Ship through

Hydraulic Cylinders actuated via hydraulic system controlled by Electronic Controls remotely from Steering posts viz. Bridge, Wheel-House, Emergency Steering Post, Aft. Steering Post as per operator's requirement.

The Electronic consoles are provided to facilitate steering of ship in Follow-Up (FU) Mode & Non-Follow Up (NFU) Mode. An Auto-pilot is provided on Client's request for course keeping of the Ships on a preset course automatically. Two Modes namely Auto Course Mode and Auto Track Mode are provided for Auto-pilot. Both these systems are equipped with modern and sophisticated controls in present Naval ships.

OUR ORDER BOOK:

An overview of our Order Book for the last three (3) Financial Years and for the three (3) months period ending June 30, 2023 is as set forth below:

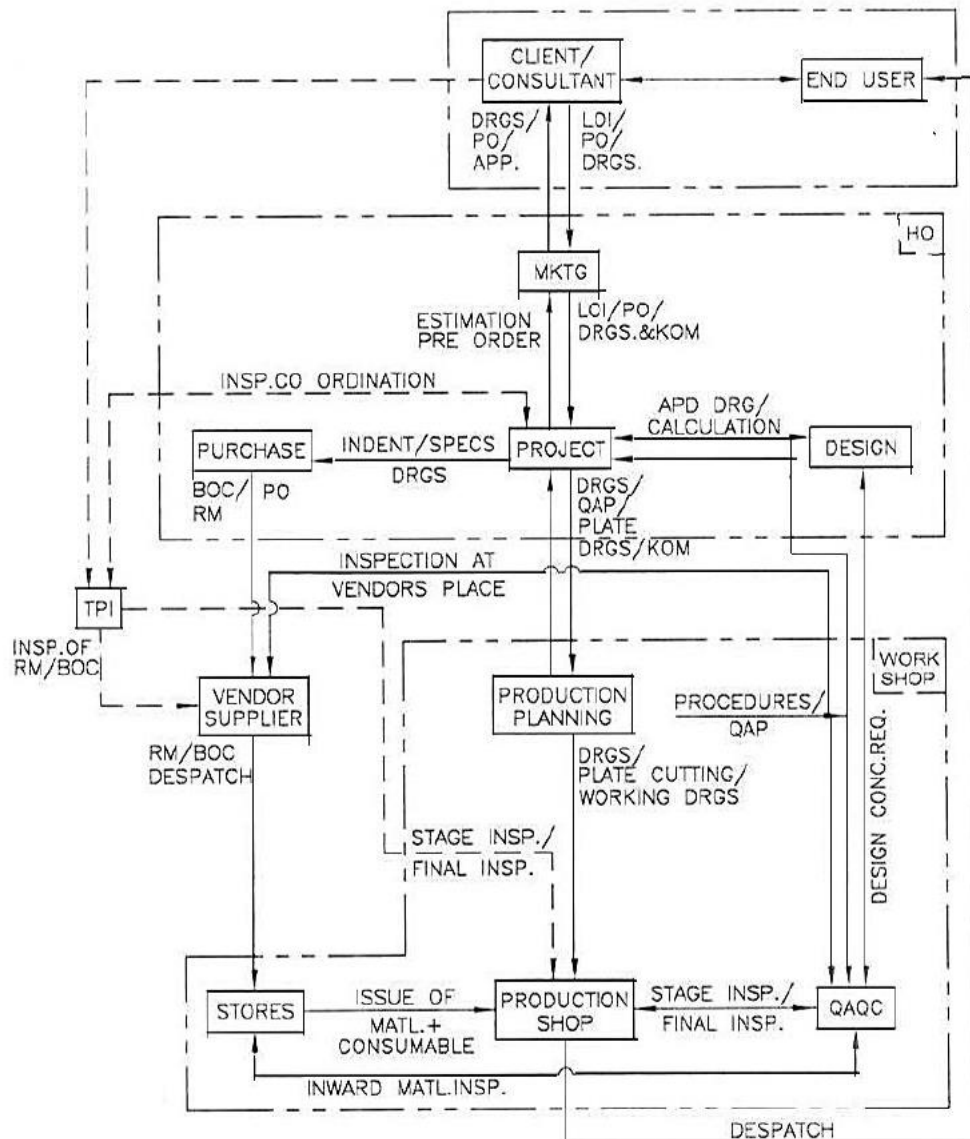
Particulars	(Rs. In Lakhs)			
	FY2020-2021	FY2021-2022	FY2022-2023	As on June 30, 2023
Opening Order Book	5,467.77	21,601.59	37,715.85	68,294.28
Orders Received (including amendments)	23,138.91	21,123.92	61,836.54	24,626.14
Orders Executed	7,005.09	5,009.66	31,260.98	11,311.66
Closing Order Book	21,601.59	37,715.85	68,294.28	81,608.76

OUR LOCATION:

We operate from premises as set forth below:

Registered Office of Company	Plot no. A-5/5 MIDC Industrial Area Murbad, Thane Maharashtra 421401
Corporate Office of Company	Madhu Estate, A-2, 2 nd Floor, Pandurang Budhkar Marg, Lower Parel, Mumbai 400 013
Factory Location	A 6/3, 5/5 & 5/4 MIDC Industrial Area, P.O. Murbad, Thane 421401, Maharashtra, India Plot No. K3, Additional MIDC Industrial Area, Kudavali Village, P.O. Murbad, Thane 421401, Maharashtra, India

MANUFACTURING AND EXECUTION PROCESS



Note: indicative flowchart and is subject to change

Set forth is a brief description of the manufacturing process applied by our Company.

Our business process encompasses conceptual design, engineering, procurement of raw materials, manufacturing, inspection and testing.

Customer

Customer can be a Project Management Company appointed by End Users like Refinery, Fertilizer Plant or End Users themselves. They share their various requirements of equipment, skids, plants, etc. to us based upon their ongoing project requirement through their formal enquiries. Based on mutual agreement, Customer issues Purchase Order for their required equipment / machinery. For the smooth execution at supplier's end Customer may depute Third Party Inspection Agency (TPI) to carry out stage-wise inspection.

Marketing.

Marketing Department exchanges various data inside as well as outside of organization. Marketing official coordinates with the client to get their technical requirement. Upon checking the engineering and manufacturing feasibility Marketing Department submit formal Techno-commercial quotation to client. Upon mutual agreements on Technical and Commercial aspects, customer places formal Purchase Order. Marketing Department shares this Purchase Order requirement through inter-departmental meeting with Engineering, Project, Procurement, Manufacturing, QA/QC and Logistics Department of the Company.

Project:

Followed by receipt of the purchase requirement from Marketing Department. Project Department. understands the requirement of deliverables, scope of supply and work, timelines, specifications, procedural requirements, if any. Project Department establishes communication with Client and within organization for smooth execution of the Purchase Order requirements. Project Department becomes center point of communication and leads the execution till dispatch. Project Department execute the work necessity for smooth and timely completion through various department of company viz. Engineering, Procurement, Planning, Manufacturing, Quality Control, Logistics etc. within the timeline and budget prescribed by the management.

Design

After receipt of the requirement from Marketing Team and understanding the technical requirements, Design Department establishes contact with customer through Project Department. Design department will be responsible for Engineering Deliverable such as GA Drawings, Fabrication Drawings, Bill of Materials. etc. They have to get these drawings approved within specified timelines. Followed by approval to the drawings engineering department further issues GA Drawings, Fabrication Drawings, Bill of Materials. etc. with Planning & Production, QA/QC and Projects for their further procurement of raw materials, planning and arrangement of resources.

Procurement

After receipt of the formal approval to the engineering Drawings, Project Department formally issues their material requirement i.e. indents. Purchase Department through their approved vendor list arranges quotation and obtains the clearance for procurement from the Project Department/Management. Purchase becomes responsible for arranging the raw material and bought out items from vendors within the prescribed timeline and budget. Material will be delivered/made available for further manufacturing upon technical clearance by Quality Control Department.

Stores

Stores Department gives details of the raw material available in stock in order to manage the inventory. This stock management is directly in control under management through Purchase Department.

Production and Planning

Followed by inter-department meeting by Project Department and receipt of the formal production Drawings and Bill of Materials, Production and Planning Department altogether allocate resources i.e. labour, tools and tackles, production cycles for timely delivery of the Purchase Order. Their stage-wise manufacturing processes are controlled by Quality Control Department based on the Quality Control Plan. Job dispatch clearance will be issued by Quality Control Department after necessary testing and checking.

Quality Control

Followed by inter-department meeting by Project Department and receipt of the formal production Drawings and Bill of Materials, Quality Control Department gets approval to their Quality Control Plan in tandem with GA Drawings approval. Based on the Quality Control Plan, Quality Control Department carryout stage wise inspection activities to get the final product as per requirements given in the Purchase Order. Quality Control Department is responsible for developing manufacturing process, welding standards, Quality Management System in various functional work within organization. Quality Control Department is responsible for implementation of Quality

Management System throughout the organization.

Dispatch & Logistic

After receipt of Job Dispatch, clearance will be issued by Quality Control Department after necessary testing and checking. Project Department in co-ordination with the Accounts and Finance Department issues final invoice to Client. After completion of all formalities, Logistic Department in coordination with the Project Department makes necessary arrangement of dispatch documents and vehicle for transportation of the job to the prescribed destination as per Customer Purchase Order.

OUR KEY STRENGTHS:

1. Diverse Product Offerings and Sector Penetration:

One of our strengths lies in the diversity of our product offerings. We have expanded our portfolio to encompass a wide range of products that cater to different industries and sectors. This diversification has allowed us to reduce our reliance on any single market, mitigating portfolio risks and ensuring stable growth even during industry-specific fluctuations. By targeting multiple underlying sectors, we have built a business model that can adapt to changing market conditions.

2. State-of-the-Art Facilities:

Our facilities are equipped with technology, enabling us to deliver high-quality products and services efficiently. With our technologically advanced equipment and automation, we ensure precision in every aspect of our production processes. This not only enhances the overall product quality but also optimizes production times, allowing us to meet the demands of the market promptly. Our investment in upgrading our facilities enables us to remain competitive in a dynamic business landscape.

3. Plant Location: Enhancing Efficiency and Agility

One of the key strengths is our plant location, where all workshops are conveniently situated adjacent to each other. This has several logistical advantages, paving the way for enhanced efficiency and agility in our operations thereby resulting in cost optimization and resource utilization. This allows us to remain competitive and offer our products at competitive prices in the market.

Our centralized raw material procurement system is made possible by the close proximity of the work shops. By sourcing materials for a single location, we streamline the procurement process and can negotiate better prices with suppliers. This consolidated approach to procurement contributes to efficient operating cost structures and improved financial performance.

The shared infrastructure among the workshops assists in enhanced execution of our projects. The seamless flow of resources and information between different departments enables us to respond swiftly to project requirements and adapt to changing circumstances. This permits us to tackle complex engineering projects with ease and deliver quality solutions within tight deadlines.

4. Execution of contracts with PSUs

We have successfully executed several contracts with PSUs involving unique challenges which assists us to demonstrate our execution capabilities. This assists us to win contracts trust from private sector clients and offer tailor made solutions to suit their specific requirements.

5. Adaptable and Agile Business Model:

We have a flexible and agile business strategy that enables us to respond quickly to market shifts, industry trends, and customer needs. This adaptability ensures that we remain competitive and seize new opportunities, positioning us for continued growth and success.

BUSINESS STRATEGY

1. Niche Focus on Mid-Segment Market for Optimal Design and Manufacturing Solutions

We have consciously adopted a business strategy to avoid direct competition with larger entities and focus on serving the mid-segment market which allows us to deliver the design and manufacturing equipment solutions tailored to the specific needs of our target segment.

This focus on the mid-segment market, positions us as the go-to partner for mid-sized companies seeking process plant solutions.

2. Continue to provide Customized Offerings

Our commitment to understanding and catering to the needs of our clients allows us to offer customized solutions that meets their requirements. By tailoring our offerings, we intend to position ourselves as the preferred choice for their heavy engineering needs.

3. Capitalizing on the CAPEX Cycle Growth to Expand Order Book

Our strategy is aligned with the growth in the CAPEX (capital expenditure) cycle across various industries. Leveraging this, our aim is to accelerate the expansion of our order book.

4. Leveraging Opportunities in Naval Defence Segment

With the opening of the Naval Defence segment for private participation, we intend to leverage our capabilities with focus on Naval Defence segment. We participate in defence exhibition and are also in active discussions with several players with expertise in this segment to expand our product offerings.

5. Expanding our Capacity through Capital Expenditure

We intend to continue investing in assets to expand our capacity to meet the increasing order book. We have recently completed the construction of a new block at A5/4, MIDC Industrial Area, P.O. Murbad, Thane 421401, Maharashtra, which is in close proximity to our other workshops. In addition, we also intend to redesign our workshop at K3, Additional MIDC Industrial Area, P.O. Murbad, Thane 421401, Maharashtra. Further, we have already invested and will continue to invest in machineries to enhance our delivery capability and meet our increasing order book.

PROPERTIES

Leasehold Property

Sr. No.	Details of the Deed/ Agreement	Particulars of the property, description and area	License Fee/Rent	Tenure/ Term	Usage
1.	Lease Agreement	Plot No. A- 5/4, Murbad Industrial Area, Murbad, Thane 421401 Area: 8,085 Sq. mtr	Re. 1/- p.a.	For 95 years (From January 06, 1981)	Workshop/ Factory used for manufacturing / fabrication of Industrial Product
2.	Lease Agreement	Plot No. A- 5/5, Murbad Industrial Area, Murbad, Thane 421401 Area: 11,531 Sq. mtr	Re. 1/- p.a.	For 95 years (From March 31, 1983)	Workshop/ Factory used for manufacturing / fabrication of Industrial Product
3.	Lease Agreement	Plot No. A- 6/3, Murbad Industrial Area, Murbad, Thane	Re. 1/ p.a.	For 95 years (From April 20, 1985)	Workshop/ Factory used for manufacturing /

Sr. No.	Details of the Deed/ Agreement	Particulars of the property, description and area	License Fee/Rent	Tenure/ Term	Usage
		421401 Area: 4,800 Sq. mtr			fabrication of Industrial Product
4.	Lease Agreement dated September 06, 2022	Plot No. K-3, Additional MIDC Murbad, Kudavali Village, Thane 421401 Area: 10,583 Sq. mtr	Re. 1/- p.a.	95 years (From February 01, 1996)	Workshop/ Factory used for manufacturing / fabrication of Industrial Product
5.	Leave and License Agreement with Viral Chitranajan Shah dated January 06, 2023	Unit No.35, 1 st Floor, Madhu Industrial Estate, Lower Parel, Mumbai 400013	Rs. 75,000/- p.m. till December 31, 2025; And Rs.86,250/- p.m. in FY 2026; And Rs.90,563/- p.m. in FY 2027	60 months	Corporate Office
6.	Leave and License Agreement with Smt. Rajkamal devi Bangur. dated February 02, 2023	Unit No. A- 2/7, 2 nd Floor, Madhu Industrial Estate, Lower Parel, Mumbai 400013	From July 05, 2020 to July 04, 2023 Rs. 1,50,000/- p.m. And From July 05, 2023 to July 04, 2025 Rs.1,65,000/- p.m.	60 months	Corporate Office
7.	Leave and License Agreement with Shree Satyanarayan Temple Trust dated February 02, 2022	Unit No.4-4A, 1 st Floor, Madhu Industrial Estate, Lower Parel, Mumbai 400013	From May 15, 2022 to January 14, 2025 Rs. 3,34,300/- p.m. And From January 15, 2025 to July 14, 2027 Rs.3,36,730/- p.m.	60 months	Corporate Office
8.	Leave and License Agreement with Shree Somani Trust dated February 02, 2022	Unit No. A-2/9B-C, 2 nd Floor, Madhu Industrial Estate, Lower Parel, Mumbai 400013	From November 01, 2020 to July 04, 2023 Rs. 3,50,600/- p.m. And From July	60 months	Corporate Office

Sr. No.	Details of the Deed/ Agreement	Particulars of the property, description and area	License Fee/Rent	Tenure/ Term	Usage
				05, 2023 to July 04, 2025 Rs.3,85,660/- p.m.	
9.	Leave and License Agreement with Hemdil Estate Private Limited dated September 27, 2021	Deep Villa Land+ Building/ Shed Survey No. : 103/1 D and 103/ 2D and C.T.S. No. 24B of Ward H, Taluka Mawal, Village Lonawala	Rs. 100,000/- p.m.	60 months	For Residential use of Directors / Guests/ Delegates.
10.	Office Agreement with Regus Chennai Office Centre Private Limited	3 RD Floor, Shyamala Tower No. 136, Arcot Road, Saligram, Chennai, Tamilnadu	Rs. 24,914.70 p.m.	From November 28, 2022 To November 30, 2023	Branch Office
11.	Lease Deed with Mrs. Uma Gupta	Unit no. 508, Goverdhan Building 54-55, Nehru Place, New Delhi – 110019	Rs. 33,000/- p.m.	From May 01, 2022 to April 30, 2028	Branch Office
12.	Co-working space – Service Agreement with Sriyash Infrastructure LLP	Office No. 10, 5 th Floor, Convergence Contact Centre, Salt Lake City, Kolkata, West Bengal, 700091	Rs. 30,000 p.m.	11 months from November 21, 2022	Branch Office

Freehold Property

Sr. No.	Details of the Deed/Agreement	Particulars of the property, description and area	Consideration	Area	Usage
1.	Sale Deed dated July 07, 2011 with Polygenta Technologies Limited	Roop Rekha Co-op. Hsg. Soc. Ltd., Building No. A-3, Hissa No. 3,5,6 and 8 and Sr. No. 23 Hissa No. 4, Situated at Taluka Murbad measuring 565 sq.ft.	5,00,000/-	565 Sq. ft	For Residential purpose of employees.

HUMAN RESOURCES

As of June 30, 2023 we had 162 full-time employees (including on probation), excluding contract labourers. Our personnel policies are aimed at recruiting talented individuals and promoting the development of their skills, including through in-house as well as external training programmes.

The following table sets forth our employee split by function as of June 30, 2023:

Function	Number of Employees
Engineering	84
Environment Health & Safety	2
Design	20
Information Technology	1
Purchase	5
Stores	8
Accounts & Finance	12

Function	Number of Employees
Management	6
CS & Legal	2
Marketing & Estimation	13
Social Media	1
HR & Admin	8
Total	162

COMPETITION

We operate in a competitive atmosphere. Most contracts require a competitive bidding process and pre-qualification of contractors to ensure the technical ability to implement such projects. Competitors having superior financial, technology, execution and marketing resources than us set competition to us. Among companies that qualify for a given project, competition is primarily based on price and execution capabilities. However, we expect that our commitment to quality, past record of timely execution and transparency will provide us with an edge over our competitors.

INTELLECTUAL PROPERTY RIGHTS

Trademarks

Our Company does not have any registered Trademark.

SALES AND MARKETING

Our Company operates in the business-to-business segment especially catering to the core sectors of Hydrocarbons, Steel, Minerals, Power, Fertilisers, Nuclear, Chemicals, etc. providing the required capital plant equipment & packages for these companies directly or through EPC Companies and Engineering Consultants when these projects are being put up and/ or during their expansion.

As a Heavy Engineering Company, we have the required Design & Manufacturing Capabilities and have certifications and approvals of ISO9001, ASME (for Plot No. A6/3, Murbad Industrial Area, Murbad only), PESO (for Plot No. A6/3 & A5/5, Murbad Industrial Area, Murbad only) & IBR (for Plot No. A5/5, Murbad Industrial Area, Murbad only) and also enlistment with renowned consultants & EPC Companies and end owners in these sectors.

With the above basis our sales & marketing team do regular networking with these clients for receiving their enquiries, when projects are coming up or under expansion, for our products and solutions which we provide on competitive bidding and negotiation process of securing orders as per our capacity, capability, and annual business plans.

The Company continuously adopts marketing strategy that meets to ever changing customer needs and industry dynamics and which also simultaneously enhances company's brand value.

INFRASTRUCTURE

Registered Office

Our offices and manufacturing facility is well equipped with computer systems, Laptops, internet connectivity, other communication equipment, security and other facilities like fire safety, Anti-theft alarm etc. which are required for our business operations.

Power

Our Company meets its power requirements at our registered office, other workshops and corporate office from Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) and Brihan Mumbai Electric Supply and Transport Undertakings (B.E.S.T). The same is sufficient for our day-to-day functioning.

Details of Power at Factory & Corporate office separately.

Plot No	Sanctioned Load (KW)	Connected Load (KW)
A-5/5, MIDC, Murbad	1105.63	1106
A-6/3, MIDC, Murbad	498	498
A-5/4, MIDC, Murbad	421	421
K-3, MIDC, Murbad	300	300

Water facilities

Our registered office, other workshops and our corporate office have adequate water supply arrangements for human consumption purpose. Our current water consumption at our registered office & other workshops is sourced from MIDC and for corporate office is sourced from the Brihan Mumbai Corporation through Society.

DETAILS OF MIDC - PLOTWISE WATER CONNECTION

Plot No	Meter Size	Consumer Type	Min Qty / Day (Cub Meter)
A-5/5, MIDC, Murbad	25	A5	7
A-6/3, MIDC, Murbad	15	A5	0.5
A-5/4, MIDC, Murbad	15	A5	0.5
K-3, MIDC, Murbad	15	A5	0.5

QUALITY CONTROL

We have Quality systems and controls in place as a Heavy Engineering Company with ISO9001:2015 Quality Management Systems Accreditation, Quality Control Systems as per ASME Code Stamps for U, U2 & S Stamps, Statutory bodies' approvals such as IBR & PESO and also enlistment with renowned engineering consultants and inspection agencies. We have Design & Quality Team of qualified & experienced engineers to address these requirements for Design, Manufacture, Inspection and Testing of the products we manufacture & supply to our clients.

Our Company firmly believe in "Continued Customer Relationship" and "Meeting Customer Expectation" at an acceptable cost as main objective for the Growth with Commitment, Integrity and Transparency. We endeavour for continual improvement by following P.D.C.A. Cyle (Plan, Do, Check, Act) and also by complying to various other Quality Management Principles.

Our Management is committed to upgrade process capability by adopting relevant technology by exposure to new fields of work and by regular training of Company personnel and mitigate risk related to Design, Production and Quality Management in line with ISO 9001: 2015.

INSURANCE

Sr. No.	Type of Insurance	Sum Assured	Policy Tenure and Expiry Date	Details
1.	Directors and Officers Liability Insurance	5 crores	From March 24, 2023 To March 23, 2024	Future Generali
2	Marine Policy – Open Inland Declaration Policy ODC (Over Dimensional Cargo) Insurance Policy;	10 Crores	From March 30, 2023 To March 29, 2024	From ICICI Lombard. Policy is for Transit Insurance of even ODC assignment/ cargo.
3	Marine Policy –Open Inland Declaration Policy Non ODC	20 Crores	From March 30, 2023	From ICICI Lombard. Policy is

Sr. No.	Type of Insurance	Sum Assured	Policy Tenure and Expiry Date	Details
	(Over Dimensional Cargo) Insurance Policy		To March 29, 2024	for Transit Insurance of even Non ODC assignment/ cargo.
3	Business Guard laghu Package Policy (Fire and Burglary Policy); (For Murbad Plots A-6/3)	14.49 Crores	From July 02, 2023 To July 01, 2024	Tata AIG Life Insurance for Fire and Burglary
4	Business Guard Sookshma Package Policy (Fire and Burglary Policy); (For 2 Murbad Plots A-5/5, and A-5/4)	26.63 Crores	From July 02, 2023 To July 01, 2024	Tata AIG Life Insurance for Fire and Burglary
5	Business Guard Sookshma Package Policy (Fire and Burglary Policy); (For Corporate office)	4.67 Crores	From July 02, 2023 To July 01, 2024	Tata AIG Life Insurance for Fire and Burglary
6	Business Guard Sookshma Package Policy (Fire and Burglary Policy); (For Murbad Plot K-3,)	6.2 Crores	From July 02, 2023 To July 01, 2024	Tata AIG Life Insurance for Fire and Burglary

EXPORT OBLIGATIONS

The company does not have any export obligations.

ENVIRONMENT, ENERGY CONSERVATION, HEALTH AND SAFETY

As an ISO9001 and ISO45001 certified organization, we adhere to rigorous standards for Quality Management Systems and Occupational Health & Safety Systems.

The safety and well-being of our workforce are of paramount importance. We provide comprehensive safety induction training to all new employees. This ensures that they are fully aware of potential hazards and risks associated with their roles and responsibilities.

To maintain a hazards-free work environment, we continuously conduct risk assessments for every manufacturing and fabrication activity taking place in our workshop. These assessments allow us to identify potential risks and take proactive measures to mitigate them effectively.

We provide readily accessible first aid facilities and medical support to promptly address any injuries or health concerns that may arise during work hours.

We conduct regular safety committee meetings with the presence of workers' leaders. These meetings serve as a platform for open communication, encouraging our workforce to actively engage in safety-related discussions and contribute their valuable insights.

Environmental Compliance:

- MPCB Consent
- Noise monitoring
- LUX Monitoring
- Stack Emission Monitoring (NOx, SOx)
- Sewage Treatment plant installed and used for water treatment and treated water used for spraying to control the dust in environment.

OUR MANAGEMENT

The composition of the Board is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles of Association.

Our Articles of Association requires us to have not less than three and not more than fifteen Directors. As on date of filing of this Draft Letter of Offer, we have seven (7) Directors on our Board, comprising of 1 executive director, 6 non-executive independent directors, including one (1) woman director. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013, in relation to the composition of our Board and constitution of committees thereof.

Pursuant to the provisions of the Companies Act, 2013, at least two-third of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each AGM. A retiring director is eligible for re-appointment. Further, an Independent Director may be appointed for a maximum of two consecutive terms of up to five years each.

A. BOARD OF DIRECTORS

Set forth below are details regarding our Board as on the date of filing of this Draft Letter of Offer:

No.	Name, address, DIN, date of birth, term, period of directorship, occupation	Designation	Other directorships
1.	<p>Mukesh R. Gupta</p> <p><i>Age:</i> 65</p> <p><i>Address:</i> Vandan Co-Operative Housing Society Limited, 17th Floor, 29A, Dongersey Road, Near Elizabeth Hospital, Walkeshwar, Mumbai 400 006</p> <p><i>DIN:</i> 00028347</p> <p><i>Date of Birth:</i> June 13, 1958</p> <p><i>Term:</i> May 31, 2021 to May 30, 2024</p> <p><i>Period of Directorship:</i> Since May 31, 2021</p> <p><i>Occupation:</i> Service</p>	<p>Chairman & Wholetime Director</p>	<ul style="list-style-type: none"> • Lloyds Metals and Energy Limited • Thriveni Lloyds Mining Private Limited
2.	<p>Ashok Satyanarayan Tandon</p> <p><i>Age:</i> 64</p> <p><i>Address:</i> Flat No.20, Usha Kamal Cooperative Housing Society Limited, Sector 15, Vashi, Navi Mumbai 400 703,</p> <p><i>DIN:</i> 00028301</p> <p><i>Date of Birth:</i> October 13, 1958</p> <p><i>Term:</i> From April 01, 2021</p>	<p>Non-Executive Non-Independent Director</p>	<ul style="list-style-type: none"> • Midrex Technologies India Private Limited

No.	Name, address, DIN, date of birth, term, period of directorship, occupation	Designation	Other directorships
	<i>Period of Directorship:</i> Since January 15, 2014		
	<i>Occupation:</i> Service		
3.	Bela Sundar Rajan <i>Age:</i> 69 <i>Address:</i> 1202, 12 th Floor, Kritika Towers, 11, Sion Trombay Road, Chembur, Mumbai 400 071 <i>DIN:</i> 00548367 <i>Date of Birth:</i> June 04, 1954 <i>Term:</i> September 01, 2021 to August 31, 2026 <i>Period of Directorship:</i> Since January 28, 2016 <i>Occupation:</i> Retired	Non-Executive Independent Director	<ul style="list-style-type: none"> • Sampark Communication Private Limited • Index Reputation Management Limited • School of Communications and Reputation Private Limited
4.	Rajashekhhar Mallikarjun Alegavi <i>Age:</i> 73 <i>Address:</i> 804, 8th Floor, Varun Garden Building, 48, Godbunder Road, Chitalsar, Thane 400 610 <i>DIN:</i> 03584302 <i>Date of Birth:</i> April 24, 1950 <i>Term:</i> From April 01, 2021 <i>Period of Directorship:</i> Since October 26, 2018 <i>Occupation:</i> Consultant	Non-Executive Non-Independent Director	<ul style="list-style-type: none"> • Aristo Realty Developers Limited • Cunni Realty and Developers Private Limited • Simon Developers and Infrastructure Private Limited • Reliable Trade & Realty Developers Private Limited
5.	Lakshman Ananthsubramanian <i>Age:</i> 74 <i>Address:</i> C-1901, Mayuresh Residency, LBS Marg, Bhandup West, Mumbai 400 078 <i>DIN:</i> 08648489 <i>Date of Birth:</i> June 19, 1949 <i>Term:</i> From January 24, 2020 to	Non-Executive Independent Director	<ul style="list-style-type: none"> • None

No.	Name, address, DIN, date of birth, term, period of directorship, occupation	Designation	Other directorships
	January 23, 2025		
	<i>Period of Directorship</i> Since January 24, 2020		
	<i>Occupation:</i> Retired		
6.	Kishor Kumar Mohanlal Pradhan <i>Age:</i> 64 <i>Address:</i> No. F/63, Maker, Kundan Garden, Juhu-Tara Road, Near SNTD University, Santacruz (W), Mumbai 400 049 <i>DIN:</i> 02749508 <i>Date of Birth:</i> August 13, 1958 <i>Term:</i> July 22, 2021 to July 21, 2026 <i>Period of Directorship:</i> Since September 11, 2020 <i>Occupation:</i> Retired	Non- Executive Independent Director	• None
7.	Ashok Kumar Sharma <i>Age:</i> 62 <i>Address:</i> Room 6-B, Annapurna, Anushakti Nagar, Mumbai 400 094 <i>DIN:</i> 09352764 <i>Date of Birth:</i> January 10, 1961 <i>Term:</i> October 14, 2021 to October 13, 2026 <i>Period of Directorship:</i> Since October 14, 2021 <i>Occupation:</i> Service	Non- Executive Independent Director	• None

Brief Profile of our Directors

Mukesh R. Gupta

Mukesh R. Gupta is the Chairman, Whole Time Director, and one of the Promoters of our Company. He holds a degree in Bachelor of Commerce from H.R. College of Commerce and Economics in the year 1980. He has around four decades of experience in various industries such as steel, engineering, power, construction, trading and other sectors and has been associated with our Company since May 31, 2021. Prior to joining our Company, he worked with Indrajit Properties Private Limited as General Manager.

Ashok Satyanarayan Tandon

Ashok Satyanarayan Tandon is Non-Executive Non-Independent Director of our Company. He holds a degree in Bachelor of Engineering (Mechanical) from SGS Institute of Technology & Science, Indore in the year 1978. He has been associated with our Company since January 15, 2014 as a director and was appointed as Managing Director w.e.f. January 20, 2016 and superannuated on March 31, 2021. Thereafter, he was appointed as a Non-Executive Non-Independent Director w.e.f. April 01, 2021. He possesses over three decades of experience in various industries such as engineering, steel, oil & refinery and EPC. He has previously worked as a Project Engineer - Technical Service Dept.(Refinery) in Hindustan Petroleum Corporation Limited, Vishakapatnam; as a Senior Engineer (Mech.) Projects in M.N. Dastur & Company Ltd., Kolkata; as a General Manager (Engineering) in ISPAT Industries Ltd., Kolkata/Raigad; as a Director Steel Project in Welspun Group.

Bela Sundar Rajan

Bela Sundar Rajan is an Independent Director of our Company. She graduated in Bachelor of Arts from Jai Hind College in 1974, Bachelor of Law from KC Law College in 1977, and a Postgraduate Diploma in Journalism from Bombay College of Journalism in 1978. She has been associated with our Company since January 28, 2016. She possesses over two decades of experience in public relations, media and communications. She has previously worked as a founder and director of Sampark Public Relations Private Limited.

Rajashekhar Mallikarjun Alegavi

Rajashekhar Mallikarjun Alegavi is Non-Executive Director of our Company. He holds a degree in Bachelor of Engineering (Chemical) from Mysore University in 1971. He has been associated with our Company as a director since October 26, 2018. He possesses over five decades of experience in design, manufacturing, erection, and commissioning of chemical equipment both in hydrocarbon and non-hydrocarbon industries and clean environment Clean Development Mechanism (CDM): United Nations Framework Convention on Climate Change (UNFCCC) projects and designing of air/gas/liquid dryers, heat exchangers, boilers, power plant and LPG loading stations. He has previously worked as a Technical Director in CICB Chemicon Private Limited in Bangalore.

Lakshman Ananthsubramanian

Lakshman Ananthsubramanian is an Independent Director of our Company. He holds a degree of Masters in Science from SIES College in 1971. He has been associated with our Company since January 24, 2020. He possesses over more than around three decades of experience in Finance, Merchant Banking and Investor Relations. He has previously worked as a manager in Reserve Bank of India; as a General Manager in Industrial Development Bank of India. He is also empanelled as an arbitrator with the Stock Exchanges.

Kishorkumar Mohanlal Pradhan

Kishorkumar Mohanlal Pradhan is an Independent Director of our Company. He holds a degree of Masters in Commerce from Narsee Monjee College of Commerce and Economics, University of Mumbai in 1982. He was originally appointed as Non-Executive Non-Independent Director w.e.f. September 11, 2020 and was later redesignated as a Non-Executive Independent Director w.e.f. July 22, 2021. He possesses over three decades of experience in project finance, central administration, research, central accounts, resource management, human resources, recovery (NPA management), audit, business development & central strategic and planning departments. He has previously worked as a General Manager in Industrial Development Bank of India including 2.5 years as a Managing Director in Investor Services of India Limited.

Ashok Kumar Sharma

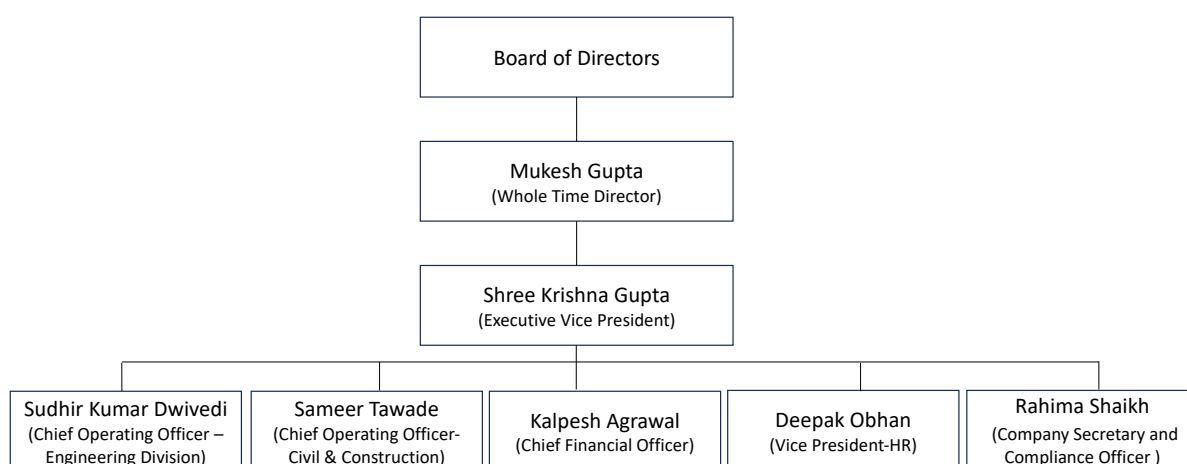
Ashok Kumar Sharma is an Independent Director of our Company. He holds a degree in Bachelor of Science (Mechanical Engineering) from National Institute of Technology, Jamshedpur from the year

1985. He has been associated with our Company since October 14, 2021. He possesses over three decades of experience in designing pressurized heavy water reactors and development of motors. He has previously worked as an Associate Director, of the Procurement Directorate of the Nuclear Power Corporation of India Limited.

Confirmations

1. Neither Company nor our Directors are declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations and have not been declared as a ‘fugitive economic offender’ under Section 12 of the Fugitive Economic Offenders Act, 2018.
2. None of the Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Draft Letter of Offer, during the term of his/ her directorship in such company.
3. None of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the five years preceding the date of filing of this Draft Letter of Offer, during the term of his/ her directorship in such company.
4. None of our Directors have been debarred from accessing capital markets by the Securities and Exchange Board of India. Additionally, none of our Directors are or were, associated with any other company which is debarred from accessing the capital market by the Securities and Exchange Board of India.
5. None of our Directors have been identified as a wilful defaulter or fraudulent borrower, as defined in the SEBI Regulations and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation are pending against them.

B. MANAGEMENT ORGANISATION STRUCTURE



C. CORPORATE GOVERNANCE

The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance are applicable to us. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board’s

supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders' Relationship Committee;
4. Risk Management Committee; and
5. Corporate Social Responsibility Committee.

Terms of Reference of Various Committees

1) Audit Committee

Our Audit Committee constitutes of the following members:

Name	Designation
Kishor Kumar Mohanlal Pradhan	Chairperson
Bela Sundar Rajan	Member
Lakshman Ananthsubramanian	Member

The Company Secretary acts as the secretary of the Audit Committee.

The scope, functions and the terms of reference of the Audit Committee is in accordance with the Section 177 of the Companies Act, 2013 and Regulation 18 (3) Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule II Part C.

The Role of Audit Committee, together with its powers, are as follows:

- (1) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and fair.
- (2) Recommending to the Board, the appointment, re- appointment of the Statutory Auditors, fixation of audit fees and fees for other services.
- (3) Reviewing with the management the quarterly financial statements before submission to the Board for approval.
- (4) Reviewing the adequacy of internal control systems and internal audit function 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.
- (5) Discussing with Internal Auditors any significant findings and follow-up thereon.
- (6) 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 financial control systems of a material nature and reporting the matter to the Board.
- (7) Discussion with the 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.
- (8) To investigate the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- (9) Scrutiny of corporate loans and investments.
- (10) Approval or subsequent modification of transactions with related parties.
- (11) Valuation of the undertaking or asset of the Company wherever it is necessary.
- (12) Monitoring the end use of funds raised through public offers and related matters.
- (13) In addition to the above, all items listed in Regulation 18 of the SEBI (Listing Obligations and

Disclosure Requirements) Regulations 2015.

(14) Review of functioning of Whistle Blower Policy.

2) **Nomination and Remuneration Committee**

Our Nomination and Remuneration Committee constitutes of the following members:

Name	Designation
Lakshman Ananthsubramanian	Chairperson
Bela Sundar Rajan	Member
Ashok Tandon	Member

The constitution of the committee is in compliance of Section 178 of the Companies Act, 2013, read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 and Regulation 19 and Part D (Point A) of the Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of the committee are as follows:

1. Acting as the Compensation Committee for administration of the Company's Employee Stock Option Plan – 2021 ("LLOYDS STEELS ESOP -2021").
2. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees.
3. Formulation of criteria for evaluation of performance of independent directors and the Board of directors and members of the committees.
4. Devising a policy on diversity of board of directors.
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of director their appointment and removal.
6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
7. Recommend to the board, all remuneration, in whatever form, payable to senior management.

3) **Stakeholders Relationship Committee**

Our Stakeholders Relationship Committee constitutes of the following members:

Name	Designation
Ashok Tandon	Chairperson
Bela Sundar Rajan	Member
Lakshman Ananthsubramanian	Member

The constitution of the committee is in compliance of Section 178 of the Companies Act, 2013, read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 and Regulations 13 and 20 and Part-D of Schedule II of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

The role of the committee shall inter-alia include the following:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

4) Risk Management Committee

Our Risk Management Committee constitutes of the following members:

Name	Designation
Rajashekhhar Mallikarjun Alegavi	Chairperson
Kishor Kumar Mohanlal Pradhan	Member
Ashok Kumar Sharma	Member
Kalpesh P. Agrawal	Member

The constitution of the committee is in compliance of Section 178 of the Companies Act, 2013, read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 and Regulations 13 and 20 and Part-D of Schedule II of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

The role of the committee shall inter-alia 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 our Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the 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 our 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 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.

5) Corporate Social Responsibility Committee

Our Corporate Social Responsibility Committee constitutes of the following members:

Name	Designation
Mukesh R. Gupta	Chairperson
Kishor Kumar Mohanlal Pradhan	Member
Ashok Kumar Sharma	Member

The constitution of the committee is in compliance of Section 135 of the Companies Act, 2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

The role of the committee shall inter-alia include the following:

1. Approve the corporate social responsibility policy of the company after considering the recommendations given by the committee;
2. To disclose the contents of such a policy in its report and to place it on the company's website, if prescribed;
3. To ensure that the company spends, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years, in pursuance, of its corporate social responsibility policy;
4. The Board shall specify in its report the reasons for not spending the amount if the company fails to spend such amount.

D. OUR KEY MANAGERIAL PERSONNEL

Apart from our Whole Time Director who is also the Chairman of our Company, whose details have been provided under paragraph above titled "*Brief Profile of our Directors*" and the CFO, Company Secretary and Compliance Officer, our Company does not have any other KMP, as on the date of filing of this Draft Letter of Offer.

Kalpesh Agrawal

Kalpesh Agrawal is the Chief Financial Officer of our Company. He has completed his degree in Bachelor of Commerce from G. S. College of Commerce and Economics in the year 2000. He is also a Chartered Accountant from the Institute of Chartered Accountants of India having membership number 115227 since June 10, 2003. He has been associated with our Company as General Manager - Accounts and Finance from April 01, 2020 to January 26, 2021. On and from January 27, 2021 he was designated as the CFO of our Company. He has previously worked as a General Manager - Accounts and Finance in Lloyds Metals and Energy Limited.

Rahima Shaikh

Rahima Shaikh is the Company Secretary and Compliance Officer of our Company. She has completed her degree in Bachelor of Commerce from Vivek College of Commerce in the year 2014. She is also a Company Secretary from the Institute of Company Secretaries of India having membership number 63449 since October 15, 2020. She has been associated with our Company since July 27, 2023 as the Assistant Company Secretary. On and from August 11, 2023 she has been designated as the Company Secretary and Compliance Officer of our Company.

Status of each key managerial personnel, as a permanent employee or otherwise

All the Key Managerial Personnel of our Company are permanent employees.

Relationship of Key Managerial Personnel with our Directors, Promoters and / or other Key Managerial Personnel

None of the Key Managerial Personnel are related in any capacity with the other Key Managerial Personnel of the Company.

Retirement and Termination Benefits

Other than the statutory benefits that the Key Managerial Personnel are entitled to, upon their retirement, the Key Managerial Personnel of our Company have not entered into any service contracts pursuant to which they are entitled to any benefits upon termination of employment or retirement.

E. OUR SENIOR MANAGERIAL PERSONNEL

Shree Krishna Gupta

Shree Krishna Gupta is the Executive - Vice President of our Company. He holds a Bachelor of Science in international business from Brunel University from the year 2013. He has been associated with our Company since January 01, 2019 and oversees the overall Business. He has 5 years of prior experience in service industry. Prior to joining our company, he was working with Lloyds Luxuries Limited. He is son of our Chairman and Whole Time Director, Mukesh R. Gupta.

Sudhir Kumar Dwivedi

Sudhir Kumar Dwivedi is the Chief Operating Officer of our Company. He holds a Bachelor of industrial Engineering from University of Roorkee from the year 1988. He has been associated with our Company since July 29, 2020 and oversees the overall operation of engineering division. He possesses over 33 years of experience in project management, strategy management, executing business. He has previously

worked as an Associate Vice President in ISGEC Heavy engineering limited.

Sameer Tawade

Sameer Tawade is the Chief Operating Officer of our Company. He holds a Postgraduate Diploma in Advance Construction Management from NICMAR from the year 2000. He has been associated with our Company since May 03, 2021 and oversees the overall operation of the civil & construction division. He possesses over 28 years of experience in macro & micro planning, construction, contracts. He has previously worked as an CEO in Qualixa Turnkey Projects Pvt Limited.

Deepak Obhan

Deepak Obhan is the Vice President – Human Resource (HR) of our Company. He holds a Diploma in Hotel Management & Catering Technology from Maharashtra State Board of Technical Education from the year 2005. He has been associated with our Company since July 18, 2022 and oversees the overall operations of HR Division. He possesses over 18 years of experience in people management, policy implementation, strategic HR. He has previously worked as a Senior General manager in Khushi Advertising Ideas Private Limited.

Retirement and Termination Benefits

Other than the statutory benefits that the Senior Managerial Personnel are entitled to, upon their retirement, the Senior Managerial Personnel of our Company have not entered into any service contracts pursuant to which they are entitled to any benefits upon termination of employment or retirement.

OUR PROMOTERS

Our Promoters are Mukesh R. Gupta, Rajesh R. Gupta, Abha M. Gupta, Renu R. Gupta, Shree Global Tradefin Limited ("SGTL"), Late Chitralekha R. Gupta[#] and Ragini Trading & Investments Limited* ("RTIL").

#Chitralekha R. Gupta's shareholding of 22,172 Equity Shares is under pledge. Hence, the shareholding pattern still reflects her name posthumously.

**96,86,386 (0.90%) Equity Shares are held in the name of Ragini Trading & Investments Limited which merged with Shree Global Tradefin Limited vide the Scheme of Arrangement which was approved by the Hon'ble High Court of Bombay vide their order dated March 09, 2012; as on the date of this Draft Letter of Offer, the said Equity Shares are pledged. Hence, the shareholding pattern still reflects the name of Ragini Trading & Investments Limited.*

As on July 01, 2023, the shareholding of the Promoters are as follows:

No.	Name of the Promoter	Number of Equity Shares as on July 01, 2023	Percentage of Equity Shares held (%) as on July 01, 2023
1.	Mukesh R. Gupta	7,095	0.00
2.	Rajesh R. Gupta	61,438	0.01
3.	Abha M. Gupta	7,514	0.00
4.	Renu R. Gupta	68,680	0.01
5.	Shree Global Tradefin Limited	47,01,50,799	43.58
6.	Late Chitralekha R. Gupta [#]	22,172	0.00
7.	Ragini Trading & Investments Limited*	96,86,386	0.90
Total		48,00,04,084	44.50

#Chitralekha R. Gupta's shareholding of 22,172 Equity Shares is under pledge. Hence, the shareholding pattern still reflects her name posthumously.

**96,86,386 (0.90%) Equity Shares are held in the name of Ragini Trading & Investments Limited which merged with Shree Global Tradefin Limited vide the Scheme of Arrangement which was approved by the Hon'ble High Court of Bombay vide their order dated March 09, 2012; as on the date of this Draft Letter of Offer, the said Equity Shares are pledged. Hence, the shareholding pattern still reflects the name of Ragini Trading & Investments Limited.*

Brief Profile of Promoters

Mukesh R. Gupta

Mukesh R. Gupta is the Chairman, Whole-Time Director, and one of the promoters of our Company. For further details, see the chapter titled "**Our Management**" beginning on page 77 of this Draft Letter of Offer.

Rajesh R. Gupta

Rajesh R. Gupta, a successful industrialist having vast knowledge and rich experience of over 35 years in production, management, consultancy and other areas in steel, power industry.

Set out below are the list of his other directorships:

1. Lloyds Metals and Energy Limited
2. Shree Global Tradefin Limited
3. Lloyds Infinite Foundation

Abha M. Gupta

She is the wife of Mukesh R. Gupta.

Set out below are the list of LLPs in which she is Designated Partner:

1. Teamwork Properities Developments LLP
2. Freelance Infraelex LLP
3. Blossom Trade & Interchange LLP

Renu R. Gupta

She is the wife of Rajesh R. Gupta.

Set out below are the list of her other directorships/ designated partner in LLP:

1. Lloyds Infinite Foundation
2. Teamwork Properities Developments LLP
3. Blossom Trade & Interchange LLP

Shree Global Tradefin Limited

Shree Global Tradefin Limited was incorporated on October 15, 1986 under the Companies Act, 1956 in the name and style 'Bensons Steels Limited'. The name of the company was subsequently changed to 'Shree Global Tradefin Limited' vide Certificate of Incorporation dated October 24, 1996 issued by RoC, Mumbai.

Shree Global Tradefin Limited is *inter-alia* engaged in the business of importers, exporters and dealers in iron and steel, alloy steel scrap, steel tubes, pipes and wires and also to carry on the business as investment in companies and to acquire and hold and otherwise deal in shares, stock, debentures and other securities. It is listed on BSE.

Shree Global Tradefin Limited is promoted by Abha M. Gupta, Ravi Agarwal, Kiran B Agarwal, Pooja Agarwal, Teamwork Properities Developments LLP, Blossom Trade and Interchange LLP, Aristo Realty Developers Limited.

Directors of Shree Global Tradefin Limited are Rajesh R. Gupta, Mohan Krishnamoorthy, Mohinder Anand, Vikram Shah, Manesh Cherian and Sandeep Aole.

Set forth below is the brief financial information of SGTL based on its audited financial statements for the last three fiscal years:

	<i>(In Lakhs)</i>		
Particulars	March 31, 2023	March31, 2022	March 31, 2021
Issued and Paid-Up Equity Capital	12,721.26	12,721.26	11,395.05
Reserves and Surplus (excluding revaluation reserves)	1,65,051.06	1,23,794.33	24,332.46
Total Revenue*	8,106.45	15,198.69	196.52
Profit (Loss) after Tax	1,060.51	14,921.20	-23.97
Basic EPS	0.08	1.17	(0.00)
Total operations EPS	0.08	1.17	(0.00)
Net Asset Value per equity share#	13.97	10.73	3.14

*Total Revenue = revenue from operation + other income

#Net Asset Value per equity share = Shareholders Fund / No of shares

Market Capitalisation

₹ 4,59,873.77 Lakhs (as on August 10, 2023 as reported on www.bseindia.com)

Late Chitralkha R. Gupta#

#Chitralkha R. Gupta's shareholding of 22,172 Equity Shares is under pledge. Hence, the shareholding pattern still reflects her name posthumously

She is the mother of Mukesh R. Gupta and Rajesh R. Gupta and passed away in 2020. Her shareholding of 22,172 Equity Shares is under pledge, hence, the shareholding pattern still reflects her name posthumously.

Ragini Trading & Investments Limited*

**96,86,386 (0.90%) Equity Shares are held in the name of Ragini Trading & Investments Limited which merged with Shree Global Tradefin Limited vide the Scheme of Arrangement which was approved by the Hon'ble High Court of Bombay vide their order dated March 09, 2012; as on the date of this Draft Letter of Offer, the said Equity Shares are pledged. Hence, the shareholding pattern still reflects the name of Ragini Trading & Investments Limited.*

Our Company confirms that the permanent account number, bank account number and passport number of our Promoters shall be submitted to the Stock Exchanges at the time of filing this Draft Letter of Offer.

DIVIDEND POLICY

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. The dividend, if any, will depend on a number of factors, including but not limited, capital expenditure, profitable growth, cash flow and liquidity position, accumulated reserves, earnings stability, etc. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities.

The Company has declared dividend for the first time for the Financial Year ended March 31, 2022 and thereafter, also for the Financial Year ended March 31, 2023. The mode of payment of dividend is cash through National Automated Clearing House/RTGS/NEFT and Warrants in case no bank account details are available.

The amount paid as dividends in the past is not necessarily indicative of our dividend distribution policy or dividend amount, if any, in the future and there is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in future. For details in relation to the risk involved, see "***Risk Factors– Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows and working capital and capital expenditure requirements.***" on page 29 of this Draft Letter of Offer

SECTION V – FINANCIAL INFORMATION
RESTATED FINANCIAL STATEMENTS

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S Y LODHA AND ASSOCIATES

Unit No 309, New Sonal Link Industrial Service Premises
New Link Road, Malad West, Mumbai 400064; Contact: 022-35635006;
E-mail: query@syla.in; Website: www.syla.in



INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED STANDALONE FINANCIAL INFORMATION

To,
The Board of Directors,
Lloyds Steels Industries Limited,
Plot No. A - 5/5, MIDC Industrial Area,
Murbad, Thane - 421 401, Maharashtra, India

Dear Sir,

Reference: Proposed Right Issue of Equity Shares of Lloyds Steels Industries Limited

We have examined the attached Restated Standalone Financial Statement of Lloyds Steels Industries Limited (hereunder referred to "the Company", "Issuer") comprising the Restated Statement of Assets and Liabilities as at March 31, 2023, March 31, 2022, and March 31, 2021, the Restated Statement of Profit & Loss, the Restated Statement of Changes in Equity for the period ended March 31, 2023, March 31, 2022, and March 31, 2021, the Restated Cash Flow Statement for the year ended March 31, 2023, March 31, 2022 and March 31, 2021, the statement of Significant Accounting Policies and other explanatory Information enclosed as Note 2 (Collectively the Restated Standalone Financial Statement) as approved by the Board of Directors in their meeting held on (board meeting date) for the purpose of inclusion in the Draft Letter of Offer and the Letter of Offer (collectively, the "Offer Documents") in connection with its proposed Right Issue of equity shares, prepared by the Company in connection with its Right Issue of Equity Shares prepared in terms of the requirement of:-

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended (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 (as amended) issued by the Institute of Chartered Accountants of India as amended from time to time. ("The Guidance Note")

The Management of the Company is responsible for the preparation of the Restated Standalone Financial Statement for the purpose of inclusion in the offer document to be filed with Stock Exchange, Securities and Exchange Board of India, and Registrar of Companies, Mumbai in connection with the proposed of Right Issue. The Restated Standalone Financial Statements have been prepared by the management of the Company for the year ended on March 31, 2023, March 31, 2022, and March 31, 2021 on the basis of notes to restatement in Note 2 to the Restated Standalone Financial Statement. The Board of Directors Of the company's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Statement.

We have examined such Restated Standalone Financial Statement taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter with the proposed Right Issue of equity shares of the Company;
- b) 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 Standalone Financial 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 Right Issue.

This Restated Standalone Financial Statements have been compiled by the management from:

- a) Audited financial statements of the company as at and for the year ended on March 31, 2023, March 31, 2022, and March 31, 2021 prepared in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.
- b) Audit of the Standalone Financial Statement of the Company for the year ended March 31, 2021 and March 31, 2022 have been prepared by the Company in accordance with the generally accepted accounting policies and as approved by board of the Company and Audited by M/ s Todarwal & Todarwal LLP vide their Audit Report dated 31st May, 2021 and 11th May, 2022 respectively
- c) Audit of the Standalone Financial Statement of the Company for the year ended March 31, 2023 have been prepared by the Company in accordance with the generally accepted accounting policies and as approved by board of the Company and Audited by us vide our Audit Report dated 27th April, 2023.

For the purpose of our examination, we have relied on Auditors' Report issued by the Previous Auditor M/s Todarwal & Todarwal LLP (the "Previous Auditors") 31st May, 2021 and 11th May, 2022 for the financial year ended 31st March 2021 and 31st March 2022 respectively.

Based on our examination and according to the information and explanation given to us, we report that the Restated Standalone Financial Statement

- a) Have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
- b) Do not contain any modification which requires adjustment.
- c) In accordance with the requirements of Part I of Chapter III of Act including rules made there under, ICDR Regulations, Guidance Note and Engagement Letter.

We have also examined the following other financial information relating to the Company

prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for Financial year ended March 31, 2023, March 31, 2022, and March 31, 2021 proposed to be included in the Offer Document for the proposed of Right Issue.

Particulars	Note No.
Restated Standalone Statement of Share Capital, Reserves and Surplus	13, 14
Restated Standalone Statement of Long Term and Short-Term Borrowings/Statement of principle Term of Secured loan and Assets charges as security and Statement of term & Condition of unsecured Loans.	15
Restated Standalone Statement of Deferred Tax (Assets)/ Liabilities	8(i)
Restated Standalone Statement of Long-Term Provisions	16(i)
Restated Standalone Statement of Trade Payables	17
Restated Standalone Statement of Other Current Liabilities and Short-Term Provisions	15(ii) to 15(iv), 16(ii)
Restated Standalone Statement of Property, Plant and Equipment and Intangible Assets	4
Restated Standalone Statement of Non-Current Investments	6A
Restated Standalone Statement of Non-Current Assets	9(i)
Restated Standalone Statement of Inventory	10
Restated Standalone Statement of Trade Receivables	11
Restated Standalone Statement of Cash & Cash Equivalents	12 (i)
Restated Standalone Statement of Short -Term Loans and Advances	7(i)
Restated Standalone Statement of Other Current Assets	9(ii)
Restated Standalone Statement of Turnover	20
Restated Standalone Statement of Non- Operating Income	21
Restated Standalone Statement of Cost of Material Consumed and Purchases of Stock in Trade	22
Restated Standalone Statement of Change in Inventories	23
Restated Standalone Statement of Employee Benefits Expenses	24
Restated Standalone Statement of Finance Cost	26
Restated Standalone Statement of Depreciation & Amortization	27
Restated Standalone Statement of Other Expenses	25
Restated Standalone Statement of Mandatory Accounting Ratios	35
Restated Standalone Statement of Related Party Transaction	31
Restated Standalone Statement of Contingent Liabilities	19
Restated Standalone Statement of Other Financial Ratio -	35
Significant Accounting Policy and Notes to The Restated Standalone Financial Statements	2

Opinion

In our opinion and to the best of information and explanation provided to us, the Restated Standalone Financial Statement of the Company, read with significant accounting policies and notes to accounts are prepared after providing appropriate adjustments and regroupings as considered appropriate.

We, M/ s. S Y Lodha & Co, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and our peer Review Certificate is valid as on the date of signing of this report.

The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.

The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be constructed as a new opinion on any of the financial statements referred to therein.

We have no responsibility to update our report for events and circumstance occurring after the date of the report.

In our opinion, the above Standalone Financial Statements along with Note 1 to 39 of this report read with the respective Significant Accounting Policies and Notes to Accounts are prepared after regrouping as considered appropriate and have been prepared in accordance with the Companies Act, ICDR Regulations, Engagement Letter and Guidance Note.

Restriction on Use

Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the Proposed Right issue of Equity Shares of the Company and our report should not be used, referred to or distributed for any other purpose without our prior consent in writing

For S Y Lodha & Associates
Chartered Accountants
ICAI Firm Reg No. - 136002W

Suraj Shivshankar Agarwal
Partner
Membership No.: 143251
UDIN.: 23143251BGTWOR5483
Date: 1st July, 2023
Place: Mumbai

LLOYDS STEELS INDUSTRIES LIMITED
RESTATED STATEMENT OF ASSET AND LIABILITIES

(Rs. in Lakhs)

Particulars	Note No.	As At 31 st March, 2023	As At 31 st March, 2022	As At 31 st March, 2021
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	4	2,707.24	922.81	922.93
(b) Capital Work In Progress	4	2,555.31	373.62	-
(c) Goodwill	4	95.98	95.98	95.98
(d) Right To Use	5	530.45	376.38	385.24
(e) Financial Assets				
(i) Other Financial Assets	6	59.17	60.42	25.98
(f) Non Current Investments	6A	0.01	--	--
(g) Deferred Tax Assets (Net)	8 (i)	107.51	364.41	767.88
(h) Other Non-Current Assets	9 (i)	161.28	750.52	0.43
Sub Total Non-Current Assets		6,216.95	2,944.14	2,198.44
Current Assets				
(a) Inventories	10	11,457.99	4,885.07	1876.54
(b) Financial Assets				
(i) Trade Receivables	11	2,909.45	982.59	882.75
(ii) Cash and Cash Equivalents	12 (i)	798.66	2,459.40	1,828.89
(iii) Other Balance with Banks	12 (ii)	8.76	--	--
(iv) Loans	7 (i)	5,215.00	2,875.00	2,625.50
(v) Other Financial Assets	7 (ii)	769.29	403.95	261.89
(c) Current Tax Assets (Net)	8 (iv)	280.71	190.94	482.29
(d) Other Current Assets	9 (ii)	9,428.18	4,671.56	4,988.63
Sub Total Current Assets		30,868.04	16,468.51	12,946.49
TOTAL ASSETS		37,084.99	19,412.65	15,144.93
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	13	9,886.98	8,986.98	8,986.98
(b) Other Equity	14	9,649.45	4,536.95	2,357.53
Total Equity		19,536.43	13,523.93	11,344.51
LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	15 (i)	42.65	1,886.01	56.45
(i a) Lease Liabilities	15 (iv)	496.98	375.29	375.98
(b) Provisions	16 (i)	359.14	417.95	363.11
Sub Total Non-Current Liabilities		898.77	2,679.25	795.54
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	15 (ii)	4,597.28	32.65	--
(I a) Lease Liabilities	15 (iv)	83.45	36.36	17.99
(ii) Trade Payables				
- Total Outstanding dues of Micro & Small Enterprises	17	-	-	-
- Total Outstanding dues of Other Than Micro & Small Enterprises		2,478.18	778.96	721.10
(iii) Other Financial Liabilities	15 (iii)	256.34	445.10	245.96
(b) Provisions	16 (ii)	321.89	85.92	144.18
(c) Other Current Liabilities	18	8,912.65	1,830.48	1,875.65
Sub Total Current Liabilities		16,649.79	3,209.47	3,004.88
Total Liabilities		17,548.56	5,888.72	3,800.42
TOTAL EQUITY AND LIABILITIES		37,084.99	19,412.65	15,144.93

The accompanying notes 1 to 39 form an integral part of these restated financial statements

In terms of our report attached

For S Y Lodha & Associates
Chartered Accountants
ICAI Firm Reg. No. W136002W

For and on behalf of the Board of Directors

Suraj Shivshankar Agarwal
Partner
Membership No.: 143251
UDIN: 23143251BGTWOR5483

Mukesh R. Gupta
Chairman
DIN: 00028347

Kishore M. Pradhan
Independent Director
DIN: 02749508

Place: Mumbai
Date: 01.07.2023

Kalpesh P. Agrawal
Chief Financial Officer

Meenakshi A. Pansari
Company Secretary
ACS - 53927

LLOYDS STEELS INDUSTRIES LIMITED
RESTATED STATEMENT OF PROFIT AND LOSS

(Rs.in Lakhs)

Particulars	Note No.	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022	Year Ended 31 st March, 2021
INCOME				
Revenue from Operations	20	31,260.98	5,009.66	7,005.09
Other Income	21	579.63	975.07	1,309.37
Total Income		31,840.61	5,984.73	8,314.46
Expenses				
Cost of Raw Material Consumed	22	22,965.47	3,843.73	3,982.30
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	(4,150.68)	(2,748.27)	250.21
Employee Benefits Expense	24	1,906.46	1,380.95	1,258.33
Manufacturing and Other Expenses	25	5,314.99	2,061.95	2,517.76
Finance Costs	26	394.16	101.90	76.81
Depreciation and Amortization Expense	27	238.26	133.72	159.49
Total Expenses		26,668.66	4,773.98	8,244.90
Profit before Exceptional Items and Tax		5,171.95	1,210.75	69.56
Exceptional Items	25(i)	250.00	-	-
Profit Before Tax		4,921.95	1,210.75	69.56
Tax Expense:				
-				
(1) Current Tax	8 (ii)	993.53		
(2) Deferred Tax Expenses / (Income)	8 (iii)	246.11	403.63	19.19
(3) Mat Credit Tax Reversals		-	212.40	-
Total Tax Expenses		1,239.64	616.03	19.19
Profit for the Period		3,682.31	594.72	50.37
Other Comprehensive Income				
Items not to be reclassified to profit or loss				
Re-measurement (losses)/gains on defined benefit plans	24	42.86	(0.59)	75.91
Income Tax relating to items not to be reclassified to Profit and Loss	8 (iii)	(10.79)	0.15	(21.12)
Other Comprehensive Income for the year		32.07	(0.44)	54.79
Total Comprehensive (loss) / gain for the year		3,714.38	594.28	105.16
Earnings per share (In Re) (Face value Re 1/- each)				
EPS – Basic (in Rs.)	28	0.38	0.07	0.01
EPS – Diluted (in Rs.)		0.36	0.06	0.01

The accompanying notes 1 to 39 form an integral part of these restated financial statements

In terms of our report attached

For S Y Lodha & Associates
Chartered Accountants
ICAI Firm Reg. No.: W136002W

For and on behalf of the Board of Directors

Suraj Shivshankar Agarwal
Partner
Membership No.: 143251
UDIN: 23143251BGTWOR5483

Mukesh R. Gupta
Chairman
DIN: 00028347

Kishore M. Pradhan
Independent Director
DIN: 02749508

Place: Mumbai
Date: 01.07.2023

Kalpesh P. Agrawal **Meenakshi A. Pansari**
Chief Financial Officer **Company Secretary**
ACS – 53927

LLOYDS STEELS INDUSTRIES LIMITED
RESTATED STATEMENT OF CHANGE IN EQUITY

A. Equity Share Capital

(Rs. In Lakhs)

Restated balance as at 1 st April, 2022	Changes in Equity Share Capital during the current year	Balance as at 31 st March, 2023
8,986.98	900.00	9,886.98

Restated balance as at 1 st April, 2021	Changes in Equity Share Capital during the current year	Balance as at 31 st March, 2022
8,986.98	-	8,986.98

Restated balance as at 1 st April, 2020	Changes in Equity Share Capital during the current year	Balance as at 31 st March, 2021
8,986.98	-	8,986.98

B. Other Equity

(Rs. In Lakhs)

Particulars	Reserves and Surplus				Money received against Convertible Warrants	Total Equity
	Capital Reserve	Retained Earnings	Securities Premium	Share Based Payment Reserve		
As at 1st April, 2022	5.00	2,946.81	-	-	1,585.14	4,536.95
Profit for the year	-	3,682.31	-	-	-	3,682.31
Other Comprehensive Income (Net of Tax)	-	32.07	-	-	-	32.07
Total Comprehensive Income	-	3,714.38	-	-	-	3,714.38
Money received against Share Warrants	-	-	-	-	2,605.50	2,605.50
Dividend Paid	-	(494.35)	-	-	-	(494.35)
Share Based Payment Expenses	-	-	-	186.97	-	186.97
Conversion of Convertible Warrant by Warrant Holder	-	-	2,574.00	-	(3,474.00)	(900.00)
As at 31st March, 2023	5.00	6,166.84	2,574.00	186.97	716.64	9,649.45

(Rs. In lakhs)

Particulars	Reserves and Surplus		Money received against Convertible Warrants	Total Equity
	Capital Reserve	Retained Earnings		
As at 1st April, 2021	5.00	2,352.53	-	2,357.53
Profit for the year	-	594.72	-	594.72
Other Comprehensive Income (Net of Tax)	-	(0.44)	-	(0.44)
Total Comprehensive Income	-	594.28	-	594.28
Money received against Convertible Warrants	-	-	1,592.25	1,592.25
Expenses For Convertible Warrant	-	-	(7.11)	(7.11)
As at 31st March, 2022	5.00	2,946.81	1,585.14	4,536.95

(Rs. In lakhs)

Particulars	Reserves and Surplus		Money received against Convertible Warrants	Total Equity
	Capital Reserve	Retained Earnings		
As at 1st April, 2020	5.00	2,247.37	-	2,252.37
Profit for the year	-	50.37	-	50.37
Other Comprehensive Income (Net of Tax)	-	54.79	-	54.79
Total Comprehensive Income	-	105.16	-	105.16
Money received against Convertible Warrants	-	-	-	-
Expenses For Convertible Warrant	-	-	-	-
As at 31st March, 2021	5.00	2,352.53	-	2,357.53

Profit of Rs. 32.07 lakhs, Loss of Rs. 0.44 Lakhs and Gain of Rs. 54.79 Lakhs on Remeasurement of defined Employee Benefit Plan (net of tax) is recognised as a part of retained earnings for the years ended 31st March, 2023, 31st March, 2022 and 31st March, 2021, respectively.

The Board of Directors of the Company at its meeting held on 22nd November 2021 has made an allotment of 16,50,00,000 Convertible Warrants of Face Value of Re 1/- each at a premium of Rs.2.86 to Promoter/ Promoter Group, on preferential allotment basis. Company has received 25% of the Issue price of Rs.1,592.25 lakhs in FY 2021 -2022 and balance 75% of the issue price of Rs.2,605.05 lakhs In FY 2022 – 2023. Pursuant to the allotment of the 9,00,00,000 Equity Shares in FY 2022 -2023 on conversion of Convertible Warrants by the Warrant holders, the paid-up equity share capital of the Company has increased from Rs. 89,86,98,382 consisting of 89,86,98,382 equity shares of face value of Re. 1/- each to Rs.98,86,98,382 consisting of 98,86,98,382 equity shares of face value of Re. 1/- each.

In FY 2022 – 2023 the Company has granted 1,00,61,000 options on October 27, 2022 under 'Lloyds Steels Industries Limited Employee Stock Option Plan – 2021' to the eligible employees of the Company at an exercise price of Rs. 7.50 each. These stock options shall vest as per the vesting schedule as mentioned in LLOYDS STEELS ESOP – 2021."

Nature and Purpose of Reserves

a) Capital Reserve

This reserve represents recognises profit and loss on purchase, sale, issue or cancellation of the Company's own equity instruments.

b) Retained Earnings

This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

c) Share Based Payment Reserve

Share based payment reserve represents the cumulative expense recognized for equity-settled transactions at each reporting date until the employee share options are exercised/expired upon which such amount is transferred to General reserve.

d) Securities Premium

Security Premium Reserve is the amount received over and above the face value of any share when the shares are issued, redeemed, and forfeited. Utilisation of Securities Premium is as per section 52 of The Companies Act, 2013.

The accompanying notes 1 to 39 form an integral part of these restated financial statements

In terms of our report attached

For S Y Lodha & Associates

Chartered Accountants

ICAI Firm Reg. No.: W136002W

For and on behalf of the Board of Directors

Suraj Shivshankar Agarwal

Partner

Membership No.: 143251

UDIN: 23143251BGTWOR5483

Mukesh R. Gupta

Chairman

DIN: 00028347

Kishore M. Pradhan

Independent Director

DIN: 02749508

Place: Mumbai

Date: 01.07.2023

Kalpesh P. Agrawal

Chief Financial Officer

Meenakshi A. Pansari

Company Secretary

ACS - 53927

LLOYDS STEELS INDUSTRIES LIMITED
RESTATED CASH FLOW STATEMENT

(Rs. in Lakhs)

Sr. No.	Particulars	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022	Year Ended 31 st March, 2021
A	CASH FLOW FROM OPERATING ACTIVITIES :			
	Profit Before Tax	4,921.95	1,210.75	69.56
	Adjustments For:			
	Depreciation and Amortization Expenses on Tangible Assets	148.08	84.42	97.38
	(Gain)/Loss on sale of Property, Plant & Equipment (Net of Loss on Assets Scrapped / Written off)	57.77	0.40	-
	Re-measurements of the defined benefit liabilities (before tax effects)	42.86	(0.59)	75.91
	Compensation Cost on ESOP	186.97	--	-
	Interest Income	(558.58)	(235.39)	(167.45)
	Finance Cost	267.88	50.73	10.48
	Unrealized Foreign Exchange (Gain) / Loss (Net)	8.53	4.91	6.57
	Operating Profit/(Loss) Before Working Capital Changes	5,075.46	1,115.23	92.45
	Movements in Working Capital			
	Decrease / (Increase) in Inventories	(6,572.92)	(3,008.53)	276.26
	Decrease / (Increase) in Trade Receivables	(1,926.86)	(99.84)	1,584.81
	Decrease / (Increase) in Other Current Assets	(4,756.52)	317.07	199.66
	Decrease / (Increase) in Other Non - Current Assets	-	-	1.60
	Decrease / (Increase) Other Financial Assets, Non Current Portion	1.26	(34.44)	1.54
	Decrease / (Increase) Other Financial Assets, Current Portion	(267.56)	(170.55)	19.74
	Decrease / (Increase) Other Bank Balances	549.82	77.00	378.12
	Increase / (Decrease) in Trade Payables	1,594.02	52.71	(872.76)
	Increase / (Decrease) in Other Current Liabilities	7,082.17	(45.18)	260.66
	Increase / (Decrease) Provision, Current Portion	235.97	(58.26)	125.95
	Increase / (Decrease) Provision, Non-Current Portion	(58.80)	54.84	4.99
	Increase / (Decrease) Other Financial Liabilities, Current Portion	(197.60)	(14.67)	(58.39)
	Increase / (Decrease) Other Financial Liabilities, Non-Current Portion	14.71	26.53	(0.73)
	Cash Generated From / (Used In) Operation	773.15	(1,788.09)	1,762.00
	Direct Taxes (Paid) Net of Refunds	(1,083.31)	78.96	(7.94)
	Net Cash Generated From / (Used In) Operating Activities (A)	(310.16)	(1,709.13)	1,754.06
B	CASH FLOW FROM INVESTING ACTIVITIES :			
	Payment towards Capital Expenditure (including Intangible Assets)	(3,522.42)	(1,208.17)	(13.69)
	Proceeds from Sale of Property, Plant & Equipment	36.25	-	-
	Inter Corporate Deposits (Given) Refunded	(2,340.00)	(249.50)	(1,825.50)
	Investment in Shares	(0.01)	-	-
	Interest Received	460.80	263.87	162.95
	Net Cash Generated From (Used In) Investing Activities (B)	(5,365.38)	(1,193.80)	(1,676.24)
C	CASH FLOW FROM FINANCING ACTIVITIES :			
	Repayment of Borrowings	--	(30.18)	(20.52)
	Proceeds from Borrowings	2,721.26	--	--
	Dividend Paid	(494.35)	--	--
	Proceeds from Issue of OFCD	--	2,072.07	--
	Expenses for Issue of OFCD	--	(4.80)	--
	Proceeds from issue of Convertible Warrants	2,605.50	1,592.25	--
	Expenses for Issue of Convertible Warrants	--	(7.11)	--
	Interest Paid	(267.80)	(11.79)	(10.63)
	Net Cash Generated From / (Used In) Financing Activities (C)	4,564.61	3,610.44	(31.15)
	Net Increase/(Decrease) In Cash and Cash Equivalents (A+B+C)	(1,110.93)	707.51	46.67
	Cash and Cash Equivalents at the Beginning of the Period	1,176.99	469.48	422.81
	Cash and Cash Equivalents at the End of the Period	66.06	1,176.99	469.48
	Net increase/(decrease) in Cash and Cash Equivalents	1,110.93	707.51	46.67

	Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022	Year Ended 31st March, 2021
	Components of Cash and Cash Equivalents			
	Cash in Hand	0.08	2.02	4.27
	Balance with Bank			
	Balance with Schedule Banks in : Current Accounts	47.07	1,022.80	465.21
	Bank Deposits with original maturity of three months or less	18.91	152.17	
	Earmarked Balance with Bank	8.76	--	
	In Margin Account (Including FDR)	732.60	1,282.41	1,359.41
	Cash and Bank Balances as per Note 12	807.42	2,459.40	1,828.89
	Less: Margin Money not considered as Cash and Cash Equivalent in Cash Flow	732.60	1,282.41	1,359.41
	Less: Earmarked Balance with Bank	8.76	--	--
	Total Cash and Cash Equivalents	66.06	1,176.99	469.48

Notes:

1. Cash Flow statement has been prepared following the indirect method except in case of dividend paid/received and taxes paid which have been considered on the basis of actual movements of cash.
2. Cash and cash equivalents represent cash and bank balances including current account and earmarked balance with Bank.
3. Figures in brackets represent outflows.

The accompanying notes 1 to 39 form an integral part of these restated financial statements

In terms of our report attached

For S Y Lodha & Associates
Chartered Accountants
ICAI Firm Reg. No.: W136002W

For and on behalf of the Board of Directors

Suraj Shivshankar Agarwal
Partner
Membership No.: 143251
UDIN: 23143251BGTWOR5483

Mukesh R. Gupta
Chairman
DIN: 00028347

Kishore M. Pradhan
Independent Director
DIN: 02749508

Place: Mumbai
Date: 01.07.2023

Kalpesh P. Agrawal **Meenakshi A. Pansari**
Chief Financial Officer **Company Secretary**
ACS - 53927

LLOYDS STEELS INDUSTRIES LIMITED

Notes to Restated Financial Statements

(All amounts are in Lakhs of Indian Rupees; unless stated otherwise)

1. Corporate Information

Lloyds Steels Industries Limited ('the Company') is domiciled and incorporated in India as a Limited Liability Company with its shares listed on the National Stock Exchange and the Bombay Stock Exchange. The Registered Office of the Company is situated at Plot No. A - 5/5, MIDC Industrial Area, Murbad, Thane - 421 401. The Company is principally engaged in Design, Engineering, Manufacturing, Fabrication, Supply, Erection and Commissioning of all types of Mechanical, Hydraulic, Structural, Process Plants, Metallurgical, Chemical Plants Equipments including Marine Loading/Unloading Arms, Truck/Wagon Loading/Unloading Arms, Columns, Pressure Vessels, Dryers, Boilers, Power Plant, Steel Plant Equipments, Capital Equipments and execution of Turnkey and EPC Projects.

2. Summary of Significant Accounting Policies

2.1 Basis of Preparation

This financial statement has been prepared to comply in all material respects with the Indian Accounting Standard ('Ind AS') notified under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules as amended from time to time. In addition, the Guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations requires a different treatment.

Presentation of Financial Statements

The Asset and Liabilities and the Statement of Profit & Loss are prepared and presented in the format set out in Schedule III to the Companies Act, 2013 ("the Act"). The Cash flows Statement has been prepared and presented as per the requirements of Indian Accounting Standards (IND AS - 7) "Statement of Cashflows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit & Loss as prescribed in the schedule III to the Act, are presented by way of notes forming parts of accounts along with the other notes required to be disclosed under the notified Indian Accounting Standards and the Equity Listing Agreement. Amounts in the financial statement are presented in Indian rupees in Lakhs.

The financial statements for the year ended 31st March, 2023, 31st March, 2022 and 31st March, 2021 are authorized for issue by the Company's Board of Directors at their meeting held on **27th April, 2023, 11th May, 2022 and 31st May, 2021 respectively.**

The preparation of the said financial statements requires the use of certain critical accounting estimates and judgments. It also requires the management to exercise judgment in the process of applying the Company's accounting policies. The areas where estimates are significant to the financial statements, or areas involving a higher degree of judgment or complexity, are disclosed in Note 3.

The financial statements are based on the classification provisions contained in Ind-AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act 2013 along with the other notes required to be disclosed under the notified Indian Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, for the purpose of clarity, various items are aggregated in the statement of profit and loss and balance sheet. Nonetheless, these items are dis-aggregated separately in the notes to the financial statements, where applicable or required.

The Company accrues individual items of income / expenses above ₹ 10,000/- per item.

All the amounts included in the financial statements are reported in Lakhs of Indian Rupees (₹) and are rounded to the nearest Lakhs, except per share data and unless stated otherwise.

2.2 Basis of Measurement

The financial statements have been prepared on the accrual and going concern basis and the historical cost convention except where the Ind -AS requires a different accounting treatment. Historical cost is generally based on fair value of the consideration given in exchange of Goods & Services.

Fair Value Measurement

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants. The Company wherever required has measured the Financial / non – Financial Assets and Liabilities at fair value in the Financial Statement.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

2.3 Foreign Currency Transactions

The financial statements are presented in Indian Rupees which is the functional and presentation currency of the Company.

Transactions in foreign currencies are initially recorded in the relevant functional currency at the rates prevailing on the date of the transaction.

Monetary Assets and Liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences. On subsequent re-statement/settlement, the same is recognised in the statement of profit and loss within finance costs / finance income. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value). Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

2.4 Current Versus Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification.

Deferred Tax Assets and Liabilities and all assets and liabilities which are not current (as discussed in the below paragraphs) are classified as non-current assets and liabilities.

Operating cycle for the business activities of the company covers the duration of the specific project/contract/product line/service including the deferred liability period wherever applicable and extends up to the realisation of receivables (including retention monies) within the agreed credit period as the case may be. An asset is classified 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.

A liability is classified as 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.

2.5 Property, Plant and Equipment ('PPE')

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use.

Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts of Property, Plant and Equipment are required to be replaced in regular intervals, the Company recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognised from the balance sheet and cost of the new item of PPE is recognised.

The expenditures that are incurred after the item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably and is probable that future economic benefits associated with it will flow to the Company, it is included in the asset's carrying value or as a separate asset as appropriate.

Depreciation on PPE is computed using the straightline method over the estimated useful lives. Depreciation is provided as per useful life of the assets as prescribed in schedule II of the Companies Act. The Company has established the estimated range of useful lives of different categories of PPE as follows:

Particulars	Useful life (in years)
Factory Building	30 – 60
Plant & Machinery	15
Computers	3 – 6
Electrical Installations	10
Office Equipments and AC	5 – 8
Furniture and Fixtures	10
Motor Vehicles	8 – 10

The useful lives, residual values and depreciation method of PPE are reviewed and adjusted appropriately, at-least as at each reporting date so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. The effects of any change in the estimated useful lives, residual values and/ or depreciation method are accounted prospectively, and accordingly the depreciation is calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed-off are derecognised from the balance sheet and the resulting gains/ (losses) are included in the statement of profit and loss within Other Income.

Assets individually costing Rs.10,000/- or less are depreciated fully in the year of purchase.

All directly attributable expenditure and interest cost on Borrowed Capital during the project construction period are accumulated and shown as Capital Work-in-Progress until the project/assets are put to use. Assets under construction are not depreciated.

2.6 Intangible Assets

Identifiable intangible assets are generally recognised when the Company controls the asset and it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be measured reliably. The intangible assets are initially recognised at cost. Assets having finite useful life are carried at cost less accumulated amortisation and impairment losses, if any.

2.7 Impairment of Non-Financial Assets – PPE

- a. PPE and intangible assets with definite lives are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the cash-generating-unit ('CGU') level to which the said asset belongs. If such individual assets or CGU are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the asset/CGU exceeds their estimated recoverable amount and allocated on pro rata basis.

Impairment losses, if any, are recognised in statement of profit and loss.

Reversal of Impairment Losses

Impairment losses are reversed and the carrying value is increased to its revised recoverable amount provided that this amount does not exceed the carrying value that would have been determined had no impairment loss been recognised for the said asset in previous years.

b. Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is initially measured at cost, being the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103, Business Combinations.

Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment

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 (CGUs) that are expected to benefit from the combination. A CGU is the smallest identifiable Group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or Group of assets. Each CGU or a combination of CGUs to which goodwill is so allocated represents the lowest level at which goodwill is monitored for internal management purpose and it is not larger than an operating segment of the Group.

A CGU to which goodwill is allocated is tested for impairment annually, and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU. If the recoverable amount of the CGU exceeds the carrying amount of the CGU, the CGU and the goodwill allocated to that CGU is regarded as not impaired. If the carrying amount of the CGU exceeds the recoverable amount of the CGU, the Group recognizes an impairment loss by first reducing the carrying amount of any goodwill allocated to the CGU and then to other assets of the CGU pro-rata based on the carrying amount of each asset in the CGU.

Any impairment loss on goodwill is recognized in the Statement of Profit and Loss. An impairment loss recognized on goodwill is not reversed in subsequent periods.

On disposal of a CGU to which goodwill is allocated, the goodwill associated with the disposed CGU is included in the carrying amount of the CGU when determining the gain or loss disposal.

2.8 Leases:

The Leases of Property, Plant and Equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to Statement of profit and loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 - 'Leases'. This standard is effective from 1st April, 2019. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Ind AS 116 - Leases amends the rules for the lessee's accounting treatment of operating leases. According to the standard all operating leases (with a few exceptions) must therefore be recognized in the balance sheet as lease assets and corresponding lease liabilities. The lease expenses, which were recognised as a single amount (operating expenses), will consist of two elements: depreciation and interest expenses. The standard has become effective from 2019 and the Company has assessed the impact of application of Ind AS 116 on Company's financial statements and provided necessary treatments and disclosures as required by the standard. (Refer Note No 5).

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

2.9 Financial Instruments:

A financial instrument is a 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

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset. However, trade receivable that do not contain a significant financing component are measured at transaction price.

Subsequent Measurement

The subsequent measurement of the non-derivative financial assets depends on their classification as follows:

Financial Assets Measured at Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. However, where the impact of discounting / transaction costs is significant, the amortised cost is measured using the effective interest rate ('EIR') method. Interest income from these financial assets is included in Other Income.

Fair Value through Other Comprehensive Income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, the same are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair Value through Profit or Loss

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

Impairment

The impairment of assets depends on whether there has been a significant increase in the credit risks since initial recognition. Accordingly, the Company deals with providing for impairment of loss. In case of trade receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial Liabilities

Initial Recognition

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Recognition

The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through 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. Changes in fair value of such liability are recognized in the statement of profit or loss.

Financial liabilities at amortized cost

The Company's financial liabilities at amortized cost are initially recognized at net of transaction costs and includes trade payables, borrowings including bank overdrafts and other payables. After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method except for deferred consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the statement of profit and loss.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

2.10 Taxes

The income tax expense comprises of current and deferred income tax. Income tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly.

a. Current Tax

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess/ (shortfall) of the Company's income tax obligation for the period are recognised in the balance sheet as current income tax assets/liabilities.

Any interest, related to accrued liabilities for potential tax assessments are not included in Income tax charge or credit, but are rather recognised within finance costs.

b. Deferred Tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax are not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. However, if these are unabsorbed depreciation, carry forward losses and items relating to capital losses, deferred tax assets are recognised when there is reasonable certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets in respect of unutilized tax credits which mainly relate to minimum alternate tax are recognised to the extent it is probable that such unutilized tax credits will get realised.

The unrecognised deferred tax assets/carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, (a) the Company currently has a right to set-off the current income tax assets and liabilities, and (b) when it relate to

income tax levied by the same taxation authority and where there is an intention to settle the current income tax balances on net basis.

2.11 Inventories

Inventories are stated at the lower of cost (determined using weighted average cost method) and net realisable value. The costs comprise its purchase price and any directly attributable cost of bringing to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated variable costs necessary to make the sale.

Following are general practice adopted by the company for valuation of Inventory.

Sr. No.	Type of Inventory	Valuation methodology
1	Raw Materials	*At lower of cost and net realizable value.
2	Stores and Spares	At cost.
3	Work-in-process/Semi-Finished Goods	At cost.
4	Engineering Plant Finished Goods	At lower of cost and Market Value
5	Finished Goods/Traded Goods	At lower of cost and Market Value
6	Scrap Material	At Net Realisable Value
7	Tools and Equipments	At lower of cost and disposable value

*Material and other supplies held for use in the production of the inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost.

2.12 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, bank balances and fixed deposits including deposits towards margin money.

2.13 Share Capital

The Company has only one class of shares i.e. Equity Shares having par value of Re 1/- each per equity share. The dividend and repayment of capital are at the sole and absolute discretion of the Company and there is no contractual obligation whatsoever to that effect.

2.14 Employee Benefits

The Company's employee benefits mainly include wages, salaries, bonus, defined benefit plans, compensated absences. The employee benefits are recognised in the year in which the associated services are rendered by the Company employees.

a. Short Term Employee Benefits

Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus, ex-gratia and performance-linked rewards falling due wholly

within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service.

b. Post Employment Benefits – Gratuity

The Company operates one defined benefit plan, viz., Gratuity benefit, for its employees. The Gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service. The Company does not have any fund for gratuity liability and the same is accounted for as provision.

The Company provides for the liability towards the said plans on the basis of actuarial valuation carried out yearly as at the reporting date, by an independent qualified actuary using the projected unit- credit method.

The obligation towards the said benefits is recognised in the balance sheet, at the present value of the defined benefit obligations. The present value of the said obligation is determined by discounting the estimated future cash outflows.

The interest expense is calculated by applying the above mentioned discount rate to the defined benefit obligations liability. The interest expense on the defined benefit liability is recognised in the statement of profit and loss. However, the related re-measurements of the defined benefit liability is recognised directly in the other comprehensive income in the period in which it arises. The said re-measurements comprise of actuarial gains and losses (arising from experience adjustments and changes in actuarial assumptions). Re-measurements are not re-classified to the statement of profit and loss in any of the subsequent periods.

c. Other Employee Benefits – Leave Encashment

Under the other long term employee benefit plan, the company extends benefit of compensated absences to the employees, whereby they are eligible to carry forward their entitlement of earned leave for encashment upon retirement/ separation or during tenure of service. The Plan is not funded by the Company.

The Company provides for the liability towards the said benefit on the basis of actuarial valuation carried out yearly as at the reporting date, by an independent qualified actuary using the projected unit- credit method. The related re-measurements are recognised in the statement of profit and loss in the period in which they arise.

2.15 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the said obligation and the amounts of the said obligation can be reliably estimated. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

2.16 Amortisation of Expenses

Deferred Revenue Expenditure is amortised over a period of five years.

2.17 Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are disclosed where an inflow of economic benefits is certain.

2.18 Revenue Recognition

Revenue is recognised upon transfer of control of promised goods to customers i.e., when the performance obligation gets fulfilled in an amount that reflects the consideration which the company expects to receive in exchange for that particular performance obligation.

Revenue is measured based on the transaction price, which is the net of variable consideration, adjusted for discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

a. Revenue From Operations

i. Sale of Goods

Revenue from the sale of manufactured and traded goods is recognised when significant risks and rewards of ownership of goods have been transferred, effective control over the goods no longer exists with the Company, amount of revenue / costs in respect of the transactions can reliably be measured and probable economic benefits associated with the transactions will flow to the Company.

ii. Rendering of Services

Revenue in case of contracts/orders spreading over more than one financial year are booked to the extent of work billed. Sales include export benefits & net of sales return. Export benefits accrue on the date of export, which are utilized for custom duty free import of material/ transferred for consideration.

iii. In case of unbilled work, Revenue is recognised when significant portion of the work exceeding 75 % is completed. Till such time the unbilled work is carried at cost in Work-In-Progress.

b. Other Revenue

1) Customs Duty

Customs Duty/incentive entitlement as and when eligible is accounted on accrual basis. Accordingly, import duty benefits against exports effected during the year are accounted on estimate basis as incentive till the end of the year in respect of duty free imports of raw material yet to be made.

2) Interest Income

Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate.

3) Other Income/Miscellaneous Income

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

2.19 Borrowing Costs

- i. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.
- ii. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.
- iii. The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset. The Company suspends capitalisation of borrowing costs during extended periods in which it suspends

2.20 Earnings Per Share ('EPS')

Basic earnings per share is calculated by dividing the net profit attributable to the equity shareholders of the Company with the weighted average number of equity shares outstanding during the financial year, adjusted for treasury shares.

Diluted Earnings per share is calculated by dividing net profit attributable to the equity shareholders of the Company with the weighted average number of shares outstanding during the financial year, adjusted for the effects of all dilutive potential equity shares.

2.21 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the net profit for the effects of:

- i. changes during the period in inventories and operating receivables/payables transactions of a non-cash nature;
- ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses and undistributed profits of associates; and
- iii. All other items for which the cash effects are investing or financing cash flows.

3. Critical Judgements and Estimation in applying the Company's Accounting Policies

The estimates and judgements used in the preparation of the financial statements are based on historical experience and various other assumptions and factors (including expectations of future events), that the Company believes to be reasonable under the existing circumstances. The said estimates and judgements are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of Property, Plant and Equipment, Intangible Assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

The areas involving critical estimates and judgements are:

- a) Estimation of current tax expenses and payable.
- b) Recognition of deferred tax assets for carried forward tax losses - Refer Note No. 8
- c) Revenue Recognition - Refer Note No. 20
- d) Estimation of defined benefit obligation – Refer Note No. 24

4. Property, Plant and Equipment (PPE)

(Rs in Lakhs)

Particulars	Land	Building	Plant & Machinery	Computers	Electrical Installations	Office Equipments	Furniture & Fixtures	Motor Vehicles	Total
Cost as at April 1, 2022	146.66	824.80	3,344.66	190.38	146.93	90.97	257.32	273.48	5,275.20
Additions	264.47	295.38	1,355.14	35.45	-	15.67	4.34	57.44	2,027.89
Disposals	-	6.82	1,214.00	177.54	-	-	-	25.35	1,423.71
Cost as at March 31, 2023	411.13	1,113.36	3,485.80	48.29	146.93	106.64	261.66	305.57	5,879.38
Accumulated Depreciation as on April 1, 2022	-	572.84	3,021.15	174.96	137.07	81.87	205.12	159.38	4,352.39
Depreciations	-	24.24	77.23	8.90	1.51	1.53	9.70	24.97	148.08
Disposals	-	6.00	1,137.68	170.98	-	-	-	13.67	1,328.33
Accumulated Depreciation as on March 31, 2023	-	591.08	1,960.70	12.88	138.58	83.40	214.82	170.68	3,172.14
Net Carrying Cost as at March 31, 2023	411.13	522.28	1,525.10	35.41	8.35	23.24	46.84	134.89	2,707.24
Capital Work in Progress									2,555.31
Total									5,262.55

(Rs in Lakhs)

Particulars	Land	Building	Plant & Machinery	Computers	Electrical Installations	Office Equipments	Furniture & Fixtures	Motor Vehicles	Total
Cost as at April 1, 2021	146.66	812.39	3,290.79	182.76	146.93	89.29	256.21	273.48	5,198.51
Additions	-	12.41	61.89	7.62	-	1.68	1.11	-	84.71
Disposals	-	-	8.02	-	-	-	-	-	8.02
Cost as at March 31, 2022	146.66	824.80	3,344.66	190.38	146.93	90.97	257.32	273.48	5,275.20
Accumulated Depreciation as on April 1, 2021	-	552.76	3,004.36	171.91	135.23	80.57	195.75	135.00	4,275.58
Depreciations	-	20.08	24.40	3.05	1.84	1.30	9.37	24.38	84.42
Disposals	-	-	7.61	-	-	-	-	-	7.61
Accumulated Depreciation as on March 31, 2022	-	572.84	3,021.15	174.96	137.07	81.87	205.12	159.38	4,352.39
Net Carrying Cost as at March 31, 2022	146.66	251.96	323.51	15.42	9.86	9.10	52.20	114.10	922.81
Capital Work in Progress									373.62
Total									1,296.43

(Rs in Lakhs)

Particulars	Land	Building	Plant & Machinery	Computers	Electrical Installations	Office Equipments	Furniture & Fixtures	Motor Vehicles	Total
Cost as at April 1, 2020	146.66	812.39	3,286.45	178.79	146.93	85.63	254.49	273.48	5,184.82
Additions	-	-	4.34	3.97	-	3.66	1.72	-	13.69
Disposals	-	-	-	-	-	--	-	-	-
Cost as at March 31, 2021	146.66	812.39	3,290.79	182.76	146.93	89.29	256.21	273.48	5,198.51
Accumulated Depreciation as on April 1, 2020	-	532.46	2,981.24	169.91	130.33	79.53	174.11	110.62	4,178.20
Depreciations	-	20.08	23.12	2.00	4.90	1.04	21.64	24.38	97.38
Disposals	-	-	-	-	-	-	-	-	-
Accumulated Depreciation as on March 31, 2021	-	552.76	3,004.36	171.91	135.23	80.57	195.75	135.00	4,275.58
Net Carrying Cost as at March 31, 2021	146.66	259.63	286.43	10.85	11.70	8.72	60.46	138.48	922.93
Capital Work in Progress									-
Total									922.93

Note: Plot No. A - 5/5, A - 6/3 and A - 5/4 MIDC Industrial Area, Murbad, Thane- 421401 is mortgaged with an additional collateral security of Hypothecation of existing Plant & Machinery to Citizencredit Co-operative Bank Limited, Bandra Branch, Mumbai 400050 against cash credit limits of Rs. 400 lakhs and bank guarantee limit of Rs. 2,000 lakhs as per their sanction letter Sanction Letter No. CCB/ADV/SAN-COR/2022-23/17 dated May 13, 2022 and Sanction Letter No CCB/CAO/ADV/2022-23/40 dated 27.07.2022.

Ageing for Capital – Work – in – Progress as at March 31, 2023 is as follows

(Rs in Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	2,181.69	373.62	-	-	2,555.31

Ageing for capital – work – in – progress as at March 31, 2022 is as follows

(Rs in Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	373.62	-	-	-	373.62

Ageing for capital – work – in – progress as at March 31, 2021 is as follows

(Rs in Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	-	-	-	-	-

Ageing for Goodwill as at March 31, 2023 is as follows

(Rs in Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Goodwill	-	-	-	95.98	95.98

Ageing for Goodwill as at March 31, 2022 is as follows

(Rs in Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Goodwill	-	-	-	95.98	95.98

Ageing for Goodwill as at March 31, 2021 is as follows

(Rs in Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Goodwill	-	-	-	95.98	95.98

Allocation of Goodwill to cash generating units

Goodwill is allocated to the following cash generating unit ("CGU") for impairment testing purpose

(Rs. In lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Engineering Business	95.98	95.98	95.98

The recoverable amount of this CGU for impairment testing is determined based on value-in-use calculations which uses cash flow projections based on financial budgets approved by management covering a five-year period as the Company believes this to be the most appropriate timescale for reviewing and considering annual performance before applying a fixed terminal value multiple to the final cash flows.

As at 31st March, 2023, 31st March, 2022 and 31st March, 2021, goodwill in respect of Engineering Business was not impaired.

Key Assumptions used for value in use calculations are as follows:

Particulars	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Compounded average net sales growth rate for five year period	31.00 %	31.00 %	31.00 %
Growth rate used for extrapolation of cash flow projections beyond the five – year period	4.00 %	4.00 %	4.00 %
Discount rate	10.00 %	10.00 %	10.00 %

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

Discount Rates - Management estimates discount rates using pre-tax rates that reflect current market assessment of the risks specific to the 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 its operating segments and is derived from its weighted average cost of capital.

Growth Rates - The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations on demand condition. The weighted average growth rates used are consistent with industry reports

5 Right To Use - Ind AS 116, Leases Impact

The Right To Use value disclosed is as per Ind AS 116 (Lease Impact). The impact of Ind AS 116 on the Company's financial statements at 31 March 2023 is as follows:

The details of the right-of-use assets held by the Company as on 31st March, 2023 is as follows:

Particulars	Additions for year ended March 31, 2023	Net carrying amount as at March 31, 2023
Building	230.58	521.80
Security Deposit	13.67	8.65
Total	244.25	530.45

Expenses (Income) on right-of-use assets are as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on Building	85.16	49.30
Depreciation on Security Deposit	5.02	-
Interest on Lease Liabilities	47.87	38.05
Interest on Security Deposit (Income)	(4.39)	-
Total	133.66	87.35

The details of the right-of-use assets held by the Company as on 31st March, 2022 is as follows:

(Rs in Lakhs)

Particulars	Additions for year ended March 31, 2022	Net carrying amount as at March 31, 2022
Building	-	376.38
Security Deposit	-	-
Total	-	376.38

Expenses (Income) on right-of-use assets are as follows:

(Rs in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on Building	49.30	62.11
Interest on Lease Liabilities	38.05	33.00
Total	87.35	95.11

The details of the right-of-use assets held by the Company as on 31st March, 2021 is as follows:

(Rs in Lakhs)

Particulars	Additions for year ended March 31, 2021	Net carrying amount as at March 31, 2022
Building	387.66	385.24
Security Deposit	-	-
Total	387.66	385.24

Expenses (Income) on right-of-use assets are as follows:

(Rs in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on Building	62.11	49.61
Interest on Lease Liabilities	33.00	22.23
Total	95.11	71.84

Statement of Cash Flows:

The total cash outflow for leases is **Rs. 109.67 lakhs**, **Rs. 56.82 lakhs** and **Rs. 80.20 lakhs** for years ended 31st March, 2023, 31st March, 2022 and 31st March, 2021, respectively.

6. Security Deposit & Others (Non-Current)

(Rs. in Lakhs)

Particulars	31 st March, 2023	31 st March, 2022	31 st March, 2021
Non-current			
Security Deposits, Considered Good	59.17	60.42	25.98
Total	59.17	60.42	25.98

6A Investments – Non Current

(Rs. In Lakhs)

Particulars	31 st March, 2023	31 st March, 2022	31 st March, 2021
Investment designated at fair value through profit and loss Investments in Equity Instruments (unquoted - fully paid up)			-
Citizencredit Co-operative Bank Limited 100 Equity Shares of Rs. 10/- each	0.01		-
Total value of unquoted shares	0.01	-	-

7. Loan & Other Current Financial Assets

(Rs.in Lakhs)

Particulars	31 st March, 2023	31 st March, 2022	31 st March, 2021
7 (I) Loan			
- Loans to Others (Unsecured)			
Inter Corporate Deposits, Considered Good	5,215.00	2,875.00	2,625.50
Sub – Total	5,215.00	2,875.00	2,625.50
7 (II) Other Current Financial Asset			
- Security Deposits, Considered Good	19.52	2.05	16.36
- Tax Recoverable	630.21	315.85	139.29
- Interest Receivable	119.56	86.05	106.24
Sub – Total	769.29	403.95	261.89
Total (I + II)	5,984.29	3,278.95	2,887.39

8. Income Taxes

i. The movement in Deferred Tax Assets and Liabilities during the year is as follows:

(Rs.in Lakhs)

Particulars	31 st March, 2023	31 st March, 2022	31 st March, 2021
Opening balance	364.41	767.89	808.21
Tax (Expense)/ Income Recognised in statement of Profit and Loss	(246.11)	(403.63)*	(19.20)
Tax Income/ (Expense) Recognised in OCI	(10.79)	0.15	(21.12)
Closing Balance	107.51	364.41	767.89

* The Company has determined that there is a reasonable certainty that sufficient profits will be available in future to recoup unabsorbed depreciation and carried forward losses and accordingly deferred tax has been recognised on those losses under Ind AS provisions.

ii The Major Component of the Tax expenses are:

(Rs.in Lakhs)

Particulars	31 st March, 2023	31 st March, 2022	31 st March, 2021
Current Income Tax			
For the Year	993.53	-	-
Deferred Tax			
For the Year	256.90	403.48	40.32
Income Tax Expenses	1,250.43	403.48	40.32

iii The Analysis of Deferred Tax Assets / Liabilities and Expenses is as follows

(Rs.in Lakhs)

Particulars	Opening Balance as on 1 st April, 2022	Recognised in Profit & Loss Account	Recognised in Other Comprehensive Income	Closing Balance as on 31 st March, 2023
Deferred Tax Assets				
Carried Forward Losses	291.71	(291.71)	-	-
Leasehold Assets	8.88	5.88	-	14.76
Security Deposit	-	0.16	-	0.16
Employee Benefits	114.63	5.52	(10.79)	109.36
Depreciation on Property, Plant and Equipment	(56.55)	(11.15)	-	(67.70)
Expenses allowed in future period	5.74	(1.44)	-	4.30
Optional Fully Convertible Debenture	-	(0.24)	-	(0.24)
Share Based Payment Expenses	-	46.87	-	46.87
Net Deferred Tax Assets	364.41	(246.11)	(10.79)	107.51

(Rs.in Lakhs)

Particulars	Opening Balance as on 1 st April, 2021	Recognised in Profit & Loss Account	Recognised in Other Comprehensive Income	Closing Balance as on 31 st March, 2022
Deferred Tax Assets				
Carried Forward Losses	689.19	(397.48)	-	291.71
Leasehold Assets	2.43	6.45	-	8.88
Security Deposit	-	-	-	-
Employee Benefits	116.93	(2.45)	0.15	114.63
Depreciation on Property, Plant and Equipment	(40.67)	(15.88)	-	(56.55)
Expenses allowed in future period	-	5.74	-	5.74
Net Deferred Tax Assets	767.89	403.62	0.15	364.41

iv Current Tax Assets (Net)

(Rs.in Lakhs)

Particulars	31 st March, 2023	31 st March, 2022	31 st March, 2021
Advance Payment of Income Tax (net)	280.71	190.94	482.29
Total	280.71	190.94	482.29

9 Other Assets

(Rs.in Lakhs)

Particulars	31 st March, 2023	31 st March, 2022	31 st March, 2021
9 (i) Other Non-Current Asset			
Prepaid Expenses	0.87	2.10	0.43
Capital Advance	160.41	748.42	-
Total	161.28	750.52	0.43
9 (ii) Other Current Asset			
Prepaid Expenses	4.40	10.07	10.33
Advance to Employees	4.43	11.36	11.51
Advance to Suppliers	9,419.35	4,650.13	4,966.79
Total	9,428.18	4,671.56	4,988.63

10. Inventories

(Rs in Lakhs)

Particulars	31 st March, 2023	31 st March, 2022	31 st March, 2021
Raw Materials	1,714.70	539.59	433.91
Work-In-Progress	8,019.15	3,854.66	1,128.63
Stores and Spares	1,712.50	397.00	310.79
Goods in Transit	--	68.37	--
Scrap & By-Products	11.64	25.45	3.21
Total	11,457.99	4,885.07	1,876.54

Refer Note No. 2.11 for Valuation of Inventory

Note: Inventories are Hypothecated to Citizencredit Co-operative Bank Limited, Bandra Branch, Mumbai 400 050 against Cash Credit Limits of Rs.400 Lakhs as per their Sanction Letter No. CCB/ADV/SAN-COR/2022-23/17 dated May 13, 2022 and Sanction Letter No CCB/CAO/ADV/2022-23/40 dated 27.07.2022.

11. Trade Receivables

(Rs in Lakhs)

Particulars	31 st March, 2023	31 st March, 2022	31 st March, 2021
Unsecured			
Considered Good	2,909.45	982.59	882.75
Considered Doubtful		--	
Total	2,909.45	982.59	882.75
Less: Provision for Doubtful Receivables		--	
Total Receivables	2,909.45	982.59	882.75

Note: Trade Receivable are Hypothecated to Citizencredit Co-operative Bank Limited, Bandra Branch, Mumbai 400 050 against Cash Credit Limits of Rs.400 Lakhs as per their Sanction Letter No. CCB/ADV/SAN-COR/2022-23/17 dated May 13, 2022 and Sanction Letter No CCB/CAO/ADV/2022-23/40 dated 27.07.2022.

Trade Receivable Ageing Schedule

Outstanding for following periods from the date of transaction as on March 31, 2023:

(Rs. In Lakhs)

Particulars	Less than 6 months	6 months – 1 year	1 – 2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivable – Considered Good	2,902.48	6.97	-	-	-	2,909.45
(ii) Undisputed Trade Receivables – Which have significant Increase in Credit Risk.	-	-	-	-	-	-
(iii) Undisputed Trade Receivable – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivable – considered Good	-	-	-	-	-	-
(v) Disputed Trade Receivables – Which have significant Increase in Credit Risk.	-	-	-	-	-	-
(vi) Disputed Trade Receivable – Credit Impaired	-	-	-	-	-	-
Total	2,902.48	6.97	-	-	-	2,909.45

Outstanding for following periods from the date of transaction as on March 31, 2022:

(Rs. In Lakhs)

Particulars	Less than 6 months	6 months – 1 year	1 – 2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivable – Considered good	934.13	41.41	-	-	-	975.54
(ii) Undisputed Trade Receivables – Which have significant Increase in credit risk.	-	-	-	-	-	-
(iii) Undisputed Trade Receivable – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivable – considered good	-	7.05	-	-	-	7.05
(v) Disputed Trade Receivables – Which have significant Increase in credit risk.	-	-	-	-	-	-
(vi) Disputed Trade Receivable – credit impaired	-	-	-	-	-	-
Total	934.13	48.46	-	-	-	982.59

Outstanding for following periods from the date of transaction as on March 31, 2021:

(Rs. In Lakhs)

Particulars	Less than 6 months	6 months – 1 year	1 – 2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivable – Considered good	548.66	334.09	-	-	-	882.75
(ii) Undisputed Trade Receivables – Which have significant Increase in credit risk.	-	-	-	-	-	-
(iii) Undisputed Trade Receivable – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivable – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – Which have significant Increase in credit risk.	-	-	-	-	-	-
(vi) Disputed Trade Receivable – credit impaired	-	-	-	-	-	-
Total	548.66	334.09	-	-	-	882.75

12. Cash and Cash Equivalents

(Rs in Lakhs)

Particulars	31 st March, 2023	31 st March, 2022	31 st March, 2021
I Balances with Banks			
In Current Accounts	47.07	1,022.80	465.21
Bank Deposits with original maturity of three months or less	18.91	152.17	-
Cash in Hand	0.08	2.02	4.27
Other Bank Balance			
Margin Money Deposit *	732.60	1,282.41	1359.41
Total	798.66	2,459.40	1,828.89
ii Other Balances with Bank			
Earmarked Balances with Bank **	8.76	-	-
Total	8.76	-	-

* Held against various Bank Guarantees

** Earmarked Balance with banks pertains to Unclaimed Dividend

13. Equity Share Capital

Particulars	31 st March, 2023		31 st March, 2022		31 st March, 2021	
	Nos	Rs. In Lakhs	Nos	Rs. In Lakhs	Nos	Rs. In Lakhs
Authorised Share Capital						
Equity Shares of Re. 1/- each.	120,00,00,000	12,000.00	120,00,00,000	12,000.00	90,00,00,000	9,000.00
Issued, Subscribed and fully paid-up shares						
Equity shares of Re. 1/- each	98,86,98,382	9,886.98	89,86,98,382	8,986.98	89,86,98,382	8,986.98
Total	98,86,98,382	9,886.98	89,86,98,382	8,986.98	89,86,98,382	8,986.98

- i The Board on 19th May, 2022 approved the issuance and allotment of 9,00,00,000 equity shares of face value of Re. 1/- each (“Equity Shares”) at a price of Rs.3.86 each to the warrant holders i.e. Lloyds Metals & Minerals Trading LLP and Aeon Trading LLP pursuant to conversion of 9,00,00,000 convertible warrants (“Convertible Warrants”) into equity shares of the Company in the ratio of 1:1

consequent to the exercise of the option to convert such Convertible Warrants into equity shares of the Company.

Pursuant to the allotment of the said Equity Shares on conversion of Convertible Warrants by the Warrant holders, the paid-up equity share capital of the Company has increased from Rs.89,86,98,382 consisting of 89,86,98,382 equity shares of face value of Re. 1/- each to Rs.98,86,98,382 consisting of 98,86,98,382 equity shares of face value of Re. 1/- each.

- ii The Company has not issued any share as fully paid up without payment being received in cash or as bonus neither shares nor any share has been bought back by the Company in last 5 years.

iii Reconciliation of Number of Shares

Particulars	As at 31 st March, 2023		As at 31 st March, 2022		As at 31 st March, 2021	
	Number of Shares	Rs. in Lakhs	Number of Shares	Rs. in Lakhs	Number of Shares	Rs. in Lakhs
Equity Shares						
Opening Balance	89,86,98,382	8,986.98	89,86,98,382	8,986.98	89,86,98,382	8,986.98
Movement During the year	9,00,00,000	900.00	-	-	-	-
Closing Balance	98,86,98,382	9,886.98	89,86,98,382	8,986.98	89,86,98,382	8,986.98

iv Terms and Rights attached to Equity Shares.

The Company has only one class of Equity Shares having par value of Re.1 per share. Each holder of equity shares is entitled to cast one vote per share.

v Details of Shareholders Holding more than 5 % shares in the Company

Name of Shareholders	31 st March, 2023		31 st March, 2022		31 st March, 2021	
	(Nos.)	(% holding)	(Nos.)	(% holding)	(Nos.)	(% holding)
Shree Global Tradefin Limited (including Ragini Trading & Investment Limited Merged with Shree Global Tradefin Limited)	47,98,37,185	48.53%	47,98,37,185	53.39%	6,53,51,012	7.27%
Firstindia Infrastructure Private Limited (Formerly known as Ultimate Logistics Solutions Pvt. Ltd)	-	-	-	-	28,80,73,478	32.05%
Metallurgical Engineering and Equipments Limited	-	-	-	-	12,63,67,638	14.06%

vi Details of Share held by Holding Company, its Subsidiaries and Associates in the Company.

Name of Shareholders	31 st March, 2023		31 st March, 2022		31 st March, 2021	
	(Nos.)	(% holding)	(Nos.)	(% holding)	(Nos.)	(% holding)
Shree Global Tradefin Limited (including Ragini Trading & Investment Limited Merged with Shree Global Tradefin Limited)	47,98,37,185	48.53%	47,98,37,185	53.39%	-	-

vii Terms of Securities Convertible into Equity Shares as on 31st March, 2023

Sr. No.	Type of Securities issued	Number of Securities			Terms
		Opening	Converted	Closing	
1	Optionally Fully Convertible Debentures (OFCD)	1,51,80,000	-	1,51,80,000	Equivalent number of Equity Shares to be converted within 18 months from the date of issue of OFCD at the discretion of option holder
2	Convertible Warrants	16,50,00,000	9,00,00,000	7,50,00,000	Equivalent number of Equity Shares to be converted within 18 months from the date of issue of Convertible Warrants at the discretion of Warrant holder.

Terms of Securities Convertible into Equity Shares as on 31st March, 2022

Sr. No.	Type of Securities issued	Number of Securities Issued	Terms
1	Optionally Fully Convertible Debentures (OFCD)	1,51,80,000	Equivalent number of Equity Shares to be converted within 18 months from the date of issue of OFCD at the discretion of option holder
2	Convertible Warrants	16,50,00,000	Equivalent number of Equity Shares to be converted within 18 months from the date of issue of Convertible Warrants at the discretion of Warrant holder.

Terms of Securities Convertible into Equity Shares as on 31st March, 2021

Sr. No.	Type of Securities issued	Number of Securities Issued	Terms
1	Optionally Fully Convertible Debentures (OFCD)	Nil	Not Applicable
2	Convertible Warrants	Nil	Not Applicable

viii Disclosure of Shareholding of Promoters

Disclosure of Shareholding of Promoters as on 31st March, 2023 is as follows:

Sr.No	Promoter Name	Shares held by Promoters				% Change during the year
		At March 31, 2023		At March 31,2022		
		No. of Shares	% of total Shares	No. of Shares	% of total Shares	
1	Shree Global Tradefin Limited (including Ragini Trading & Investment Limited Merged with Shree Global Tradefin Limited)	47,98,37,185	48.53%	47,98,37,185	53.39%	(4.86%)*
2	Aeon Trading LLP	4,50,00,000	4.55%	Nil	Nil	4.55%*
3	Lloyds Metals And Minerals Trading LLP	4,50,00,000	4.55%	Nil	Nil	4.55%*
4	Smt. Renu R Gupta	68,680	0.01 %	68,680	0.01 %	-
5	Shri. Rajesh R Gupta	61,438	0.01 %	61,438	0.01 %	-
6	Smt. Chitralkha R Gupta	22,172	0.00 % [#]	22,172	0.00 % [#]	-
7	Smt. Abha M Gupta	7,514	0.00 % [#]	7,514	0.00 % [#]	-
8	Shri. Mukesh R Gupta	7,095	0.00 % [#]	7,095	0.00 % [#]	-

* The percentage change during the year is due to conversion of 9,00,00,000 Convertible warrant into Equity Shares of the company on May 19, 2022.

Represents Percentage less than 0.005%

Disclosure of Shareholding of promoters as on 31st March, 2022 is as follows:

SL.No	Promoter Name	Shares held by Promoters				% Change during the year
		At March 31, 2022		At March 31,2021		
		No. of Shares	% of total Shares	No. of Shares	% of total Shares	
1	Shree Global Tradefin Limited (including Ragini Trading & Investment Limited Merged with Shree Global Tradefin Limited)	47,98,37,185	53.39%	Nil*	Nil*	53.39%
2	Smt. Renu R Gupta	68,680	0.01 %	Nil*	Nil*	0.01 %
3	Shri. Rajesh R Gupta	61,438	0.01 %	Nil*	Nil*	0.01 %
4	Smt. Chitralkha R Gupta	22,172	0.00 % [#]	Nil*	Nil*	0.00 % [#]
5	Smt. Abha M Gupta	7,514	0.00 % [#]	Nil*	Nil*	0.00 % [#]
6	Shri. Mukesh R Gupta	7,095	0.00 % [#]	Nil*	Nil*	0.00 % [#]

7	FirstIndia Infrastructure Private Limited (Formerly known as Ultimate Logistics Solutions Pvt. Ltd.)	Nil	Nil	28,80,73,478	32.05%	(32.05 %)
8	Metallurgical Engineering and Equipments Limited	Nil	Nil	12,63,67,638	14.06%	(14.06%)

Disclosure of Shareholding of promoters as on 31st March, 2021 is as follows:

Sr. No.	Promoter Name	Shares held by Promoters				% Change during the year
		At March 31, 2021		At March 31, 2020		
		No. of Shares	% of total Shares	No. of Shares	% of total Shares	
1	FirstIndia Infrastructure Private Limited (Formerly known as Ultimate Logistics Solutions Pvt. Ltd.)	28,80,73,478	32.05%	28,80,73,478	32.05%	Nil
2	Metallurgical Engineering and Equipments Limited	12,63,67,638	14.06%	12,63,67,638	14.06%	Nil

M/s. Shree Global Tradefin Limited entered into a Share Purchase Agreement ("SPA") on 28th January, 2021 with the erstwhile Promoters/Promoter Group of M/s. Lloyds Steels Industries Limited (Company/Target Company) i.e. M/s. Metallurgical Engineering and Equipments Limited and M/s. FirstIndia Infrastructure Private Limited to acquire the Equity Shares collectively held by them in the Company i.e. 41,44,41,116 Equity Shares of Re 1 each representing 46.11% of the Equity Share Capital/Voting Capital of the Company. Pursuant to the said Share Purchase Agreement which triggered the open offer requirement as per SEBI (SAST Regulations), 2011, the M/s. Shree Global Tradefin Limited made an Offer in terms of Regulation 3(1) and 4 of the said Regulations to acquire upto 23,36,61,600 Equity Shares of Re 1 each, representing 26% of the Equity Share Capital/Voting Capital of the Target Company ("Offer Size") at a price of Re 1 (Rupee One only) per Equity Share ("Offer Price"), payable in cash, to the Public Shareholders of the Target Company. M/s. Shree Global Tradefin Limited has completed the Open Offer formalities as Certified by Manager to the Open Offer, M/s. Mark Corporate Advisory Private Limited vide their letter dated 18th May, 2021.

Pursuant to the said acquisition of 41,44,41,116 Equity Shares (46.11%) of the Company from the exiting Promoter/Promoters/Promoter Group of the Company, M/s. Shree Global Tradefin Limited has become the "Holding Company" of M/s. Lloyds Steels Industries Limited w.e.f. 21st May 2021.

14. Other Equity

Particulars	(Rs in Lakhs)		
	31 st March, 2023	31 st March, 2022	31 st March, 2021
Capital Reserve			
Opening Balance	5.00	5.00	5.00
Transfer from / to Retained Earning	-	-	-
Closing Balance (i)	5.00	5.00	5.00
Retained Earnings			
Opening Balance	2,946.81	2,352.53	2,247.37
Profit for the year	3,682.31	594.72	50.37

Remeasurement of defined employee benefit plans	32.07	(0.44)	54.79
Dividend Paid	(494.35)	-	
-	6,166.84	2,946.81	2,352.53
Money received against Convertible Warrants			
Opening Balance	1,585.14	-	-
Money received against Convertible Warrants	2,605.50	1,592.25	-
Expenses for Convertible Warrants		(7.11)	-
Conversion of Convertible Warrants by Warrant Holder.	(3,474.00)	-	-
Closing Balance (iii)	716.64	1,585.14	-
Share Based Payment Reserve			
Opening Balance	-	-	-
Share Based Payment Expenses	186.97	-	-
Closing Balance (iv)	186.97	-	-
Securities Premium			
Opening Balance	-	-	-
Premium on Conversion of Convertible Warrants by Warrant Holder.	2,574.00	-	-
Closing Balance (v)	2,574.00	-	-
Total Other Equity (i) + (ii) + (iii) + (iv) + (v)	9,649.45	4,536.95	2,357.53

15. Financial Liabilities

(Rs in Lakhs)

Particulars	31 st March, 2023	31 st March, 2022	31 st March, 2021
(i) Non-current			
Borrowings			
Secured			
Vehicle Loans	42.65	23.79	56.45
Unsecured			
Liability Component of Compound financial instruments -OFCD	-	1,862.22	-
Total (i)	42.65	1,886.01	56.45
(ii) Current			
Borrowings			
Other Loans			
Secured			
- Cash Credit *	248.79	-	-
- Current Maturity of Long Term Borrowing	27.49	32.65	30.18
Unsecured			
- Current Maturity of Liability component of Compound Financial Instruments	2,071.10	-	-
- Inter Corporate Deposits	2,249.90	-	-
Total (ii)	4,597.28	32.65	30.18

* Note: Citizencredit Co-operative Bank Limited vide their Sanction Letter No. CCB/ADV/SAN-COR/2022-23/17 dated May 13, 2022 and revised Sanction Letter No. CCB/CAO/ADV/2022-23/40 dated 27.07.2022 have sanctioned a Cash Credit Limit of Rs.400 lakhs against primary and collateral securities for all facilities in form of Mortgage of following fixed assets as under:

Primary Security – Hypothecation of Book Debts and Stock.**Collateral Security -**

1. Plot No.A-5/5, A-5/4 & A-6/3, MIDC Industrial Area, Murbad, Thane- 421401
2. Hypothecation of Existing Plant and Machinery.

15 (iii) Other Financial Liabilities

Unsecured	31st March, 2023	31st March, 2022	31st March, 2021
- Liability Component of Compound financial instruments	-	205.05	-
- Interest Accrued but Not Due	39.64	39.56	0.62
- Employees Payable	126.77	122.65	176.81
- Taxes Payable	81.17	77.84	38.35
- Unclaimed Dividend	8.76	-	-
Total (iii)	256.34	445.10	245.96

The Board of Directors at its meeting held on 27th January, 2022 has made allotment of 1,51,80,000, 12% Optionally Fully Convertible Debentures (OFCD) of Face Value of Rs.13.65 each to “Investors” of non-Promoter category, on preferential allotment basis. Ind AS 109 - Financial instruments has recognized interest on OFCD Rs.252.49 Lakhs for F.Y 2022-23& Rs.44.60 Lakhs for F.Y. 2021-22 under finance cost, liability on OFCD of Rs.2,066.26 Lakhs (Net of Transaction Cost of Rs. 5.81 Lakhs) for F.Y. 2021-2022 under unsecured borrowing & other equity of Rs. Nil.

Repayment of Term Loan

The loans are secured with exclusive charges over vehicles.

Terms of Repayment

(Rs in Lakhs)

Particulars	Amount Outstanding as at 31st March, 2023	F.Y. 23-24	F.Y. 24-25	F.Y. 25-26	F.Y. 26-27 onwards
Loan for Vehicles	70.14	27.49	16.42	10.67	15.56

The rate of interest for vehicles loan varies from bank to bank ranges between from 8 % to 10 %.

The loans are secured with exclusive charges over vehicles.

Terms of Repayment

(Rs in Lakhs)

Particulars	Amount Outstanding as at 31st March, 2022	F.Y. 22-23	F.Y. 23-24	F.Y. 24-25	F.Y. 25-26 onwards
Loan for Vehicles	56.45	32.65	18.37	5.43	0

The rate of interest for vehicles loan varies from bank to bank ranges between from 8 % to 10 %.

The loans are secured with exclusive charges over vehicles.

Terms of Repayment

(Rs in Lakhs)

Particulars	Amount Outstanding as at 31st March, 2021	F.Y. 21-22	F.Y. 22-23	F.Y. 23-24	F.Y. 24-25 onwards
Loan for Vehicles	86.63	30.18	33.81	17.58	5.06

The rate of interest for vehicles loan varies from bank to bank ranges between from 8 % to 10 %.

15(iv) – Lease Liabilities

(Rs. In Lakhs)

Particulars	Non - Current			Current		
	31 st March, 2023	31 st March, 2022	31 st March, 2021	31 st March, 2023	31 st March, 2022	31 st March 2021
Lease Liabilities (Refer Note 5)	496.98	375.29	375.98	83.45	36.36	17.99
Total – Lease Liabilities	496.98	375.29	375.98	83.45	36.36	17.99

16. Provisions

(Rs in Lakhs)

Particulars	31 st March, 2023	31 st March, 2022	31 st March, 2021
Provision for Employees Benefits			
Gratuity	374.81	382.20	363.15
Compensated Absence	54.34	68.54	51.89
Provision for Others			
Expenses	251.88	53.13	92.25
Total	681.03	503.87	507.29
(I) Non - Current – Provisions	359.14	417.95	363.11
(II) Current – Provisions	321.89	85.92	144.18

Refer Note 24 for movement of provision towards employee benefits.

17. Trade Payables

(Rs in Lakhs)

Particulars	31 st March, 2023	31 st March, 2022	31 st March, 2021
(i) MSME	-	-	-
(ii) Others	2,453.88	754.66	696.80
(iii) Disputed Dues – MSME	-	-	-
(iv) Disputed Dues – Others	24.30	24.30	24.30
Total	2,478.18	778.96	721.10

The Company identifies suppliers registered under Micro, Small & Medium Enterprises Development Act, 2006 by sourcing information from suppliers and accordingly made classification based on available information with the Company.

Outstanding for following periods from the date of transaction as on 31.03.2023:

(Rs in Lakhs)

Particulars	Less than 1 year	1 – 2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	2,418.33	15.92	16.45	3.18	2,453.88
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	24.30	24.30

Outstanding for following periods from the date of transaction as on 31.03.2022:

(Rs in Lakhs)

Particulars	Less than 1 year	1 – 2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	716.00	17.02	9.62	12.02	754.66
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	24.30	24.30

Outstanding for following periods from the date of transaction as on 31.03.2021:

(Rs in Lakhs)

Particulars	Less than 1 year	1 – 2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	641.89	28.83	8.88	17.20	696.80
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	24.30	24.30

18. Other Current Liabilities

(Rs in Lakhs)

Particulars	31 st March, 2023	31 st March, 2022	31 st March, 2021
Current			
Advances from Customers	8,912.65	1,830.48	1,875.65
Total	8,912.65	1,830.48	1,875.65

19. Contingent Liabilities & Commitments

(Rs in Lakhs)

Particulars	31 st March, 2023	31 st March, 2022	31 st March, 2021
Contingent Liabilities			
A) Claims against the Company, not acknowledged as Debts *	3,093.77	2,697.11	2,543.06
B) Guarantees			
Guarantees issued by the Company's Bankers on behalf of the Company	1,550.33	1,270.00	1,348.34
C) Income Tax Liability for the Assessment Year 2015-16, 2016-17, 2018-19 & 2019-20 under section 153C, not acknowledged as debts.	1,146.28	1,146.28	-
Commitments			
D) Estimated amount of contracts remaining to be executed on capital account and not provided for.	861.66	2,456.27	-

*The amount assess as contingent liability includes interest component calculated as at reporting period that could be claimed by counter parties.

20. Revenue From Operations

(Rs in Lakhs)

Particulars	For the year ended		
	31 st March, 2023	31 st March, 2022	31 st March, 2021
Sale of Products			
Finished Goods	30,972.14	4,852.54	6,936.66
Other Operating Revenue			
Sale of Scrap & By Products	211.41	46.11	30.27
Job Work Charges	77.43	111.01	38.16
Total	31,260.98	5,009.66	7,005.09

21. Other Income

(Rs in Lakhs)

Particulars	For the Year Ended		
	31 st March, 2023	31 st March, 2022	31 st March, 2021
Interest Income			
On Bank Deposits	60.19	76.33	107.45
From Others	508.10	507.18	579.23
On Security Deposit (As per Ind AS 116)	4.39	-	-
Other Non – Operating Income			
Miscellaneous Income	6.04	372.77	8.25
Gain on Termination – Lease Ind AS 116	-	-	15.65
Liabilities no longer required, Written Back (net)	0.91	18.79	598.79
Total	579.63	975.07	1,309.37

22. Cost of Raw Materials Consumed

(Rs in Lakhs)

Particulars	For the Year Ended		
	31 st March, 2023	31 st March, 2022	31 st March, 2021
Cost of Raw Materials Consumed			
Iron & Steel, etc.	17,955.42	2,774.31	3,982.30
Bought Out Components & Spares	5,010.05	1,069.42	-
Total	22,965.47	3,843.73	3,982.30

23. Changes in Inventories of Finished Goods, Work-In-Progress

(Rs in Lakhs)

Particulars	For the Year Ended		
	31 st March, 2023	31 st March, 2022	31 st March, 2021
Inventories at the end of the year			
Work-In-Progress	8,019.15	3,854.66	1,128.63
Scrap	11.64	25.45	3.21
Total	8,030.79	3,880.11	1,131.84
Inventories at the beginning of the year			
Work-In-Progress	3,854.66	1,128.63	1,380.12
Scrap	25.45	3.21	1.93
Total	3,880.11	1,131.84	1,382.05
Total (Increase) / Decrease in Inventories	(4,150.68)	(2,748.27)	250.21

24. Employee Benefits Expenses As Per IND AS – 19.

(Rs in Lakhs)

Particulars	For the Year Ended		
	31 st March, 2023	31 st March, 2022	31 st March, 2021
Salaries, Wages and Bonus	1,431.16	1,159.52	1,018.92
Contribution to Provident and Other Fund	74.96	62.87	60.99
Gratuity & Leave Encashment Expenses	90.51	74.60	77.60
Staff Welfare /Workmen Expenses	23.08	17.92	12.31
Share Based Payment to Employees (Refer Note No. 29)	186.97	-	-
Managerial Remuneration	99.78	66.04	88.51
Total	1,906.46	1,380.95	1,258.33

Defined Benefit Plan

The Company operates one Defined Benefit Plan, viz., Gratuity Benefit, for its employees. The Gratuity Plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service as per the Payment of Gratuity Act. The Company does not have any fund for Gratuity Liability and the same is accounted for as provision.

Under the other long term employee benefit plan, the Company extends benefit of compensated absences to the employees, whereby they are eligible to carry forward their entitlement of earned leave for encashment upon retirement / separation or during tenure of service. The Plan is not funded by the Company.

Compensated Absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the Balance Sheet Date.

Defined Contribution Plan

Contributions to Defined Contribution Plans are recognised as expense when employees have rendered services entitling them to such benefits.

The Group provides benefits such as Provident Fund Plans to its employees which are treated as Defined Contribution Plans.

The details of Defined Benefit Obligations are as follows:

(Rs in Lakhs)

Particulars	31 st March, 2023		31 st March, 2022		31 st March, 2021	
	Gratuity	Compensated Absence	Gratuity	Compensated Absence	Gratuity	Compensated Absence
Obligation:						
Balance as at beginning of the year	382.20	68.54	363.14	51.89	457.69	78.31
Current Service Cost	37.68	10.36	25.35	17.75	24.96	14.54
Interest Cost	28.28	5.07	24.69	3.53	31.12	5.32
Liability Transfer	-	-	-	-	3.01	1.55
Benefits Paid	(50.06)	(10.06)	(30.30)	(5.90)	(99.56)	(25.99)
Re-measurements	(23.29)	(19.57)	(0.68)	1.27	(54.07)	(21.84)
Present value of Defined Benefit Obligation	374.81	54.34	382.20	68.54	363.14	51.89
Current Portion	61.69	8.32	29.42	3.37	46.23	5.70
Non-Current Portion	313.12	46.02	352.78	65.17	316.91	46.19

(Rs in Lakhs)

Sr. No.	Particulars	Gratuity			Compensated Absence		
		31 st March, 2023	31 st March, 2022	31 st March, 2021	31 st March, 2023	31 st March, 2022	31 st March, 2021
1	Current Service Cost	37.68	25.35	24.96	10.36	17.75	14.54
2	Interest Cost	28.28	24.69	31.12	5.07	3.53	5.32
	Total	65.96	50.04	56.08	15.43	21.28	19.86

Amount recognised in Other Comprehensive Income

(Rs in Lakhs)

Particulars	For the year ended		
	31 st March, 2023	31 st March, 2022	31 st March, 2021
Re-measurements	(42.86)	0.59	(75.91)
Total	(42.86)	0.59	(75.91)

Due to its Defined Benefit Plans, the Company is exposed to the following significant risks:

Changes in Bond Yields - A decrease in bond yields will increase plan liability.

Salary Risk - The present value of the Defined Benefit Plans Liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Existing Assumptions

Particulars	31 st March, 2023	31 st March, 2022	31 st March, 2021
Discount Rate	7.40%	6.80%	6.80%
Salary Escalation Rate	8.00%	8.00%	3% for first year & 8.00% thereafter
Withdrawal Rate	1.00%	1.00%	1.00%
Mortality Rate	Indian Assured Lives (2012- 14)	Indian Assured Lives (2012- 14)	Indian Assured Lives (2012- 14)
Retirement Age	58 - 62 Years	62 Years	62 Years

The Company regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

The impact of sensitivity due to changes in the significant actuarial assumptions on the defined benefit obligations is given in the table below: (Rs in Lakhs)

Particulars	Change in Assumption	31 st March, 2023		31 st March, 2022		31 st March, 2021	
		Gratuity	Compensated Absence	Gratuity	Compensated Absence	Gratuity	Compensated Absence
Discount Rate	+1%	348.96	50.25	355.78	62.80	335.50	47.48
	-1%	404.43	59.08	412.22	74.58	394.80	57.05
Salary Growth Rate	+1%	403.97	59.00	411.58	74.44	394.12	56.94
	-1%	348.84	50.24	355.82	62.81	335.54	47.48
Withdrawal Rate	+1%	374.48	54.27	381.65	68.05	361.14	51.52
	-1%	375.16	54.40	382.77	68.64	365.35	52.31

The above sensitivity analysis is determined based on a method that extrapolates the impact on the net defined benefit obligations as a result of reasonable possible changes in the significant actuarial assumptions. Further, the above sensitivity analysis is based on a reasonably possible change in a particular under-lying actuarial assumption, while assuming all other assumptions to be constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated.

The table below summarises the Maturity Profile and duration of the Gratuity Liability:

(Rs in Lakhs)

Particulars	31 st March, 2023	31 st March, 2022	31 st March, 2021
Within one year	61.69	29.42	46.23
More than one – upto three years	32.02	19.76	46.73
More than three – upto five years	42.29	46.88	24.18
Above five years	238.81	286.14	246.00
Weighted average duration (in years)	9.48 years	9.48 years	8.47 years

The table below summarises the Maturity Profile and duration of the Compensated Absence Liability:

(Rs.in Lakhs)

Particulars	31 st March, 2023	31 st March, 2022	31 st March, 2021
Within one year	8.32	3.37	5.70
More than one – upto three years	5.92	4.19	7.48
More than three – upto five years	5.94	9.43	3.23
Above five years	34.16	51.55	35.48
Weighted average duration (in years)	9.48 years	9.48 years	8.47 years

25. Manufacturing and Other Expenses

(Rs in Lakhs)

Particulars	For the year ended		
	31 st March, 2023	31 st March, 2022	31 st March, 2021
Power Charges	100.22	61.17	46.04
Fuel & Gases Charges	94.63	22.95	10.60
Freight and Forwarding Charges (net)	343.68	91.35	362.20
Other Expenses of Production	1,510.93	454.79	353.66
Engineering and Processing Charges	2,039.11	495.23	607.91
Rent	12.03	7.34	6.90
Rates and Taxes	36.18	67.42	12.27
Insurance	12.62	9.73	10.15
Repairs and Maintenance:			
- Plant and Machinery	4.03	3.30	--
- Buildings	2.29	--	--
- Others	66.84	38.67	135.07
Other Selling Expenses	13.12	63.40	14.09
Commission and Brokerage	6.97	1.92	7.19
Legal & Professional Charges	444.10	463.98	141.90
Directors' Sitting Fees	3.12	3.52	2.72
Payment to Auditor (Refer details below)	3.14	2.04	2.00
Loss on Sale of Fixed Assets (net)	57.77	0.40	--
Net Gain / Loss on Foreign Currency Transaction	18.26	64.00	19.90
Travelling & Conveyance Expenses	169.00	107.83	52.44
Miscellaneous Expenses	376.95	102.91	732.72
Total	5,314.99	2,061.95	2,517.76

Payments to Auditor

(Rs in Lakhs)

Particulars	For the year ended		
	31 st March, 2023	31 st March, 2022	31 st March, 2021
As Auditor:			
Audit Fees	2.25	1.50	1.50
Tax Audit Fees	0.75	0.50	0.50
In other capacity:			
Certification Charges	0.14	0.04	--
Total	3.14	2.04	2.00

25 (i) Exceptional Items

(Rs in Lakhs)

Particulars	For the year ended		
	31 st March, 2023	31 st March, 2022	31 st March, 2021
One time Settlement against Securities offer to Third Party	250.00	-	-
Total	250.00	-	-

During the F.Y. 2022-23 Rs.250 lakhs was paid to IDBI Bank Limited as One Time Settlement for release of Company's Assets which were mortgaged for loan of Erstwhile Company M/s Uttam Value Steels Limited from which M/s. Lloyds Steels Industries Limited was Demerged w.e.f.1st April 2014.

26. Finance Costs

(Rs in Lakhs)

Particulars	For the year ended		
	31 st March, 2023	31 st March, 2022	31 st March, 2021
Interest			
Interest on Vehicle Loan / Others	15.39	6.12	32.48
Interest on Inter Corporate Deposits	30.29	--	--
Interest on Optionally Fully convertible Debentures	252.49	44.60	-
Interest on Right to use (Ind AS 116) (Refer Note 5)	47.87	38.05	33.00
Other Borrowing Costs			
Bank & Finance Processing Charges	48.12	13.13	11.33
Total	394.16	101.90	76.81

27. Depreciation and Amortization Expense

(Rs in Lakhs)

Particulars	For the year ended		
	31 st March, 2023	31 st March, 2022	31 st March, 2021
Depreciation on Tangible Assets (Refer Note 4)	148.08	84.42	97.38
Depreciation on Right to Use – AS 116 (Refer Note 5)	90.18	49.30	62.11
Total	238.26	133.72	159.49

28. Earnings Per Share ('EPS')

The followings is a reconciliation of the equity shares considered for computation of basic and diluted earnings per equity share:

Particulars			2022-2023	2021-2022	2021-2022
Weighted average number of Equity share for basic EPS	(A)	Nos	89,86,98,382	89,86,98,382	89,86,98,382
Potential Dilution in equity shares	(B)	Nos	4,67,75,005	4,67,75,005	-
Weighted average number of Equity shares for diluted EPS	(A+B=C)	Nos	94,54,73,387	94,54,73,387	89,86,98,382
Face value of equity share (Fully Paid)		Re	1	1	1
Profit attributable to equity shareholders for					
Basic	(D)	Rs. in Lakhs	594.28	594.28	50.37
Diluted	(E)	Rs. In Lakhs	3,682.31	628.10	50.37
Earnings per equity share					
Basic	(D / A)	Rs	0.38	0.07	0.01
Diluted	(E / C)	Rs	0.36	0.06	0.01

29. Share Based Payments Plans (ESOP)

The Company introduced “LLOYDS STEELS INDUSTRIES LIMITED ESOP – 2021” which covers the eligible employees of the Company. The options granted under Plan shall vest based upon the performance of the Employee, subject to completion of minimum 1 (One) year from the date of Grant and as may be decided by the Committee subject to maximum period of 7 (Seven) years.

Details of “LLOYDS STEELS INDUSTRIES LIMITED ESOP – 2021”

Date of Grant	Option granted in Shares	Weighted average fair value of options	Exercise Price in Rs.
27-Oct-2022	1,00,61,000	10.68	7.50

The fair value of the options was estimated on the date of grant using the Black Scholes Model with the following assumptions

Grant Date	Vest Date	Historical Volatility	Average life of the options (in Years)	Risk – free Interest rate	Dividend Yield
27-Oct-2022	27-Oct-2023	70.57 %	2.50 years	6.96 %	0.07%
27-Oct-2022	31-Mar-2024	81.55 %	2.93 Years	7.06 %	0.07%
27-Oct-2022	31-Mar-2025	86.62 %	3.93 Years	7.20 %	0.07%
27-Oct-2022	31-Mar-2026	81.19 %	4.93 Years	7.28 %	0.07%

The information covering stock options is as follows:

Particulars	ESOP 2021
Outstanding at the beginning of F.Y. 2022-2023	-
Granted	1,00,61,000
Forfeited / Lapsed	2,09,000
Exercised	-
Outstanding at the end of the F.Y. 2022-2023	98,52,000
Exercisable at the end of the F.Y. 2022-2023	-

Since equity shares are listed hence for the purpose of calculating volatility, volatility of shares based on the expected life is considered

Total expenses arising from share-based payment transactions recognized in profit or loss as part of employee benefit expense were as follows:

(Rs. In Lakhs)

Particulars	2022 – 2023	2021 – 2022	2020 – 2021
Share Based Payment Expenses Compensation Cost	186.97	-	-
Total employee share based payment expenses	186.97	-	-

30. Segment Reporting as per IND AS – 108.

The Company has single business Segment namely Engineering Products and Services.

31. Related Party Disclosures

Disclosure on Related Party Transactions as required by Ind AS 24 – Related Party Disclosures is given below:

a. Holding Company

Holding Company	Shree Global Tradefin Limited
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b Key Managerial Personnel:

Sr. No.	Name	Designation
1	Shri. Mukesh R. Gupta	Chairman & Whole Time Director
2	Shri. Kalpesh P Agrawal	Chief Financial Officer
3	Ms. Meenakshi Pansari	Company Secretary
4	Shri. Rajashekhar M. Alegavi	Non Executive Director
5	Shri . Ashok S. Tandon	Non Executive Director
6	Shri. Satyendra N. Singh	Independent Director
7	Smt. Bela Sunder Rajan	Independent Director
8	Shri. Ashok Kumar Sharma	Independent Director
9	Shri. Kishorkumar M. Pradhan	Independent Director
10	Shri. Lakshman Ananthsubramanian	Independent Director

a. Close family members of Key Managerial Personnel who are under the employment of the Company

Shri Shreekrishna Mukesh Gupta

b. Entities where Directors / Close Family Members of Directors have Control / Significant Influence:

1. M/s. Lloyds Metals & Energy Limited
2. M/s. Hemdil Estates Private Limited
3. M/s. Lloyds Luxuries Limited
4. M/s. Trofi Chain Factory Private Limited

Terms and Conditions of Transactions with Related Parties

1. The Company has been entering into transactions with Related Parties for its business purposes. Related Party Vendors are selected competitively in line with other unrelated parties having regard to strict adherence to quality, timely servicing and cost advantage. Further related party vendors provide additional advantages in terms of:
 - (a) Supplying products primarily to the Company,
 - (b) Advanced and innovative technology.
 - (c) Customisation of products to suit the Company's specific requirements, and
 - (d) Enhancement of the Company's purchase cycle and assurance of just in time supply with resultant benefits-notably on working capital.
2. The purchases from and sales to related parties are made on terms equivalent to and those applicable to all unrelated parties on arm's length transactions. Outstanding balances payable and receivable at the year-end are unsecured, interest free and will be settled in cash.

Compensation of Key Management Personnel of the Company

(Rs. In Lakhs)

Particulars	Year 2022 – 23	Year 2021 – 22	Year 2020 – 21
Short-term employee benefits	133.39	92.13	135.88
Post-employment benefits	19.75	9.72	57.69
Total compensation paid to key management personnel	153.14	101.85	193.57

Details of transactions with and balance outstanding of Key Managerial personnel (KMP) / Close Family Member of Key Managerial Personnel:

(Rs. In Lakhs)

Name of the related party	Nature of transaction	Year 2022 – 23		Year 2021 – 22		Year 2020 – 21	
		Transaction Value	Outstanding Amount	Transaction Value	Outstanding Amount	Transaction Value	Outstanding Amount
M/s. Shree Global Tradefin Limited	Dividend	239.92	-	-	-	-	-
Shri. Mukesh Gupta	Remuneration	100.00	3.30	66.81	2.51	-	-
Shri. Shree Krishna Gupta (Close Family Members of KMP)	Remuneration	183.50	13.25	181.97	0.11	-	-
Shri. Kalpesh Prakash Agrawal	Remuneration	25.86	1.15	19.47	1.18		
	Expenses Reimbursement	0.89	-				
Ms. Meenakshi Ankit Pansari	Remuneration	7.53	0.51	5.85	0.51		
	Expenses Reimbursement	0.04	-		-		
Shri. Rajashekhar M. Alegavi	Consultancy	16.80	1.26	14.78	1.35		
	Sitting Fees	0.36	-	0.68	-		
	Expenses Reimbursement	1.78	-		-		
	Commission	-	-	7.70	-		
Shri. Ashok S. Tandon	Consultancy	17.50	-	174.36	0.04		
	Sitting Fees	0.28	-	0.68	-		
	Expenses Reimbursement	0.43	-	-	-		
Shri Satyendra N. Singh	Sitting Fees	0.60	-	0.84	-		
Smt. Bela Sunder Rajan	Sitting Fees	0.40	-	0.60	-		
Shri. Ashok Kumar Sharma	Sitting Fees	0.44	-	0.48	-		
Shri. Kishorkumar M. Pradhan	Sitting Fees	0.44	-	0.72	-		
Shri. Lakshman Ananthsubramanian	Sitting Fees	0.60	-	0.84	-		
Others	Dividend	45.08	-	-	-		

Dividend paid to Entities controlled / significantly influenced by Directors / Close Family Members has been shown under others, which are less than 10 % of overall dividend paid to related parties.

Details of transactions with and balances outstanding of Entities Controlled / Significantly influenced by Directors / Close Family Members of Directors

(Rs. In Lakhs)

Name of the related party	Nature of transaction	Year 2022 – 23		Year 2021 – 22		Year 2020 – 21	
		Transaction Value	Outstanding / (advances) Amount	Transaction Value	Outstanding / (Advances) Amount	Transaction Value	Outstanding / (Advances) Amount
M/s. Lloyds Metals & Energy Limited **	Sale of Goods	24,426.15	(7,522.97)	1,956.20	(75.63)	-	-
	Other Income	-	-	40.93	-	-	-
M/s. Hemdil Estates Private Limited **	Rent	12.00	0.93	7.00	-	-	-
M/s. Lloyds Luxuries Limited **	Other Services Paid	0.07	-	-	-	-	-
M/s. Trofi Chain Factory P. Ltd **	Other Services Paid	0.15	0.15	-	-	-	-

** Related parties with effect from 31.05.2021.

32. Financial and Capital Risk

1. Financial Risk

The business activities of the Company expose it to a variety of financial risks, namely Market Risks (i.e. Foreign Exchange Risk, Interest Rate Risk and Price Risk), Credit Risk and Liquidity Risk. The Company's Risk Management Strategies focus on the un-predictability of these elements and seek to minimise the potential adverse effects on its financial performance.

The Financial Risk Management for the Company is driven by the Company's Senior Management and internal/ external experts subject to necessary supervision.

The Company does not undertake any speculative transactions either through derivatives or otherwise. The senior management is accountable to the Board of Directors and Audit Committee. They ensure that the Company's financial risk-taking activities are governed by appropriate financial risk governance frame work, policies and procedures. The Board of Directors periodically reviews the exposures to financial risks, and the measures taken for risk mitigation and the results thereof.

i) Foreign Currency Risk

Foreign Exchange Risk arises on all recognised monetary assets and liabilities and on highly probable forecasted transactions which are denominated in a currency other than the functional currency of the Company. The Company has foreign currency trade payables and advance from customers.

The Foreign Exchange Risk Management Policy of the Company requires it to manage the foreign exchange risk by transacting as far as possible in the functional currency.

The yearend foreign exposures that have not been hedged by a derivative instrument or otherwise are given below

Particulars	Foreign currency		
	USD	Euro	GBP
For the Year 2022 - 2023			
Trade Payables – in Foreign Currency (full figures)	(15,690.40)	(34,904.25)	-
Trade Payables – Rs in Lakhs	(12.90)	(31.28)	-
Advance to Supplier – in Foreign Currency (full figures)	21,242.00	1,659.46	628.00
Advance to Supplier – Rs in Lakhs	17.46	1.49	0.64
Year 2021 - 2022			
Trade Payables – in Foreign Currency (full figures)	(15,690.40)	(55,651.06)	--
Trade Payables – Rs in Lakhs	(11.89)	(47.11)	--
Advance to Supplier – in Foreign Currency (full figures)	25,000.00	--	
Advance to Supplier – Rs in Lakhs	18.95	--	
Year 2020 – 2021			
Trade Payables – in Foreign Currency (full figures)	(15,690.40)	(36,619.91)	
Trade Payables – Rs in Lakhs	(11.53)	(31.53)	
Advance to Supplier – in Foreign Currency (full figures)	--	--	701.07
Advance to Supplier – Rs in Lakhs	--	--	0.71
Advance From Customer – in Foreign Currency (full Figure)	2,02,080.00		
Advance From Customer – Rs . in Lakhs	148.54		

No forward contracts were entered into by the Company since the Company has very minimum exposure to foreign currency risk as stated in above table.

Foreign Currency Sensitivity

(Rs in Lakhs)

Particulars	Change in Currency Exchange Rate	Effect on (Profit)/Loss Before Tax	Effect on Equity (OCI)
For the year ended 31st March, 2023			
Euro	+5%	1.56	--
	-5%	(1.56)	--
Others	+5%	0.65	--
	-5%	(0.65)	--
For the year ended March 31, 2022			
Euro	+5%	2.36	--
	-5%	(2.36)	--
Others	+5%	0.59	--
	-5%	(0.59)	--
For the year ended March 31, 2021			
Euro	+5%	1.58	--
	-5%	(1.58)	--
Others	+5%	7.97	--
	-5%	(7.97)	--

The sensitivity disclosed in the above table is mainly attributable to, in case of to foreign exchange gains / (losses) on trade payables and trade receivables. The above sensitivity analysis is based on a reasonably possible change in the under-lying foreign currency against the respective functional currency while assuming all other variables to be constant.

Based on the movements in the foreign exchange rates historically and the prevailing market conditions as at the reporting date, the Company's management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

ii) Price Risk

The Company uses surplus fund in operations and for further growth of the Company. Hence, there is no price risk associated with such activity.

iii) Credit Risk

Credit risk refers to the risk of default on its obligation by the counter-party, the risk of deterioration of creditworthiness of the counter-party as well as concentration risks of financial assets and thereby exposing the Company to potential financial losses. The Company is exposed to credit risk mainly with respect to trade receivables.

Trade Receivables

The Trade receivables of the Company are typically non-interest bearing un-secured. As there is no independent credit rating of the customers available with the Company, the management reviews the credit-worthiness of its customers based on their financial position, past experience and other factors. The credit risk related to the trade receivables is managed / mitigated by concerned team based on the Company's established policy and procedures and by setting appropriate payment terms and credit period. The credit period provided by the Company to its customers depend upon the contractual terms with the customers.

The ageing analysis of Trade Receivables as at the reporting date is as follows:

Particulars	(Rs in Lakhs)	
	Less than six months	More than six months
Trade Receivables as at 31 st March, 2023	2,902.48	6.97
Trade Receivables as at 31 st March, 2022	934.13	48.46
Trade Receivables as at 31 st March, 2022	548.66	334.09

The Company performs on-going credit evaluations of its customer's financial condition and monitors the credit-worthiness of its customers to which it grants credit in its ordinary course of business. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount due or there are some disputes which in the opinion of the management is not in the Company's favour. Where the financial asset has been written-off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit and loss.

iv) Liquidity Risk

Liquidity Risk is the risk that the Company will not be able to meet its financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, the Company closely monitors its liquidity position and deploys a robust cash management system.

Based on past performance and current expectations, the Company believes that the Cash and Cash equivalents and cash generated from operations will satisfy its working capital needs, capital expenditure, investment requirements, commitments and other liquidity requirements associated with its existing operations, through at least the next twelve months.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:-

(Rs in Lakhs)

Particulars	As at 31 st March, 2023			
	Less than one year	More than one year	Total	Carrying Value
Trade Payables	2,418.33	59.85	2,478.18	2,478.18
Lease Liabilities	134.19	613.01	747.20	747.20
Other Financial Liabilities	256.34	-	256.34	256.34
Total Financial liabilities	2,808.86	672.86	3,481.72	3,481.72

Particulars	As at 31 st March, 2022			
	Less than one year	More than one year	Total	Carrying Value
Trade Payables	716.00	62.96	778.96	778.96
Lease Liabilities	73.51	503.16	576.67	576.67
Other Financial Liabilities	445.10	-	445.10	445.10
Total Financial Liabilities	1,234.61	566.12	1,800.73	1,880.73

Particulars	As at 31 st March, 2021			
	Less than one year	More than one year	Total	Carrying Value
Trade Payables	641.89	79.21	721.10	721.10
Other Financial Liabilities	245.96	-	245.96	245.96
Total Financial Liabilities	887.85	79.21	887.85	887.85

v) Capital Risk

The Company's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its Shareholders, and benefits for other Stakeholders), support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and/or relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital. However, the key objective of the Company's capital management is to, ensure that it maintains a stable capital structure with the focus on total equity, uphold investor; creditor and customer confidence and ensure future development of its business activities. In order to maintain or adjust the capital structure, the Company may issue new shares, declare dividends, return capital to shareholders, etc. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements.

Fair Value of Financial Assets and Liabilities

The carrying value and fair value of the Company's financial instruments are as follows:

Particulars	Carrying Value as of			Fair Value as of		
	31st March, 2023	31st March, 2022	31st March, 2021	31st March, 2023	31st March, 2022	31st March, 2021
Financial Assets						
FVTPL						
Amortised cost						
Trade Receivables	2,909.45	982.59	882.75	2,909.45	982.59	882.75
Cash and Cash Equivalents	798.66	2,459.40	1,828.89	798.66	2,459.40	1,828.89
Other Balance with Banks	8.76	-	-	8.76	-	-
Loans	5,215.00	2,875.00	2,625.50	5,215.00	2,875.00	2,625.50
Other Financial Assets	769.29	403.95	261.89	769.29	403.95	261.89
Total	9,701.16	6,720.94	5,599.03	9,701.16	6,720.94	5,599.03
Financial Liabilities						
FVTPL						
Amortised Cost						
Trade Payables	2,478.18	778.96	721.10	2,478.18	778.96	721.10
Other Financial Liabilities	256.34	445.10	245.96	256.34	445.10	245.96
Total	2,734.52	1,224.06	967.06	2,734.52	1,224.06	967.06

33. Dividend

(Rs. In lakhs)

Particulars	Financial Year 2022 - 23	Financial Year 2021 - 22	Financial Year 2020 - 21
Dividend on equity shares paid during the year			
Final Dividend for the FY 2021 – 22 (Re. 0.05 per equity share of Re 1/- each)	494.35	-	-
Total	494.35	-	-

Proposed Dividend

The Board of Directors of the Company at its meeting held on 27th April, 2023 have recommended payment of final dividend of ten paise per equity share of face value of Re 1/- each for the financial year ended 31st March, 2023. The same amounts to Rs. 988.70 lakhs

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

34. OFCD & Convertible Warrants Issue and Utilisation Statement

The Company raised the funds through -

- 1) The Board of Directors of the Company at its meeting held on 22nd November 2021 has made an allotment of 16,50,00,000 Convertible Warrants of Face Value of Re 1/- each at a premium of Rs. 2.86 to Promoter/ Promoter Group, on preferential allotment basis. Further the Board of Directors of the Company at its meeting held on 19th May, 2023 converted 9,00,00,000 Convertible Warrants of Face Value of Re 1/- each at a premium of Rs. 2.86 to Promoter/ Promoter Group, on preferential allotment basis. Company has received 25% amounting to Rs. 1,592.25 lakhs was received in FY 2021 – 22 and 75% amounting to Rs. 2,605.50 lakhs the Issue price was received on F.Y. 2022-23.
- 2) The Board of Directors of the company at its meeting held on 27th January, 2022 has made an allotment of 1,51,80,000, 12% Optionally Fully Convertible Debentures (OFCD) of face value of Rs. 13.65 each to “Investors” of Non-Promoter category, on preferential allotment basis. Company has received a sum of Rs. 2,072.07 lakhs in FY 2021-22.

The funds raised through the respective issues were utilized for the purpose for which it was raised and in accordance with the objectives of the said preferential issue stated in the explanatory statement to the notice of general meeting.

35. Additional Regulatory Information

Ratios

Ratio	Numerator	Denominator	Financial Year 2022 -23	Financial Year 2021 -22	Financial Year 2020 -21	Reason for 25% Variation for FY 22-23 vis FY 21-22
Current Ratio (times)	Total Current Assets	Total Current Liabilities	1.85	5.13	4.31	Due to increase in the short term debts
Debt – Equity Ratio (times)	Debt consists of borrowing and lease liabilities	Shareholder’s Fund	0.27	0.19	0.04	Due to issue of Inter Corporate Deposits, Cash Credit.
Debt Service Coverage Ratio (times)	Earning for Debt service	Debt service cost	0.85	2.19	2.41	Due to Borrowings in form of ICD etc.
Return on Equity Ratio (%)	Profit for the year (PAT)	Shareholder’s Fund	18.85 %	4.40 %	0.56%	Due to better profit margin
Inventory turnover Ratio (times)	Revenue from Operations	Average Inventory	3.83	1.48	3.52	Due to decrease in turnover and increase in Inventory
Trade Receivables turnover ratio (times)	Revenue from Operations	Average trade receivables	16.06	5.37	4.18	Due to increase in average collection period
Trade Payables turnover ratio (times)	Total Cost	Average trade payables	16.78	7.37	7.14	Due to increase in turnover.
Net capital turnover ratio (times)	Revenue from Operations	Capital Employed	1.46	0.31	0.70	Due to decrease in turnover and increase in working capital
Net Profit ratio (%)	Profit for the year	Revenue from Operations	11.78%	11.87 %	0.61%	
Return on Capital employed (%)	Profit before tax and finance cost	Capital employed	21.12 %	6.84 %	1.14%	Due to increase in profit margin
Return on Investments	Earning from Investment	Total Investment	-	-	-	

36. Title deeds of Immovable Properties not held in name of the Company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (Rs. In Lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter, director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property, Plant & Equipment	Building-Flat at Rooprekha Co-op. Housing Society Limited	5.15	Lloyds Steel Industries Limited	NO	1 st April, 2014	The Company has received the property due to demerger order passed by Bombay High Court

37. Corporate Social Responsibility (CSR) Expenditure:

(Rs. In Lakhs)

Particulars	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2021
Amount required to be spent by the company during the year	10.72		
- Amount of the expenditure incurred	19.04	-	-
- Reason for shortfall	Not Applicable	Not Applicable	Not Applicable
Nature of CSR Activities	The Company's CSR Programme is focused on improving the quality of life of the communities by providing them good nutritious diet. We are proud that our Organization with the help of Akshaya Chaitanya an NGO in Mumbai with an attempt to make food accessible to the needy across Mumbai by serving them hot, nutritious, locally palatable meals prepared at their very own state-of-the-art FSSAI Compliant Kitchen. We were able to contribute with the NGO to scale up the operations and to feed about 14,000 plus people every day with hot and nutritious meals.		

38. A) Reconciliation between published Profit/(Loss) and restated profit/(Loss)

(Rs. In Lakhs)

Particulars	For the Year Ended		
	31st March, 2023	31 st March, 2022	31 st March, 2021
Total Comprehensive Income as per Published Statement of Profit and Loss	3,714.38	594.28	105.16
Adjustments	0.00	0.00	0.00
Total Restated Comprehensive Income as per Restated Statement of Profit and Loss	3,714.38	594.28	105.16

B) Reconciliation between published equity and restated equity

(Rs. In Lakhs)

Particulars	As at		
	31st March, 2023	31 st March, 2022	31 st March, 2021
Total Equity as per Published financial statements	9,886.98	8,986.98	8,986.98
Adjustments	0.00	0.00	0.00
Equity as per Restated Statement Asset and Liabilities	9,886.98	8,986.98	8,986.98

39. The restated financial information was approved for issue by the Board of Directors on 1st July, 2023.

In terms of our report attached
For S Y Lodha & Associates
Chartered Accountants
ICAI Firm Reg. No. W136002W

For and on behalf of the Board of Directors

Suraj Shivshankar Agarwal
Partner
Membership No. 143251
UDIN: 23143251BGTWOR5483

Mukesh R. Gupta
Chairman
DIN: 00028347

Kishore M. Pradhan
Independent Director
DIN: 02749508

Place : Mumbai
Date : 01.07.2023

Kalpesh P. Agrawal
Chief Financial Officer

Meenakshi A. Pansari
Company Secretary
ACS - 53927

UNAUDITED INTERIM FINANCIAL INFORMATION

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S Y LODHA AND ASSOCIATES

Unit No 309, New Sonal Link Industrial Service Premises, Link Road,
Malad West Mumbai – 400064; Contact: 022-35635006;
E-mail: query@syla.in; Website: www.syla.in



Independent Auditor’s Limited Review Report on the Quarterly Unaudited Standalone Financial Results of the Company Pursuant to Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to,
The Board of Directors
Lloyds Engineering Works Limited
(Formerly Known as Lloyds Steels Industries Limited)
Plot No A-5/5, MIDC Industrial Area,
Murbad, Thane MH 421401.

Dear Sirs,

Re: Limited Review Report of the Unaudited Standalone Financial Results for the quarter ended 30th June, 2023 and year to date from 1st April 2023 to 30th June, 2023

We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Lloyds Engineering Works Limited** for the quarter ended **30th June, 2023, and year to date from 1st April, 2023 to 30th June, 2023 (“the Statement”)** attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and 52 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, (‘the Regulation’) as amended (the “Listing Regulations”).

This Statement which is the responsibility of the Company’s Management and approved by the Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 “Interim Financial Reporting “(“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with regulation 33 and 52 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

We have conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, “*Review of Interim Financial Information performed by the Independent Auditor of the Entity,*” issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free from material misstatement. A review of interim financial information consists of making inquiries, primarily of personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of Unaudited Financial Results prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation 33 and 52 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S Y Lodha & Associates
Chartered Accountants
ICAI Firm Reg No. - 136002W

Shashank Lodha
Partner
M. No.: 153498
UDIN.: 23153498BGXKBI2718
Date: 7th August, 2023
Place: Mumbai



LLOYDS ENGINEERING WORKS LIMITED

(Formerly known LLOYDS STEELS INDUSTRIES LIMITED)

Regd Off. : PLOT NO. A 5/5, MIDC INDUSTRIAL AREA, MURBAD, DIST. THANE: 421401.

Phone no : +91-2524 222271 E-mail : infoengg@lloyds.in

CIN : L28900MH1994PLC081235. Website : www.lloydsengg.in

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2023

(Rs. In Lakhs)

Sr. No.	Particulars	For the Quarter Ended			Year Ended	
		June 30, 2023	March 31, 2023	June 30, 2022	March 31, 2023	
		Unaudited	Audited (Refer Note No. 12)	Unaudited	Audited	
I	Revenue From Operations	11,311.66	17,384.99	5,077.07	31,260.98	
II	Other Income	194.71	125.05	139.21	579.63	
III	Total Revenue (I+II)	11,506.37	17,510.04	5,216.28	31,840.61	
IV	Expenses					
	a) Cost of Materials Consumed	10,511.30	10,487.97	2,495.05	22,965.47	
	b) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(3,173.34)	3,827.14	(45.36)	(4,150.68)	
	c) Employee Benefits Expense	703.60	581.34	375.20	1,906.46	
	d) Manufacturing and Other Expenses	1,814.22	1,200.12	1,018.68	5,314.99	
	e) Finance Cost	95.39	124.51	75.02	394.16	
	f) Depreciation & Amortisation Expense	67.24	77.47	40.01	238.26	
	Total Expenses (a to f)	10,018.41	16,298.55	3,958.60	26,668.66	
V	Profit / (Loss) before Exceptional Items and Tax (III-IV)	1,487.96	1,211.49	1257.68	5,171.95	
VI	Exceptional Items	-	-	250.00	250.00	
VII	Profit / (Loss) before Tax (V-VI)	1,487.96	1,211.49	1,007.68	4,921.95	
VIII	Tax Expense - Current Tax	400.64	323.53	-	993.53	
	- Deferred Tax Expenses / (Income)	(196.58)	246.11	-	246.11	
IX	Profit / (Loss) for the period (VII-VIII)	1,283.90	641.85	1,007.68	3,682.31	
X	Other Comprehensive Income (OCI)					
	a) Items that will not be reclassified to Profit & Loss	29.06	43.30	(0.15)	42.86	
	b) Income Tax relating to (a) above	(7.31)	(10.90)	0.04	(10.79)	
	c) Items that will be reclassified to profit and loss		-	-	-	
	d) Income Tax relating to (c) above		-	-	-	
	Other Comprehensive Income	21.75	32.40	(0.11)	32.07	
XI	Total Comprehensive Income/(loss) for the period (IX+X)	1,305.65	674.25	1,007.57	3,714.38	
	Paid up Equity Share Capital (of Re 1/- each)	10,636.98	9,886.98	9,886.98	9,886.98	
	Other Equity excluding Revaluation Reserve				9,649.45	
	EPS - Basic (in Rs) (not annualised)	0.12	0.28	0.11	0.38	

Notes :

1	The above Financial Results were reviewed and recommended by the Audit Committee and have been approved and taken on record by the Board of Directors at its meeting held on August 7, 2023.
2	These financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
3	The Statutory Auditors have carried out Limited Review of the Financial Results for the quarter ended June 30, 2023.
4	During the quarter, the Company has granted 32,52,200 options on April 27, 2023 under 'Lloyds Steels Industries Limited Employee Stock Option Plan - 2021' to the eligible employees of the Company at an exercise price of Rs. 9.50 each. These stock options shall vest as per the vesting schedule as mentioned in LLOYDS STEELS ESOP - 2021."
5	During the quarter, the Board on May 10, 2023 approved the issuance and allotment of 7,50,00,000 equity shares of face value of Re. 1/- each ("Equity Shares") at a price of Rs.3.86 each to the warrant holders i.e. Lloyds Metals & Minerals Trading LLP and Aeon Trading LLP pursuant to conversion of 7,50,00,000 convertible warrants ("Convertible Warrants") into equity shares of the Company in the ratio of 1:1 consequent to the exercise of the option to convert such Convertible Warrants into equity shares of the Company.
6	Pursuant to the allotment of the said Equity Shares to Promoter/Promoter group on conversion of Convertible Warrants by the Warrant holders i.e. Lloyds Metals & Minerals Trading LLP and Aeon Trading LLP, total Promoter/Promoter holding has been increased from 57.65 % to 60.64 %.
7	Pursuant to the allotment of the said Equity Shares on conversion of Convertible Warrants by the Warrant holders, the paid-up equity share capital of the Company has increased from Rs. 98,86,98,382 consisting of 98,86,98,382 equity shares of face value of Re. 1/- each to Rs.106,36,98,382 consisting of 106,36,98,382 equity shares of face value of Re. 1/- each.
8	The Board of Directors at its meeting held on July 1, 2023 has considered and approved the allotment of 1,51,80,000 Equity Shares of Re. 1/- each at a premium of Rs. 12.65 each pursuant to conversion of 12% Optionally Fully Convertible Debentures ("OFCDs") consequent to exercise of the option to convert such OFCDs into Equity shares of the Company. Pursuant to the said allotment of the said Equity Shares, the paid-up equity share capital of the Company has increased from Rs. 106,36,98,382 consisting of 106,36,98,382 equity shares of face value of Re. 1/- each to Rs.107,88,78,382 consisting of 107,88,78,382 equity shares of face value of Re. 1/- each.
9	The Company has single business segment namely Engineering Products and Services.
10	Earning Per Share are not annualised except for the year ended March 31, 2023
11	The figures for the last quarter are the balancing figure between audited financial result for the year and unaudited nine months financial results published earlier.
12	The figures for the March 31, 2023 quarter are the balancing figure between audited financial result for the year and unaudited nine months financial results published earlier.
13	The Orders in hand as on June 30, 2023 is Rs. 81,608.76 lakhs..
14	The name of the company has been changed from "LLOYDS STEELS INDUSTRIES LIMITED" to LLOYDS ENGINEERING WORKS LIMITED with effect from JULY 25, 2023 as approved by Registrar of Companies, Mumbai.
15	The results for the quarter and year ended June 30, 2023 are available on the website of BSE at www.bseindia.com , NSE at www.nseindia.com and on company's website at www.lloydsengg.in .

STATEMENT OF CAPITALISATION

The following table sets forth the capitalisation statement as of June 30, 2023, on the basis of our Unaudited Interim Financial Information and financial records as derived from the books of accounts, and as adjusted for the Issue. This table should be read in conjunction with "Risk Factors", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", beginning on pages 21, 91 and 160, respectively.

Particulars	Pre-Issue As on June 30, 2023	Rs. In Lakhs As Adjusted for the Issue *
Borrowings		
Long-term borrowings	37.76	
Vehicle Loan	37.76	
<hr/>		
Short-term borrowings	2,153.19	
OFCD **	2,072.65	
Cash Credit	64.54	
Current maturities of Long-term borrowings	16.00	
Total Borrowings	2,190.95	
<hr/>		
Total Equity		
Equity Share Capital ***	10,636.98	
Other Equity ***	12,520.63	
Total Equity	23,157.61	
<hr/>		
Long Term Borrowings/Equity	0.002	
Total Borrowings / Equity Ratio	0.09	
*Shareholders fund post Issue can be calculated only on the conclusion of the Issue and has not been adjusted for estimated Issue related expenses .		
**Comprises of amount outstanding towards OFCDs which has since been converted into 1,51,80,000 equity shares of Re. 1 /- each at a price of Rs. 13.65 per equity share on July 01, 2023.		
***This terms shall carry the meaning as per Schedule III of the Companies Act		
Notes:		
Short-term borrowings represent debts which are due within 12 months from June 30, 2023		

Note: As per the certificate dated August 08, 2023 issued by the Statutory Auditor.

OTHER FINANCIAL INFORMATION

Sr No	Particulars	For the year ended 31st March		
		2023	2022	2021
A	Net worth as Restated (₹ in Lakhs)	19,536.43	13,523.93	11,344.51
B	Restated Profit attributable to equity shareholders for Basic Earnings Per Equity Share (₹ in Lakhs)	3,682.31	594.72	50.37
C	Restated Profit attributable to equity shareholders for Diluted Earnings Per Equity Share (₹ in Lakhs)	3,682.31	628.10	50.37
D	Weighted average number of equity shares outstanding during the year			
	For Basic Earnings Per Equity Share	97,68,62,765	89,86,98,382	89,86,98,382
	Potential Dilution in Equity Shares	7,24,06,977	4,67,75,005	-
	For Diluted Earnings Per Equity Share	1,04,92,69,742	94,54,73,387	89,86,98,382
E	Earning Per Equity Share			
	Basic Earnings Per Equity Share (₹) (B/D)	0.38	0.07	0.01
	Diluted Earnings Per Equity Share (₹) (C/D)	0.36*	0.06*	0.01
F	Return on Net Worth (%) (B/A*100)	18.85	4.40	0.44
G	Number of Equity Shares outstanding at the end of the Year	98,86,98,382	89,86,98,382	89,86,98,382
H	Net asset value per equity share of ₹ 1 each (A/G)	1.98	1.50	1.26
I	Face value of equity shares (₹)	1.00	1.00	1.00
J	Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA) (₹ in Lakhs)	5,506.25	1,433.24	294.53

*As required by IND AS 33, Diluted EPS does not include the effect of OFCDs as it has antidilutive effect on EPS.

Sr No	Particulars	For the 3 months period Ended June 30, 2023
A	Net worth as per Unaudited Interim Financial Information for the period (₹ in Lakhs)	23,157.61
B	Profit (as per Unaudited Interim Financial Information) attributable to equity shareholders for Basic Earnings Per Equity Share (₹ in Lakhs)	1,283.90
C	Profit (as per Unaudited Interim Financial Information) attributable to equity shareholders for Diluted Earnings Per Equity Share (₹ in Lakhs)	1,283.90
D	Weighted average number of equity shares outstanding during the period	
	For Basic Earnings Per Equity Share	1,03,15,55,525
	Potential Dilution in Equity Shares	83,81,479
	For Diluted Earnings Per Equity Share	1,03,99,37,004
E	Earning Per Equity Share	
	Basic Earnings Per Equity Share (₹) (B/D) (not annualised)	0.12
	Diluted Earnings Per Equity Share (₹) (C/D) (not annualised)	0.12*
F	Return on Net Worth (%) (B/A*100)	5.54
G	Number of Equity Shares outstanding at the end of the period	1,06,36,98,382

Sr No	Particulars	For the 3 months period Ended June 30, 2023
H	Net asset value per equity share of ₹ 1 each (A/G)	2.18
I	Face value of equity shares (₹)	1.00
J	Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA) (₹ in Lakhs)	1,647.31

** As required by IND AS 33, Diluted EPS does not include the effect of OFCDs as it has antidilutive effect on EPS.*

Note: As per the certificate dated August 08, 2023 issued by the Statutory Auditor.

FINANCIAL INDEBTEDNESS

Following is a summary of our Company's outstanding borrowings as on July 31, 2023:

Sr No.	Nature of Borrowings	Amount (Rs. In lakhs)
1	Secured Borrowings	51.79
2	Unsecured Borrowings	0.00
Total		51.79

The details of loans are as under:

There are following is break up of secured borrowings:

							(Rs. In lakhs)
Particulars	Nature of Facility	Sanctioned Amount	Outstanding Amount	Rate of Interest	Primary Security	Repayment	
Citizencredit Co-operative Bank Limited	Cash Credit	400.00	-	9% p.a.	See Note	Repayable On Demand	
HDFC Bank Limited	Vehicle Loans (Three Vehicles)	64.32	45.17	8 % p.a. to 10 % p. a.	Respective Vehicle	Balance Period of 2 to 4 Years. EMI – Rs. 1.32 Lakhs	
Mahindra Finance Limited	Vehicle Loan	8.80	6.62	5.90%	Vehicle	Balance Period of 2 Years. EMI- Rs.0.28 Lakhs	
Total		473.12	51.79				

Note:

Primary Security Hypothecation of Stock and Book-debts

Collateral Security

1. Mortgage of Plot No. A-5/5, MIDC Industrial Area, Murbad, Thane- 421 401, admeasuring to 11,531 Sq. Mtrs. along with building constructed thereon admeasuring 2,156.25 Sq. Mtrs.
2. Mortgage of Plot No. A-5/4, MIDC Industrial Area, Murbad, Thane- 421 401, admeasuring to 8,085 Sq. Mtrs.
3. Mortgage of Plot No. A-6/3, MIDC Industrial Area, Murbad, Thane-421 401, admeasuring to 4,800 Sq. Mtrs. along with building constructed thereon admeasuring 3,826.19 Sq. Mtrs.
4. Hypothecation of Existing Plant & Machinery valued at Rs.861.00 Lakhs.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

*The following discussion of our financial condition and results of operations should be read in conjunction with (a) our restated financial statements for the financial years ended March 31, 2021, March 31, 2022 and March 31, 2023 included in this Draft Letter of Offer, prepared in accordance with the Companies Act and Indian Accounting Standard (Ind AS) and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in the Chapter titled- "**Restated Financial Information**" beginning on page 91 of this Draft Letter of Offer; and (b) Unaudited Interim Financial Information beginning on page 151 of this Draft Letter of Offer. Our Company's Financial Year commences on April 01 and ends on March 31 of the following year, so all references to a particular Financial Year or Fiscal are to the twelve months ended March 31 of that year. Ind AS may differ in certain aspects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Letter of Offer, nor do we provide reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Ind AS financial statements included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Ind AS and SEBI ICDR Regulations.*

*Some of the information contained in this discussion, including information with respect to our plans and strategies, contains forward-looking statements that involve risks and uncertainties and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in "**Risk Factors**" and "**Forward Looking Statements**" beginning on pages 21 and 15 of this Draft Letter of Offer respectively. In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Lloyds Engineering Works Limited (formerly known as "Lloyds Steels Industries Limited"), our Company.*

BUSINESS OVERVIEW

Brief History

Our Company was incorporated as "Climan Properties Private Limited" on September 19, 1994, as a private limited Company under the Companies Act, 1956, and was granted the Certificate of Incorporation by the Registrar of Companies, Mumbai. Subsequently, our Company was converted into a Public Limited Company and the name of our Company was changed to "Climan Properties Limited" on April 17, 2000, vide a fresh certificate of incorporation issued by the Registrar of Companies, Mumbai. Thereafter, the name of our Company was changed from "Climan Properties Limited" to "Encon Technologies Limited" pursuant to a fresh Certificate of Incorporation dated April 19, 2000. Subsequently, the name of our Company was changed to "Lloyds Encon Technologies (I) Limited" on May 31, 2011, vide a fresh certificate of incorporation issued by the Registrar of Companies, Mumbai. The name of our Company was changed to "Lloyds Steels Industries Limited" on May 04, 2013, vide a fresh Certificate of Incorporation issued by the Registrar of Companies, Mumbai.

Pursuant to a Scheme between UVSL and Lloyds Steels Industries Limited, the engineering division of UVSL was demerged from UVSL into Lloyds Steels Industries Limited, by the Hon'ble High Court of Judicature at Bombay vide its order dated October 30, 2015 and speaking to minutes of the order dated November 30, 2015. Subsequent to the sanction of the Scheme, Lloyds Steels Industries Limited was listed on the Stock Exchanges on July 18, 2016.

Furthermore, in May 2021, there was a significant change in the management of the Company due to a takeover in accordance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. As a consequence, Shree Global Tradefin Limited (promoter of Lloyds Metals and Energy Limited) emerged as the new promoters of the Company, taking over the management and control from promoter entities of UVSL belonging to Miglani family of Uttam group.

Thereafter, the name of our Company was changed from "Lloyds Steels Industries Limited" to "Lloyds Engineering Works Limited" vide a fresh Certificate of Incorporation dated July 25, 2023 issued by the Registrar of Companies, Mumbai.

Overview of our Company Operations

Our Company bearing CIN L28900MH1994PLC081235 is a process plant equipment provider in India.

We provide a comprehensive package of engineering and infrastructure solutions, encompassing designing, engineering, manufacturing, fabrication, and installation of heavy equipment, machinery and systems across a wide spectrum of industries including hydrocarbon, steel, nuclear power, marine, ports, and civil domains.

Our workshop located at Murbad, Thane Dist. Maharashtra is accredited with ISO 9001:2015 certification by SGS, UK.

Further, as approved by our Board in its meeting held on March 15, 2023, our Company has on March 15, 2023 entered into a Memorandum of understanding with Thriveni Earthmovers Private Limited ("**TEPL**") to incorporate a new company with the name and style of Lloyds Infrastructure & Construction Limited for all construction activities such as design, engineering and construction of road infrastructure, bridge infrastructure, railway infrastructure, industrial civil work, complex /township, slurry pipeline, fabrication of steel structures and technological structure. Also, erection and installation of steel structures, technological structures and equipment's, electrical & instrumentation components and mechanical & utilities etc. or any type of government or private construction contracts including BOOT, BOO, BOLT, PPP Models and the same can be carried out on own-account basis or on a fee or contract basis.

INDUSTRIES SERVED:

- Hydrocarbon
- Steel
- Nuclear Power
- Marine/Navy
- Ports/Jetties/Refineries
- Power

OUR KEY PRODUCTS

- a) Industrial Process Plant Equipment
- b) Steel Plant Equipment, Machinery and Packages
- c) Waste Heat Recovery Boilers and AFBC / CFBC Boilers
- d) Gas / Air Dryers
- e) Marine / Truck/Wagon Loading Arms
- f) Naval Steering Gear & Stabilizer systems with Controls (Electro-Hydraulic & Mechanical)

OUR ORDER BOOK:

An overview of our Order Book for the last three (3) Financial Years and for the three (3) months period ending June 30, 2023 is as set forth below:

Particulars	FY2020-2021	FY2021-2022	FY2022-2023	Rs. In Lakhs	
				As on June 30, 2023	
Opening Order Book	5,467.77	21,601.59	37,715.85	68,294.28	
Orders Received (including amendments)	23,138.91	21,123.92	61,836.54	24,626.14	
Orders Executed	7,005.09	5,009.66	31,260.98	11,311.66	
Closing Order Book	21,601.59	37,715.85	68,294.28	81,608.76	

For Fiscals 2023, 2022 and 2021, our revenue from operation was ₹31,260.98 Lakhs and ₹5,009.66 Lakhs and 7,005.09 Lakhs, respectively and ₹11,311.66 Lakhs for the 3 months period ending June 30, 2023 and ₹5,077.07 Lakhs for the 3 months period ending June 30, 2022. For Fiscals 2023, 2022 and 2021, our profit after tax was ₹3,682.31 Lakhs, 594.72 Lakhs and ₹50.37 Lakhs, respectively and ₹1,283.90 Lakhs for the 3 months period ending June 30, 2023 and ₹1,007.68 Lakhs for the 3 months period ending June 30, 2022.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

We believe that the following factors have significantly affected our results of operations and financial condition during the periods under review and may continue to affect our results of operations and financial condition in the future.

Changes in overall Capex cycle or delays in the award of projects:

Our business is substantially dependent on projects undertaken by our Customers which are primarily in the mid-market segment. In the event of any adverse change in their expansion plan or a downturn in available work resulting from any change in policies or priorities, our business prospects, and as a result our revenues or cash flows, may be adversely affected resulting in our ability to participate in competitive bidding.

Finance costs and fluctuations in interest rates

Our projects, by their nature, are typically capital intensive and may require debt financing by our Customers and thereby could increase the overall cost of the contracts. We expect that rising levels of interest rates and fluctuations thereto, could have a material impact on the cost of the contracts and accordingly their plans to undertake the capital expenditure by our Customers and accordingly could impact our ability to win contracts and revenues.

Price of Raw Materials and Bought-out Components

Prices of Raw Materials, primarily iron and steel and Bought-out Components, constitute the most significant portion of our total cost. For Fiscal 2023, Fiscal 2022 and Fiscal 2021, our cost of raw materials consumed constituted 72.13%, 64.23% and 47.90% respectively of our total revenue. Prices for these raw materials can be volatile and depend on commodity prices in the markets, which, in turn, depend on changes in global economic conditions, industry cycles, supply-and-demand dynamics, attempts by individual producers to capture market share, and market speculation, among other factors. Our contracts do not have any provision of escalation and accordingly, we are unable to pass fluctuations in raw material prices on to our customers and hence our margins may be positively or negatively affected by fluctuations in raw material prices.

Seasonality and weather conditions

Our business activities and projects may be materially and adversely affected by severe weather conditions, which may force us to evacuate personnel or curtail services, replace damaged equipment and facilities or suspend our execution activities during unfavourable weather conditions. Heavy or sustained rainfalls or other extreme weather conditions such as cyclones could result in delays or disruptions to our execution activities during the critical periods of our projects. Monsoon season could limit our ability to carry on construction activities or to fully utilize our resources. Our business activities may also be adversely affected by other natural disasters, including earthquakes and floods, which may cause interruptions of our operations and damages to our properties and working environment which may not be adequately covered by the insurance policies availed by us. During periods of curtailed activity due to severe weather conditions or natural disasters, we may continue to incur operating expenses but our revenues from operations may be delayed or reduced.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Restated Financial Statements and Unaudited Interim Financial Information. For details of our significant accounting policies, please refer section titled "*Financial Information*" on page 91.

CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS

There has been no change in accounting policies in last 3 years.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

For details, see section titled "*Financial Information*" on page 91.

Principal components of our statement of profit and loss account Revenue

The following descriptions set forth information with respect to the key components of the Restated Financial Statements and Unaudited Interim Financial Information.

Total income

Our revenue comprises of:

Revenue from operations

Our revenue from operations consists of sale of products and other operating revenue. Sale of Products primarily consists of Sale of Finished goods. Other operating revenue consists of sale of scraps and job work charges.

Other Income

Other income primarily comprises certain of Interest Income which is Bank Deposits, Interest on Inter Corporate Deposits, Security Deposits and others and other non-operating income.

Expenses

Our expenses primarily comprise cost of raw materials, changes in inventories of finished goods & work in progress, employee benefit expenses, manufacturing and other expenses, finance costs, depreciation and amortization expenses.

Cost of Raw Material Consumed

Cost of Raw Material consumed consists of Iron & Steel and Bought-out Components.

Changes in Inventories of Finished Goods, Work in progress & Stock-in -Trade.

Changes in inventories of finished goods, work in progress comprises of difference in closing balance vis-a-vis opening balance of finished goods, work in progress.

Employee Benefits Expenses.

Employee benefit expense consists of salaries, wages, gratuity and leave encashment, bonus, contribution to provident and other fund, Staff welfare, Share based payments to Employees & Managerial Remuneration.

Manufacturing & Other Expenses

Manufacturing and other expenses primarily consists of freight and forwarding charges, Engineering and Processing Charges, other expenses of productions and Legal & Professional Charges etc.

Finance cost

Finance cost comprises interest expense and other borrowing costs. Interest expense, generally, comprises interest on Vehicle Loan, Interest on inter Corporate Deposits, Interest on Optionally fully convertible Debentures & Interest on Right to use. The other Borrowing costs consists of Bank & Finance Processing Charges.

Depreciation and Amortization Expense

Depreciation and amortization expense comprises of depreciation on Tangible Assets & right-of-use asset.

Tax Expenses

Tax Expenses consists of Current Tax, Deferred Tax Expenses & Mat Credit Tax Reversals

Result Of Our Operations

The following table sets forth, for the period indicated certain items from our restated financial statements, in each case also stated as a percentage of our total income.

Particulars	(Amount Rs. In Lakhs)					
	For the year ended March 31		For the year ended March 31		2021	% of Total Income
	2023	% of Total Income	2022	% of Total Income	2021	% of Total Income
INCOME						
Revenue From Operations	31,260.98	98.18	5,009.66	83.71	7,005.09	84.25
Other Income	579.63	1.82	975.07	16.29	1,309.37	15.75
Total Income(A)	31,840.61	100.00	5,984.73	100.00	8,314.46	100.00
EXPENDITURE						
Cost of Material Consumed	22,965.47	72.13	3,843.73	64.23	3,982.30	47.90
Changes in Inventories	(4,150.68)	(13.04)	(2,748.27)	(45.92)	250.21	3.01
Employees Benefit expenses	1,906.46	5.99	1,380.95	23.07	1,258.33	15.13
Finance Cost	394.16	1.24	101.90	1.70	76.81	0.92
Depreciation & Amortization Expenses	238.26	0.75	133.72	2.23	159.49	1.92
Other Expenses	5,314.99	16.69	2,061.95	34.45	2,517.76	30.28
Total Expenses(B)	26,668.66	83.76	4,773.98	79.77	8,244.90	99.16
Profit Before Extra-ordinary items and tax C=A-B	5,171.95	16.24	1,210.75	20.23	69.56	0.84
Exceptional Item(D)	250.00	0.79	-	-	-	-
Profit Before TAX E=C-D	4,921.95	15.46	1,210.75	20.23	69.56	0.84
Tax Expenses-						
i)Current Tax	993.53	3.12	-	-	-	-
ii) MAT credit Entitlement	-	-	212.4	3.55	-	-
iii)Taxes for Previous Years	-	-	-	-	-	-
iv)Deferred Tax Expenses/Income	246.11	0.77	403.63	6.74	19.19	0.23
Total Tax Expenses	1,239.64	3.89	616.03	10.29	19.19	0.23
Profit for the Year	3,682.31	11.56	594.72	9.94	50.37	0.61
Other Comprehensive Income						
Items not to be reclassified to profit or loss						
Re-measurement (losses)/gains or defined benefit plans	42.86	0.13	(0.59)	(0.01)	75.91	0.91
Income Tax Credit/(expenses)	(10.79)	(0.03)	0.15	0.00	(21.12)	(0.25)
Other Comprehensive Income for the year	32.07	0.10	(0.44)	(0.01)	54.79	0.66
Total Comprehensive (loss)/gain for the year	3,714.38	11.67	594.28	9.94	105.16	1.26

Particulars	For the three months period ended June 30			
	2023	% of Total Income	2022	% of Total Income
INCOME				
Revenue From Operations	11,311.66	98.31	5,077.07	97.33
Other Income	194.71	1.69	139.21	2.67
Total Income(A)	11,506.37	100.00	5,216.28	100.00
EXPENDITURE				
Cost of Material Consumed	10,511.30	91.35	2,495.05	47.83
Changes in Inventories	(3,173.34)	(27.58)	(45.36)	(0.87)
Employees Benefit expenses	703.6	6.11	375.2	7.19
Finance Cost	1,814.22	15.77	1,018.68	19.53
Depreciation & Amortization Expenses	95.39	0.83	75.02	1.44
Other Expenses	67.24	0.58	40.01	0.77
Total Expenses(B)	10,018.41	87.07	3,958.60	75.89
Profit Before Extra-ordinary items and tax C=A-B	1,487.96	12.93	1,257.68	24.11
Exceptional Item(D)	0	0	(250.00)	(4.79)
Profit Before TAX E=C-D	1,487.96	12.93	1,007.68	19.32
Tax Expenses-				
i)Current Tax	400.64	3.48	0.00	0.00
ii)Deferred Tax Expenses/Income	(196.58)	(1.71)	0.00	0.00
Total Tax Expenses	204.06	1.77	0.00	0.00
Profit for the Year	1,283.90	11.16	1,007.68	19.32
Other Comprehensive Income				
Items not to be reclassified to profit or loss				
Re-measurement (losses)/gains or defined benefit plans	29.06	0.25	(0.15)	0.00
Income Tax Credit/(expenses)	(7.31)	(0.06)	0.04	0.00
Other Comprehensive Income for the year	21.75	0.19	(0.11)	0.00
Total Comprehensive (loss)/gain for the year	1,305.65	11.35	1,007.57	19.32

COMPARISON OF THREE MONTHS PERIOD ENDING JUNE 30, 2023 WITH THREE MONTHS PERIOD ENDING JUNE 30, 2022

Revenue From Operations

The revenue from operations for the three months period ending June 30, 2023 increased by 122.80 % to ₹11,311.66 Lakhs as compared to ₹5,077.07 Lakhs for the three months period ending June 30, 2022. This increase was primarily due to increase in order book and execution of high value projects during three months period ending June 30, 2023.

Other Income

The other income for the three months period ending June 30, 2023 increased by 39.87% to ₹194.71 Lakhs as compared to ₹139.21 Lakhs for the three months period ending June 30, 2022. The increase was primarily on account of reimbursement of Letter of Credit discounting charges from a customer of ₹ 58.48 Lakhs.

Expenses

Cost of Raw Materials Consumed

Cost of Raw Materials Consumed for the three months period ending June 30, 2023 increased by 321.29% to

₹10,511.30 Lakhs as compared to ₹2,495.05 Lakhs for the three months period ending June 30, 2022. The increase is in line with the increase in the order book and execution of high value projects, increase in work-in-progress and substantial increase in Bought-out components which constituted 26.26% (three months period ending June 30, 2023) as against 0.16% (three months period ending June 30, 2022) of Cost of Raw Materials Consumed.

Changes in inventories of finished goods, Work in Progress and stock in trade

Changes in inventories of Finished Goods, Work in Progress and Stock in Trade for the three months period ending June 30, 2023 was ₹ (3,173.34) Lakhs as compared to ₹ (45.36) Lakhs for the three months period ending June 30, 2022 which is primarily due to increase in closing inventories of work-in-progress of various jobs under execution.

Employee Benefit Expense

Employee Benefit expenses for the three months period ending June 30, 2023 increased by 87.53% to ₹703.60 Lakhs as compared to ₹375.20 Lakhs for the three months period ending June 30, 2022. The increase was primarily due to impact of ESOP expenses of Rs 137.18 Lakhs (41.77% of total increase), increase in head counts at managerial and support level, increments and incentives given to employees.

Finance Cost

Finance cost for the three months period ending June 30, 2023 increased by 27.15% to ₹95.39 Lakhs as compared to ₹75.02 Lakhs for three months period ending June 30, 2022. The increase was primarily due to interest on vehicle loan, interest on inter-corporate deposit, bank and processing charges.

Depreciation & Amortization

The Depreciation and amortization expense for three months period ending June 30, 2023 increase by 68.06% to ₹67.24 Lakhs as compared to ₹40.01 Lakhs for the three months period ending June 30, 2022. The increase was primarily due to depreciation on fixed assets capitalized during subsequent quarters of last financial year and effect of IND AS 116 – Lease Accounting.

Manufacturing & Other Expense

Other Expenses for the three months period ending June 30, 2023 increase by 78.10% to ₹1,814.22 Lakhs as compared to ₹1,018.68 Lakhs for the three months period ending June 30, 2022. The increase primarily was due to increase in our execution of projects resulting in increase in cost relating to Other expenses of Production (increase by 701.57%), Engineering and Processing charges (increase by 212.14%), fuel & gas charges (increase by 520.51%), freight and forwarding charges (increase by 34.10%), and other manufacturing miscellaneous expenses as reduced by profit on sale of fixed assets and regrouping of stores & spares to raw material in three months period ending June 30, 2023.

Profit before Tax

Due to reasons stated above, the Profit before Tax for the three months period ending June 30, 2023 increased by 18.31% to ₹1,487.96 Lakhs as compared to ₹1,257.68 Lakhs for the three months period ending June 30, 2022.

Exceptional Items

During the three months period ending June 30, 2022 Rs.250.00 lakhs was paid to IDBI Bank Limited as One Time Settlement for release of some of our Company's assets which were mortgaged for loan taken by UVSL prior to the demerger of the engineering division into our Company.

Profit after Tax (PAT)

Due to reasons stated above, Profit After Tax for the three months period ending June 30, 2023 increased by 27.41% to ₹1,283.90 Lakhs as compared to ₹1,007.68 Lakhs for the three months period ending June 30, 2022.

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2023 WITH FINANCIAL YEAR ENDED MARCH 31, 2022

Revenue From Operations

The revenue from operations for the FY 2022-23 increased by 524.01% to ₹31,260.98 Lakhs as compared to ₹5,009.66 Lakhs during the FY 2021-22. This increase was primarily due to increase in order book and successful execution of major projects during FY 2022-23.

Other Income

The other income for the FY 2022-23 decreased by 40.56% to ₹579.63 Lakhs as compared to ₹975.07 Lakhs for the FY 2021-22. The decrease was due to forfeiture of advance from customer of Rs. 300.00 Lakhs, included in miscellaneous income for the FY 2021-22.

Expenses

Cost of Raw Material Consumed

Cost of Raw Material Consumed for the FY 2022-23 increased by 497.48% to ₹22,965.47 Lakhs as compared to ₹3,843.73 Lakhs during the FY 2021-22. The increase is in line with the increase in the order book and successful execution of major projects and increase in work-in-progress during the year FY 2022-23 supported by reduction in Bought out components and spares which constituted 21.82% (FY 2022-23) as against 27.82% (FY 2021-22) of Cost of Raw Materials Consumed.

Changes in inventories of Finished Goods, Work in Progress and Stock in Trade

Changes in inventories of Finished Goods, Work in Progress and Stock in Trade for the FY 2022-23 was (₹4,150.68) Lakhs as compared to (₹2,748.27) Lakhs during the FY 2021-22 which was primarily due to increase in closing inventories of work-in-progress consequent to increased number of jobs under execution.

Employee Benefit Expense

Employee Benefit expenses for the FY 2022-23 increase by 38.05% to ₹1,906.46 Lakhs as compared to ₹1,380.95 Lakhs for FY 2021-22. The increase was primarily due to impact of increase in head counts at managerial and support level, increments and incentives given to employees as part of performance.

Finance Cost

Finance cost for the FY 2022-23 increased by 286.81% to ₹394.16 Lakhs as compared to ₹101.90 Lakhs in FY 2021-22. The increase was primarily due to full year interest charge of Optionally Fully Convertible Debentures in FY 2022-23 as compared to for approx. 2 months in FY 2021-22, interest on inter-corporate deposit taken during FY 2-22-23 as well as due to increase in Bank and processing charges due to increased activities followed by increase in interest on vehicle loans.

Depreciation & Amortization

The Depreciation and amortization expense for FY 2022-23 increase by 78.18% to ₹238.26 Lakhs as compared to ₹133.72 Lakhs for FY 2021-22. The increase was primarily due to increased depreciation on capital expenditure incurred during FY 2022-23 and effect of IND AS 116 – Lease Accounting.

Manufacturing & Other Expense

Other Expenses for the FY 2022-23 increase by 157.77% to ₹5,314.99 Lakhs as compared to ₹2,061.95 Lakhs for FY 2021-22. The increase primarily was due to increase in our execution of projects resulting in increase in cost relating to Engineering and Processing charges (increase by 311.75%), freight and forwarding charges (increase by 276.22%), Other expenses of Production (increase by 232.23%), travelling & conveyance expenses (increase by 56.73%) and other manufacturing and miscellaneous expenses.

Profit before Tax

Due to factors discussed above, the Profit before Tax in FY 2022-23 increased by 306.52% to ₹4,921.95 Lakhs as compared to ₹1,210.75 Lakhs in FY 2021-22.

Exceptional Items

The Exceptional Items for the FY 2022-23 was ₹250 Lakhs. During the F.Y. 2022-23 Rs.250.00 lakhs was paid to IDBI Bank Limited as One Time Settlement for release of some of our Company's assets which were mortgaged for loan taken by UVSL prior to the demerger of the engineering division into our Company.

Profit after Tax (PAT)

Due to factors discussed above, Profit After Tax in the FY 2022-23 increased by 519.17% to ₹3682.31 Lakhs as compared to ₹594.72 Lakhs in FY 2021-22.

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2022 WITH FINANCIAL YEAR ENDED MARCH 31, 2021**Revenue from operations**

The revenue from operations for the FY 2021-22 decreased by 28.49% to ₹5,009.66 Lakhs as compared to ₹7,005.09 Lakhs during the FY 2020-21. The decrease was primarily due to effects of continuation of Covid-19 due to which lot of enquiries and tendering process were delayed and at the end of the year fresh orders were received which were due for executions in subsequent years as is evident from our Closing Order book which increased to ₹37,715.85 Lakhs in FY 2021-22 from ₹21,601.59 Lakhs in FY2020-21.

Other Income

The other income for the FY 2021-22 decreased by 25.53% to ₹975.07 Lakhs as compared to ₹1,309.37 Lakhs for the FY 2020-21. The decrease was primarily due to liability written back of Rs. 597.09 Lakhs in FY 2020-21 which was offset by increase on account of forfeiture of advance from customer of Rs. 300.00 Lakhs, included in miscellaneous income for the FY 2021-22.

Expenses**Cost of Raw Material Consumed**

Cost of Raw Material Consumed for the FY 2021-22 decreased by 3.48% to ₹3,843.73 Lakhs as compared to ₹3,982.30 Lakhs during the FY 2020-21. Even though our Revenue from operations had decreased significantly, the decrease in Cost of Raw Material Consumed decreased only by 3.48% primarily due to effect of increased prices of raw materials viz. iron and steel due to Covid – 19 and significant increase in work-in-progress during the year FY 2021-21 as several jobs were under executions during the year-end.

Changes in inventories of Finished Goods, Work in Progress and Stock in Trade

Changes in inventories of Finished Goods, Work in Progress and Stock in Trade for the FY 2021-22 was (₹2,748.27) Lakhs as compared to ₹250.21 Lakhs during the FY 2020-21 which was primarily due to increase in closing inventories of work-in-progress in FY2021-22 consequent to increased number of jobs under execution as compared to previous year.

Employee Benefit Expense

Employee Benefit expenses for the FY 2021-22 increase by 9.74% to ₹1,380.95 Lakhs as compared to ₹1,258.33 Lakhs for FY 2020-21. The increase was primarily due to impact of increase in head counts at the support staff level.

Finance Cost

Finance cost for the FY 2021-22 increase by 32.67% to ₹101.90 Lakhs as compared to ₹76.81 Lakhs in FY 2020-21 showing primarily was due to interest on Optionally Fully Convertible Debentures as well as the effect of IND AS 116 – Lease Accounting while interest on vehicle & other loans reduced during the same period.

Depreciation & Amortization

The Depreciation and amortization expense for FY 2021-22 decreased by 16.16% to ₹133.72 Lakhs as compared to ₹159.49 Lakhs for FY 2020-21. The decrease was due to effect of IND AS 116 – Lease Accounting due to change in corporate office location.

Manufacturing & Other Expense

Other Expenses for the FY 2021-22 decreased by 18.10% to ₹2,061.95 Lakhs as compared to ₹2,517.76 Lakhs for FY 2020-21 primarily due to decrease in our execution of projects resulting in decrease in cost relating to Engineering and Processing charges (decrease by 18.54%), freight and forwarding charges (decrease by 74.77%), Other expenses of Production (decrease by 22.52%), (increase by 56.73%) and other manufacturing and miscellaneous expenses while travelling & conveyance expenses and legal & professional charges increased during the period under review as compared to earlier year.

Profit before Tax

Due to factors discussed above, the Profit before Tax increased by 1640.58% to ₹1,210.75 Lakhs in FY 2021-22 as compared to ₹69.56 Lakhs in FY 2020-21.

Profit after Tax (PAT)

Due to factors discussed above, Profit After Tax in the FY 2021-22 increased by 1080.70% to ₹594.72 Lakhs as compared to ₹50.37 Lakhs in FY 2021-22.

CASH FLOW

Particular	(Rs. In Lakhs)		
	For the year ended March 31,		
	2023	2022	2021
Net cash generated/(used in) operating activities (A)	(310.16)	(1,709.13)	1,754.06
Net cash generated from/(used in) investing activities (B)	(5,365.38)	(1,193.80)	(1,676.24)
Net cash generated from/ (used in) financing activities ©	4,564.61	3,610.44	(31.15)
Net change in cash and cash equivalent (A+B+C)	(1,110.93)	707.51	46.67
Cash and cash equivalent at the beginning of the year	1,176.99	469.48	422.81
Cash and cash equivalents at the end of the year	66.06	1,176.99	469.48

Net Cash Flow from Operating Activities

Financial Year 2022-23

Net cash flow used in operating activities was ₹ (310.16) Lakhs. Net Profit before tax and extraordinary items stood at ₹4,921.95 Lakhs. Primary adjustments were on account of Interest income of ₹(558.58) Lakhs, depreciation and amortization of ₹ 148.08 Lakhs, Compensation cost of ₹ 186.97 Lakhs and Finance Cost of ₹ 267.88 Lakhs.

The operating cash flows before working capital changes was ₹5,075.46 Lakhs.

The changes in working capital were due to:

- Increase in Inventories of ₹ (6,572.92) Lakhs;
- Increase in Trade Receivables of ₹ (1,926.26) Lakhs;
- Increase in other Current Assets of ₹ (4,756.52) Lakhs;

- d) Decrease in other Financial Assets, current portion of ₹1.26 Lakhs
- e) Increase in other Financial Assets, non-current portion of ₹ (267.56 Lakhs)
- f) Decrease in other Bank Balances of ₹549.82 Lakhs
- g) Increase in Trade Payables of ₹1,594.02 Lakhs
- h) Increase in other current Liabilities of ₹7,082.17 Lakhs
- i) Increase in Provisions of ₹235.97 Lakhs
- j) Decrease in Provisions of ₹ (58.80) Lakhs
- k) Decrease in other Financial Liabilities, current portion of ₹ (197.60) Lakhs
- l) Increase in other Financial Liabilities, non-current portion of ₹14.71 Lakhs

Financial Year 2021-22

In the FY 2021-22 net cash flow used in operating activities was ₹(1,709.13) Lakhs. Net Profit before tax and extraordinary items stood at ₹1,210.75 Lakhs. Primary adjustments were on account of Interest Income of ₹(235.39) Lakhs, depreciation and amortization of ₹84.42 lakhs and Finance cost of ₹50.73 Lakhs.

The operating cash flows before working capital changes was ₹1,115.23 Lakhs.

The changes in working capital were due to:

- a) Increase in Inventories of ₹ (3,008.53) Lakhs;
- b) Increase in Trade Receivables of ₹ (99.84) Lakhs
- c) Decrease in other Current Assets of ₹317.07 Lakhs
- d) Increase in Other Financial Assets of ₹ (34.44) Lakhs
- e) Increase in Other Financial Assets of ₹ (170.55) Lakhs
- f) Decrease in other Bank Balances of ₹77.00 Lakhs
- g) Increase in Trade Payables of ₹52.71 Lakhs
- h) Decrease in other current Liabilities of ₹ (45.18) Lakhs
- i) Decrease in Provision, current portion of ₹ (58.26) Lakhs
- j) Increase in Provision, non-current of ₹54.84 Lakhs
- k) Decrease in other Financial Liabilities, current portion of ₹ (14.67) Lakhs
- l) Increase of other Financial Liabilities, non-current of ₹26.53 Lakhs

Financial Year 2020-21

In the FY 2020-21 net cash flow generated in operating activities was ₹1,754.06 Lakh. Net Profit before tax and extraordinary items stood at ₹69.56 Lakhs. Primary adjustments were on account of Interest income of ₹ (167.45) Lakhs, depreciation and amortization ₹ 97.38 lakhs and Finance cost of ₹10.48 Lakhs.

The operating cash flows before working capital changes was ₹92.45 Lakhs.

The changes in working capital were due to:

- a) Decrease in Inventories of ₹276.26 Lakhs;
- b) Decrease in Trade Receivables of ₹1,584.81 Lakhs
- c) Decrease in Other Current Assets of ₹199.66 Lakhs
- d) Decrease in other Non-current Asset of ₹ 1.60 Lakhs
- e) Decrease in Other Financial Assets of ₹1.54 Lakhs
- f) Decrease in Other Financial Assets of ₹19.74 Lakhs
- g) Decrease in other Bank Balances of ₹378.12 Lakhs
- h) Decrease in Trade Payables of ₹ (872.76) Lakhs
- i) Increase in other current Liabilities of ₹260.66 Lakhs
- j) Decrease in Provision, current portion of ₹ (125.95) Lakhs
- k) Increase in Provision, non-current of ₹4.99 Lakhs
- l) Decrease in other Financial Liabilities, current portion of ₹ (58.39) Lakhs
- m) Decrease of other Financial Liabilities, non-current of ₹ (0.73) Lakhs

Cash Flows from Investing Activities

Financial Year 2022-23

Net cash used in investing activities was ₹ (5,365.38) Lakhs in the FY 2022-23, primarily on account of payment towards Capital Expenditure of ₹ (3,522.42) Lakhs, advancement of Inter Corporate Deposits given of ₹ (2,340) Lakhs and proceeds from Interest Received of ₹ 460.80 Lakhs and proceeds from sale of property & plant of ₹36.25 Lakhs.

Financial Year 2021-22

Net cash from investing activities was ₹ (1,193.80) Lakhs in the FY 2021-22, primarily on account of payment towards capital expenditure of ₹ (1,208.17) Lakhs, advancement of Inter Corporate Deposits given of ₹ (249.50) Lakhs and interest received of ₹263.87 Lakhs.

Financial Year 2020-21

Net cash used in investing activities was ₹ (1,676.24) Lakhs in the FY 2020-21, primarily on account of payment towards Capital Expenditure of ₹ (13.69) Lakhs, advancement of Inter Corporate Deposits given of ₹ (1,825.50) Lakhs and proceeds from Interest Received of ₹ 162.95 Lakhs.

Cash Flows from Financing Activities

Financial Year 2022-23

Net cash generated from financing activities was ₹4,564.61 Lakhs in the FY 2022-23, primarily on account of proceeds from borrowings (Inter Corporate Deposits received) of ₹2,721 Lakhs, proceeds from issue of Warrants of ₹2,605.50 Lakhs and Dividend paid of ₹ (494.35) Lakhs and Interest paid of ₹ (267.80) Lakhs.

Financial Year 2021-22

Net cash generated in financing activities was ₹3,610.44 Lakhs in the FY 2021-22, primarily on account of proceeds from issue of Optionally Fully Convertible Debentures of ₹2,072.07 Lakhs and proceeds from issue of Warrants of ₹1,592.25 Lakhs as reduced by repayment from long term borrowings of ₹ (30.18) Lakhs, expenses for issue of Optionally Fully Convertible Debentures of ₹ (4.80) Lakhs and expenses for issue of Warrants of ₹ (7.11) Lakhs and Interest paid of ₹ (11.79) Lakhs,.

Financial Year 2020-21

Net cash used in financing activities was ₹ (31.15) Lakhs in the FY 2020-21, primarily on account of repayment from long term borrowings of ₹ (20.52) Lakhs and Interest paid of ₹ (10.63) Lakhs

Total Borrowings

Details of our Borrowings for the preceding three Financial Years are as follows:

FY 2022 – 2023

Particulars	(Rs. In Lakhs)		
	Short Term	Long Term	Total
Vehicle Loan	27.49	42.65	70.14
Cash Credit	248.79	-	248.79
Optionally Fully Convertible Debentures	2,071.10	-	2,071.10
Inter Corporate Deposit	2,249.90	-	2,249.90
Total	4,597.28	42.65	4,639.93

FY 2021 – 2022

Particulars	(Rs. in Lakhs)		
	Short Term	Long Term	Total
Vehicle Loan	32.65	23.79	56.44
Optionally Fully Convertible Debentures	-	1,862.22	1,862.22
Total	32.65	1,886.01	1,918.66

FY 2020 – 2021

Particulars	(Rs. In Lakhs)		
	Short Term	Long Term	Total
Vehicle Loan	30.18	56.45	86.63
Total	30.18	56.45	86.63

For further details please refer to section "**Financial information**" appearing on page 91 and "**Financial Indebtedness**" on page no 159.

Off-Balance Sheet Arrangements

We do not have any other off-balance sheet arrangements or other relationships with unconsolidated entities, such as special purpose vehicles, that have been established for the purposes of facilitating off-balance sheet arrangements.

Contingent Liabilities and Commitments

The table below set forth our Contingent Liabilities as on March 31, 2023 as extracted from our Restated Financial Information.

Particulars	(Rs in Lakhs)
	31 st March, 2023
Contingent Liabilities	
A) Claims against the Company, not acknowledged as Debts *	3,093.77
B) Guarantees	
Guarantees issued by the Company's Bankers on behalf of the Company	1,550.33
C) Income Tax Liability for the Assessment Year 2015-16, 2016-17, 2018-19 & 2019-20 under section 153C, not acknowledged as debts.	1,146.28
Commitments	
D) Estimated amount of contracts remaining to be executed on capital account and not provided for.	861.66

*The amount assess as contingent liability includes interest component calculated as at reporting period that could be claimed by counter parties.

Capital Expenditures

Our capital expenditures are mainly related to the purchase of fixed assets located in India. The primary source of financing for our capital expenditures has been cash generated from our operations and borrowings. During the last three financial years, our Capital Expenditure (including Capital Work-in-Progress) was Rs. 4,209.58 Lakhs for FY 2022-23, Rs.458.33 Lakhs for FY 2021-22 and Rs. 13.69 Lakhs for FY 2020-21 and Rs. 497.73 Lakhs (including Capital Work-in-Progress) for the three month period ended June 30, 2023.

Qualitative Disclosure about Market Risk

Our business exposes us to a variety of financial risks, including credit risk, liquidity risk and market risk.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. Our Company's exposure to credit risk arises majorly from trade receivables/ unbilled revenue and

other financial assets. Other financial assets are bank deposits with banks and hence, our Company does not expect any credit risk with respect to these financial assets.

Liquidity risk

Liquidity risk refers to insufficiency of funds to meet the financial obligations. Liquidity risk management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

Market risk

Market Risk is the risk that changes in marketplace could affect our future cash flows. The market risk for us arises primarily from product price risk, interest rate risk foreign exchange risk, credit risk and inflation risk.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the section titled "***Risk Factors***" and chapter titled "***Management's Discussion and Analysis of Financial Conditions and Results of Operations***" beginning on pages 21 and 160, respectively, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

Unusual or Infrequent Events or Transactions

Except as described elsewhere in this Draft Letter of Offer, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant economic/regulatory changes

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income except as mentioned in the section titled "***Risk Factors***" on page 21.

Except as disclosed in this Draft Letter of Offer, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

Expected future changes in relationship between costs and revenues, in case of events such as future increase in labor or material costs or prices that will cause a material change are known.

Other than as described in the section titled "***Risk Factors***" and chapter titled "***Management's Discussion and Analysis of Financial Conditions and Results of Operations***" beginning on pages 21 and 160, respectively, and elsewhere in this Draft Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company's future costs and revenues will be determined by demand/supply situation and government policies.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

Increase in revenues is by and large linked to increase in sale of units of our existing portfolio of products, introduction of new categories under existing brands and addition to new distribution channels.

Competitive Conditions

We expect competition in the sector from existing and potential competitors to vary. However, on account of our

core strengths, inter-alia, quality products, close-by location of workshops, timely supply, better sourcing of raw-material, due to which, we are able to stay competitive. For further details, kindly refer the chapter titled "*Our Business*" beginning on page 64.

Total Turnover of Each Major Business Segment

We currently operate in single segment of Engineering Business.

New Product or Business Segment

Except as disclosed in "*Our Business*" on page 64, we have not announced and do not expect to announce in the near future any new products or business segments.

Seasonality of Business

In the engineering industry in which we operate, sales volume generally dips in the second quarter, primarily during the rainy seasons impacting our execution, dispatch and logistics, and increases significantly in the fourth quarter primarily to meet the budgeted capital outlay of our clients. This may cause our revenues to vary significantly between different quarters in a Fiscal. Therefore, our results of operations and cash flows across quarters in a Fiscal may not be comparable sequentially and any such comparisons may not be meaningful, or may not be indicative of our annual financial results or our results in any future quarters or periods, see the section titled "*Risk Factors*" beginning on page 21.

Significant dependence on a Single or Few Suppliers or Customers

Other than as described in this Draft Letter of Offer, particularly in sections "*Risk Factors*" on page 21, to our knowledge, there is no significant dependence on a single or few customers or suppliers.

Related Party Transactions

For details, please refer to the discussion in the chapter titled "*Financial Information*" beginning on page 91.

Significant Developments since last balance sheet date

Except as disclosed above and in this draft Letter of Offer, including under "*Our Business*" and "*Risk Factors*" on pages 64 and 21 respectively, to our knowledge no circumstances have arisen since March 31, 2023, the date of the Restated Financial Information as disclosed in this Letter of Offer which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months except conversion of 7,50,00,000 warrants on May 10, 2023 and 1,51,80,000 OFCD conversion on July 01, 2023 into equivalent number of equity shares.

MARKET PRICE INFORMATION

The Equity Shares are listed on the BSE and NSE. The Rights Equity Shares will be listed on the Stock Exchanges pursuant to the Issue. For further details, please see “*Terms of the Issue*” beginning on page 192 of this Draft Letter of Offer. We have received in-principle approvals for listing of the Rights Equity Shares on the Stock Exchanges to be issued pursuant to the Issue from the BSE and NSE by letters each dated [●] and [●], respectively. Our Company will also make applications to BSE and NSE to obtain the trading approvals from the respective stock exchanges for the Rights Entitlements as required under the SEBI ICDR Master Circulars.

For the purpose of this section, unless otherwise specified:

- Year is a Financial Year;
- Average price is the average of the daily closing prices of our Equity Shares for the year, or the month, as the case may be;
- High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of our Equity Shares, for the year, the month, or the week, as the case may be; and
- In case of two days with the same high / low / closing price, the date with higher volume has been considered.

The following table sets forth the high, low and average market prices of the Equity Shares recorded on the BSE and the NSE during the preceding three years and the number of the Equity Shares traded on the days of the high and low prices were recorded.

BSE Year	High	Date of High	No. of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ in Lakhs)	Low	Date of Low	No. of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ in Lakhs)	Average price for the month	No. of trading days in the period	Equity Shares traded in the Year	
											Volume	Turnover (₹ in Lakhs)
FY20-20-21	1.52	02 July 2020	54,80,668	78.83	0.34	03 April 2020	85,244	0.30	0.84	249	20,71,66,319	2,006.81
FY20-21-22	28.95	12 January 2022	38,57,976	1,065.55	1.05	20 April 2021	9,50,116	10.26	8.11	248	79,15,04,622	62,648.82
FY20-22-23	25.35	24 January 2023	79,21,923	1,857.27	8.15	21 June 2022	28,10,891	233.68	15.05	249	44,31,75,442	71,991.20

(Source: www.bseindia.com)

NSE Year	High	Date of High	No. of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ in Lakhs)	Low	Date of Low	No. of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ in Lakhs)	Average price for the month	No. of trading days in the period	Equity Shares traded in the Year	
											Volume	Turnover (₹ in Lakhs)
FY2020-21	1.45	09 March 2021	48,85,271	66.45	0.30	07 April 2020	4,41,352	1.55	0.78	172	38,27,80,423	3,555.36
FY2021-22	15.45	20 December 2021	45,03,417	652.89	1.25	27 April 2021	22,47,391	29.14	7.26	66	36,93,77,078	31,383.57
FY2022-23	25.30	24 January 2023	2,50,52,164	5,888.44	8.15	21 June 2022	79,83,429	660.10	15.04	249	1,25,35,03,812	2,10,417.76

(Source: www.nseindia.com)

The high and low prices and volume of Equity Shares traded on the respective date on the BSE during the last six months preceding the date of filing of this Draft Letter of Offer are as follows:

BSE Month	High	Date of High	No. of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ in Lakhs)	Low	Date of Low	No. of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ in Lakhs)	Average price for the month	No. of trading days in the period	Equity Shares traded in the month	
											Volume	Turnover (₹ in Lakhs)
February 2023	23.80	01 February 2023	22,46,208	519.27	18.25	07 February 2023	26,52,193	507.79	20.25	20	3,26,18,978	6,719.22
March 2023	21.91	09 March 2023	9,03,486	193.08	16.30	28 March 2023	25,04,426	420.58	19.41	21	3,25,47,397	6,282.85
April 2023	22.80	27 April 2023	60,34,235	1,287.29	17.80	03 April 2023	14,04,964	254.13	19.49	17	3,25,64,333	6,580.81
May 2023	25.39	18 May 2023	37,58,102	930.29	19.65	10 May 2023	33,73,766	703.37	22.52	22	4,49,49,058	10,239.26
June 2023	28.10	07 June 2023	23,46,040	644.54	22.77	01 June 2023	12,24,314	284.38	25.37	21	3,72,37,377	9,691.01
July 2023	46.17	31 July 2023	96,31,148	4,223.82	23.65	03 July 2023	26,67,125	680.93	32.10	21	6,02,86,751	20,311.06

(Source: www.bseindia.com)

The total number of days trading during the past six months was 122. The average volume of Equity Shares traded on the BSE was 19,68,884 Equity Shares per day.

The high and low prices and volume of Equity Shares traded on the respective date on the NSE during the last six months preceding the date of filing of this Draft Letter of Offer are as follows:

NSE Month	High	Date of High	No. of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ in Lakhs)	Low	Date of Low	No. of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ in Lakhs)	Average price for the month	No. of trading days in the period	Equity Shares traded in the month	
											Volume	Turnover (₹ in Lakhs)
February 2023	23.80	01 February 2023	74,26,080	1,714.38	18.00	07 February 2023	1,17,08,149	2,240.43	20.26	20	11,32,79,193	23,298.29
March 2023	21.95	09 March 2023	49,43,387	1,054.22	16.30	28 March 2023	40,24,751	676.92	19.40	21	9,20,58,198	18,063.48
April 2023	22.80	27 April 2023	1,66,28,132	3,559.46	17.80	03 April 2023	49,48,505	900.99	19.49	17	11,79,35,682	23,977.94
May 2023	25.40	18 May 2023	2,11,50,501	5,239.85	19.65	10 May 2023	1,20,47,411	2,518.31	22.52	22	18,30,39,045	41,976.08
June 2023	28.10	07 June 2023	1,29,50,997	3,560.26	22.80	01 June 2023	43,18,486	1,004.40	25.36	21	14,63,14,127	38,002.52
July 2023	46.05	31 July 2023	3,10,81,793	13,551.65	23.60	03 July 2023	1,02,20,110	2,615.92	32.10	21	24,67,20,855	82,528.30

(Source: www.nseindia.com)

The total number of days trading during the past six months was 122. The average volume of Equity Shares traded on the NSE was 73,71,698 Equity Shares per day.

The Board of our Company has approved the Issue at their meeting held on June 14, 2023. The high and low prices of our Company's shares as quoted on the BSE and NSE on June 15, 2023, the day on which the trading happened immediately following the date of the Board meeting is as follows:

Date	Volume (No of equity Shares)	High Price (₹)	Low price (₹)
<u>BSE</u>			
June 15, 2023	14,23,555	27.04	25.70
<u>NSE</u>			
June 15, 2023	51,77,310	27.00	25.65

(Source: www.nseindia.com and www.bseindia.com)

The closing market price of the Equity Shares as on one day prior* to the date of this Draft Letter of Offer was ₹ 50.54 on the BSE and ₹50.65 on the NSE. The Issue Price is ₹[●] per Rights Equity Share.

*As on August 10, 2023

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as disclosed in this section, there are no outstanding (i) criminal proceedings; (ii) actions taken by regulatory or statutory authorities; (iii) litigation involving claims related to direct and indirect taxes; and (iv) other pending litigation as determined to be material as per the materiality threshold adopted pursuant to the Board resolution dated August 07, 2023, in each case involving our Company, Promoters and Directors ("**Relevant Parties**").

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 to be disclosed by our Company in this Draft Letter of Offer pursuant to the Board resolution dated August 07, 2023. Accordingly, disclosures of the following types of litigation involving the Relevant Parties have been included.

All outstanding litigation, including any litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary actions including any penalty imposed by SEBI or Stock Exchanges against the Promoters in the last five financial years including any outstanding actions, would be considered 'material' in the following circumstances:

- a) where such matters involve any of the Relevant Parties, the monetary amount of claim by or against the entity or person in any such pending proceeding is equivalent to or in excess of ₹ 72.12 Lakhs (being lesser of (i) two percent (2%) of turnover, as per last audited financial statement of our Company, (ii) two percent (2%) of net worth, as per last audited financial statement, except in case the arithmetic value of net worth is negative, and (iii) five percent (5%) of the average of absolute value of profit or loss after tax, as per last three audited financial statements of our Company up till the Financial Year 2023), in terms of the Restated Financial Information ("**Materiality Threshold**"); and
- b) all outstanding litigation which may not meet the monetary threshold, or wherein a monetary liability is not quantifiable, but where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation or prospects of our Company and as determined by our Company.

Further, except as disclosed in this section, there are no disciplinary actions including penalties imposed by the SEBI or the Stock Exchanges against our Promoters in the last five Financial Years including any outstanding action.

It is clarified that for the above purposes, pre-litigation notices received by the Relevant Parties from third-parties (excluding statutory or regulatory or tax authorities) have not been considered as litigation until such time that the Relevant Parties are not impleaded as a defendant in the litigation proceedings before any judicial forum or arbitral forum.

Litigation involving our Company

Litigation against our Company

Criminal Proceedings

Nil

Civil Proceedings

Civil proceedings above the Materiality Threshold

1. Omkar Heavy Engineering Limited ("**OHEL**") filed a petition under Section 11 of the Arbitration and Conciliation Act, 1996 against our Company in the High Court of Bombay seeking to pass an order for appointing a sole arbitrator for adjudicating the dispute between the parties *inter-se* arising out of the work order dated January 18, 2019. The High Court of Bombay *vide* its order dated February 22, 2022, appointed Vaibhav Sugdare as the sole arbitrator to resolve the disputes raised by the parties. The

statement of claims on behalf of OHEL and statement of defence by our Company dated July 25, 2022, have been filed. The matter is currently pending.

2. Indian Oil Corporation Ltd ("**IOCL**") filed a petition under Section 11 of the Arbitration and Conciliation Act, 1996 against our Company in the High Court of Delhi at New Delhi seeking to pass an order for appointing a sole arbitrator to adjudicate the disputes arising out of work order signed on November 24, 1994, involving the parties. The single judge *vide* its order dated October 15, 2009 appointed Shri V.S. Aggarwal as the sole arbitrator. Cross examination of witnesses have been conducted and taken on record by the sole arbitrator *vide* orders dated February 01, 2014, August 30, 2014, March 21, 2015 and May 14, 2015. By the virtue of High Court of Delhi order dated January 14, 2020, Justice Manmohan Singh was appointed as new Arbitrator and shall proceed from the stage the proceedings were left by earlier Arbitrator Justice V.S Agrawal. The matter is currently pending.
3. Transparent Energy Systems Pvt. Ltd. ("**Transparent**") filed an application under the Arbitration and Conciliation Act, 1996 against Uttam Value Steels Limited (demerger of Uttam Value Steels Limited resulted in the engineering division being transferred to our Company) regarding issue arising out of the purchase order No.5722001971 dated March 31, 2006, read with amendments for supply of Pollution Control Equipment Package for 1.2 MTPA Pellatizing Plant for Arya Iron & Steel Co. Ltd., Barbil, Orissa. An arbitral tribunal was formed consisting of 3 arbitrators namely- S.R Tambe, P.S Ambike and A.A Halbe. Award in the matter was passed on May 08, 2012. The Arbitral Award rejected the reference by the claimant and the counter claim raised by our Company. Thus, by the Consent of both the parties the Award rendered by the Arbitral Tribunal to the extent it rejects the claim no.2 made by Transparent was set aside. The rest of the Award was upheld. Further, Retd. Justice Pramod D. Kode was appointed as the Arbitrator *vide* order dated March 17, 2015, passed by the High Court of Bombay for presiding over the arbitration proceedings. Arbitration proceedings have concluded. The matter is currently pending for pronouncement of Award.

Civil proceedings that are non-quantifiable but otherwise deemed material

1. Luke Blaise Gomes and OR's ("**Plaintiffs**") filed a suit in the High Court of Bombay (Ordinary Original Civil Jurisdiction) bearing suit no. 1058 of 2004 against Rehmat Ullah Nasibdar Kadri, Lloyds Steel Industries Ltd and OR's ("**Defendants**") praying that the property attached in suit ("**Property**") was wrongly sold amongst the Defendants and that the Plaintiffs hold interest in the land parcel attached as the Property. A Written Statement was filed by the Defendants on October 12, 2007. The matter is currently pending.
2. Mark Joseph Gomes ("**Plaintiff**") filed a suit in the Civil Court of Bombay bearing suit no. 3700 of 2011 against Indrajit Infrastructure Pvt Ltd, Rehmullah Nasibdar Kaderi (Kazi), Lloyds Steel Industries Ltd and Ors ("**Defendants**") *inter-alia* praying for declaration that the Plaintiff along with Defendants are the owner of the property bearing no. 94 H.No. 9(Part), CTS No. 1498, admeasuring about 1422 Sq mtrs, Andheri ("**Property**") and that the Property was wrongly mutated in favour of the Defendants. A Written Statement was filed by the Defendants on March 12, 2013. The matter is currently pending.
3. Maharashtra Navnirman Kamgar Sena ("**Complainant**") filed petitions having reference number 37,38 and 39 of year 2010 under Sections 25F, 25G of Industrial Dispute Act, 1947 ("**Industrial Disputes Act**") against our Company in the Industrial Court at Thane ("**Court**"). Before filing the said petition, the Complainants filed an application before the Labour Commissioner, wherein their demands *inter-alia* included a) the Company to be held liable for indulging in unfair labour practice under items 1(a), (b) of Schedule II, 6,9 and 10 of Schedule IV of the Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971 ("**MRTU & PULP Act**"), and subsequently the conciliation in the office of Labour Commissioner failed. The matters were referred to the Industrial Tribunal, Maharashtra, Thane by the Court and the same was informed to the parties *vide* notice dated November 22, 2010. The statement of claims was filed by the workers on April 27, 2012, and the written statement was filed by our Company on September 13, 2012. Cross examination of workers has been concluded in front of presiding officer of the Industrial Tribunal, Thane. The matter is currently pending.

A complaint under MRTU & PULP Act have been filed by the workers in 2022 along with individual applications filed by the workers in their individual capacity under the Industrial Disputes Act seeking

arrears of overtime wages. The matter is currently pending.

Actions taken by Regulatory or Statutory Authorities

1. The Assessing Officer ("**AO**") *vide* Demand Notice dated March 31, 2022, under Section 156 and Assessment Order dated March 31, 2022, of the Income Tax Act had reassessed our Company to be liable to pay additional amount of Rs 11,34,01,760 accrued on sale and purchase transactions carried out by the Company for Assessment Year 2015-16. The Company has filed an appeal before the Commissioner of Income (Appeals) against the order of the AO under Section 35 of the Income Tax Act. The matter is currently pending.
2. The Assessing Officer ("**AO**") *vide* Demand Notice dated March 31, 2022, under Section 156 and Assessment Order dated March 31, 2022, of the Income Tax Act had reassessed our Company to be liable to pay additional amount of Rs 10,05,600 accrued on sale and purchase transactions carried out by the Company for Assessment Year 2016-17. The Company has filed an appeal before the Commissioner of Income (Appeals) against the order of the AO under Section 35 of the Income Tax Act. The matter is currently pending.
3. The Assessing Officer ("**AO**") *vide* Demand Notice dated March 31, 2022, under Section 156 and Assessment Order dated March 31, 2022, of the Income Tax Act had reassessed our Company to be liable to pay additional amount of Rs 2,20,206 accrued on sale and purchase transactions carried out by the Company for Assessment Year 2019-20. The Company has filed an appeal before the Commissioner of Income (Appeals) against the order of the AO under Section 35 of the Income Tax Act. The matter is currently pending.

Litigation by our Company

Criminal Proceedings

Nil.

Civil Proceedings

Civil proceedings above the Materiality Threshold

1. Our Company filed an application under Section 11 of the Arbitration and Conciliation Act, 1996 against the Bharat Petroleum Corporation Limited ("**BPCL**") before the High Court of Kerala at Ernakulam seeking appointment of an independent arbitrator for the resolution of disputes raised by the parties. The High Court of Kerala at Ernakulam *vide* its order dated April 11, 2019, appointed Sri. N. Sukumaran as the learned sole arbitrator. The learned sole arbitrator passed *award* dated October 17, 2021 ("**Award**"), *inter-alia* allowing claims of the Company for Rs 1,31,45,000/- along with interest at the rate of 8% per annum on the principal from August 25, 2015. Subsequently, an execution petition has been filed by our Company under Section 38 of the Arbitration and Conciliation Act, 1996 for enforcement of the decree for the Award dated October 17, 2021. The matter is currently pending.

BPCL filed an application under Section 34 of the Arbitration and Conciliation Act, 1996 in the Commercial Court (Principle Subordinate Judge's Court) at Ernakulam against the Award, by the learned sole arbitrator. The matter is currently pending.

2. Oil and Natural Gas Corporation Ltd. ("**ONGC**") and our Company entered into a contract for Group Gathering Station-VI at Denwa, Gandhar, Gujrat ("**Contract**"). An application for arbitration was invoked by our Company in August 2001 under the Arbitration and Conciliation Act, 1996 against ONGC for recovery of sum of Rs.5,71,33,714/-. The matter was referred to the Arbitral Tribunal ("**AT**") consisting of three arbitrators as per the stipulation in the Contract. However, the proceedings could not be concluded on account of the demise of one of the arbitrators and lead to dissolution of AT. The Trial Court ordered fresh arbitration proceedings in the matter. ONGC challenged the Trial Court order before the High Court of Gujrat at Ahmedabad. The High Court of Gujrat passed an order by which the arbitration was allowed to proceed further.

Our Company in its letter dated April 15, 2015, invoked arbitration clause, and requested ONGC to refer the dispute to the learned sole arbitrator. In view of the revised arbitration clause issued by ONGC *vide* circular dated March 01, 2011, the dispute was referred to the learned sole arbitrator instead of three arbitrators stipulated under the Contract. Retd. Justice P.B Majumdar was appointed as the learned sole arbitrator. The award was passed on March 01, 2017, with corrections on April 06, 2017, and May 05, 2017 (collectively referred to as the "**Award**"). ONGC was directed a) to pay Our Company 50% of Rs. 2,95.40,520/- towards withheld bills and amounts adjusted against the condonation for delay b) ONGC to pay 50% of Rs 56.10,735/- towards deduction made in connection with peripheral road. c) the award amount to be paid with 9% per annum from September 01, 2001, till payment and the final amount to be paid after two months post that 18% interest per annum till the date of payment.

ONGC filed a Commercial Application under Section 34 of the Arbitration and Conciliation Act, 1996 for stay of the Award. Our Company filed an Execution Petition on April 13, 2018, for execution of the Award. ONGC filed an application on June 27, 2018, before the Commercial Court at Vadodara seeking stay of execution proceedings under Section 36(2) of the Arbitration and Conciliation Act, 1996. The Commercial Court, *vide* order dated June 30, 2018 ("**Order**"), directed ONGC to deposit 50% of the Award in cash.

Our Company filed a Commercial Application, CMA No. 41 of 2018 on July 12, 2018, to withdraw the amount of Rs 2,30, 54, 409 deposited by ONGC with the Registry of the Commercial judge at Vadodara. The Application was allowed *vide* order dated October 11, 2018, subject to placing a Bank Guarantee ("**BG**") (50% of the deposited amount) and Corporate Guarantee ("**CG**") (50% of the deposited amount) against such withdrawal.

Subsequently the case was transferred to 2nd Additional District judge, Bharuch at Ankleshwar and the main application challenging the Award was dismissed *vide* order dated September 17, 2022. Our Company on October 11, 2022, filed an application for returning the original BG and CG along with amendment from the custody of District Nazir.

ONGC, being aggrieved by the order dated September 17, 2022, preferred first Appeal No. 4998 of 2022, under Section 37(1) (c) of the Arbitration and Conciliation Act, 1996 ("**Appeal**") before the Gujrat High Court. ONGC also preferred Civil Application No. 1 of 2022 for stay. The Appeal was admitted, and stay was granted on the Award by an order dated February 15, 2023.

ONGC filed an affidavit in purported compliance of the order dated February 15, 2023. Our Company filed a Civil Application on July 13, 2023 before the High Court of Gujrat seeking direction upon ONGC to deposit the balance amount under the Award read with order dated February 15, 2023, for disbursing the amount already deposited by ONGC and to release the Bank Guarantee and the Corporate Guarantee which was furnished by Our Company under the Interim order dated October 11, 2018 passed in Commercial Court at Vadodara in CMA 41 of 2018. The matter is currently pending.

3. In 1991, Our Company, in accordance with the contractual obligations of the tender had extended a bank guarantee to Oil India Ltd ("**Oil India**"). for an amount of approximately Rs.98,00,000. For certain reasons recorded in the legal proceedings, Oil India invoked the bank guarantee and appropriated the proceeds against the claim on us.

Our Company disputed the claim and invocation of the bank guarantee and filed proceedings against Oil India in the High Court of Bombay, being suit no. 1624 of 1991 seeking a stay on invocation of the bank guarantee. The High Court of Bombay granted an ad-interim injunction restraining Oil India from invoking and encashing the bank guarantee, which injunction was subsequently dismissed on June 12, 1991. Our Company then filed an application, being Civil Misc Case No. 17 of 1993 before the District Court of Jodhpur, Rajasthan under the provisions of Section 20 of the Arbitration Act, 1940, seeking to file the agreement with Oil India in the District Court of Jodhpur. The District Court of Jodhpur rejected the application. Thereafter, our Company filed an appeal before the High Court of Rajasthan against the order of the District Court of Jodhpur dated December 23, 1994. On September 19, 2002, the High Court of Rajasthan rejected our appeal. Our Company then filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court of India against the order passed by the High Court of Rajasthan. The SLP was

disposed off *vide* order dated August 27, 2005 and the Supreme Court remanded the proceedings to the High Court of Bombay in pursuance of our claim against Oil India.

Subsequently, the High Court of Bombay further remanded the legal proceedings to Additional Sessions Judge at City Civil and Sessions Court, Mumbai. The matter is currently pending hearing before the City Civil and Sessions Court, Mumbai.

Civil proceedings that are non-quantifiable but otherwise deemed material

Nil

Litigation involving our Promoters

Litigation against Promoters

Criminal Proceedings

1. In January 2010, the Deputy Superintendent of Police, Central Bureau of Investigation (“**CBI**”): BS&FC; Mumbai filed a chargesheet bearing no. RC 5(E)/2001/CBI/BS&FC/Mumbai (“**Chargesheet**”) against Mukesh R. Gupta and other Defendants named therein under Section 120B of the Indian Penal Code (“**IPC**”), read with Sections 409, 420, 467, 468, 471 of IPC and Commission of Specific Offences under Section 420 of IPC. The charges against Mukesh R. Gupta are that he took delivery of certain tainted shares on instructions of one of the broker defendants and introduced them in the market through another broker, who sold those shares and used the proceeds to boost the share price of a certain company. As on date, the Additional Chief Metropolitan Magistrate, at the Esplanade Court, Mumbai is in the process of recording the statement of witnesses. On being called to the Magistrate Court pursuant to a summons, Mukesh R. Gupta has pleaded not guilty before the court.

Civil Proceedings

Civil proceedings above the Materiality Threshold

Nil

Civil proceedings that are non-quantifiable but otherwise deemed material

Nil

Actions taken by Regulatory or Statutory Authorities

1. The Assessing Officer (“**AO**”) *vide* Demand Notice dated March 31, 2022, under Section 156 and Assessment Order dated March 30, 2022, of the Income Tax Act had reassessed Shree Global Tradefin Limited to be liable to pay additional amount of Rs 5,64,460 accrued on sale and purchase transactions carried out by the Company for Assessment Year 2013-14. Shree Global Tradefin Limited has filed an appeal before the Commissioner of Income (Appeals) against the order of the AO under Section 35 of the Income Tax Act. The matter is currently pending.
2. The Assessing Officer (“**AO**”) *vide* Demand Notice dated March 31, 2022, under Section 156 and Assessment Order dated March 31, 2022, of the Income Tax Act had reassessed Shree Global Tradefin Limited to be liable to pay additional amount of Rs 7,19,95,580 accrued on sale and purchase transactions carried out by the Company for Assessment Year 2015-16. Shree Global Tradefin Limited has filed an appeal before the Commissioner of Income (Appeals) against the order of the AO under Section 35 of the Income Tax Act. The matter is currently pending.
3. The Assessing Officer (“**AO**”) *vide* Demand Notice dated March 31, 2022, under Section 156 and Assessment Order dated March 31, 2022, of the Income Tax Act had reassessed Shree Global Tradefin Limited to be liable to pay additional amount of Rs 8,05,03,920 accrued on sale and purchase transactions carried out by the Company for Assessment Year 2016-17. Shree Global Tradefin Limited has filed an

- appeal before the Commissioner of Income (Appeals) against the order of the AO under Section 35 of the Income Tax Act. The matter is currently pending.
4. The Assessing Officer ("**AO**") *vide* Demand Notice dated March 31, 2022, under Section 156 and Assessment Order dated March 31, 2022, of the Income Tax Act had reassessed Shree Global Tradefin Limited to be liable to pay additional amount of Rs 3,37,05,180 accrued on sale and purchase transactions carried out by the Company for Assessment Year 2017-18. Shree Global Tradefin Limited has filed an appeal before the Commissioner of Income (Appeals) against the order of the AO under Section 35 of the Income Tax Act. The matter is currently pending.
 5. The Assessing Officer ("**AO**") *vide* Assessment Order dated March 31, 2022, of the Income Tax Act had reassessed Shree Global Tradefin Limited to be liable to pay additional amount of Rs 10,18,88,710 accrued on sale and purchase transactions carried out by the Company for Assessment Year 2018-19. Shree Global Tradefin Limited has filed an appeal before the Commissioner of Income (Appeals) against the order of the AO under Section 35 of the Income Tax Act. The matter is currently pending.
 6. The Assessing Officer ("**AO**") *vide* Assessment Order dated November 30, 2028, of the Income Tax Act had reassessed Abha M. Gupta to be liable to pay additional amount of Rs 1,43,66,298 accrued through capital gains on sale and purchase of property carried out by her for Assessment Year 2016-17. Abha Mukesh R. Gupta has filed an appeal before the Commissioner of Income (Appeals) against the order of the AO under Section 35 of the Income Tax Act. The matter is currently pending.

Litigation by Promoters

Criminal Proceedings

Nil

Civil Proceedings

Civil proceedings above the Materiality Threshold

Nil

Civil proceedings that are non-quantifiable but otherwise deemed material

Nil

Disciplinary action including penalty against the Promoters imposed by SEBI or any stock exchange in the last five Fiscals

As on the date of this Draft Letter of Offer neither SEBI nor Stock Exchanges have initiated any disciplinary action or imposed any penalty against our Promoters by in the last five Fiscals.

Litigation involving our Directors

Litigation against our Directors

Criminal Proceedings

Nil

Civil Proceedings

Civil proceedings above the Materiality Threshold

Nil

Civil proceedings that are non-quantifiable but otherwise deemed material.

Nil

Actions taken by Regulatory or Statutory Authorities

Nil.

Litigation by our Directors

Criminal Proceedings

Nil

Civil Proceedings

Nil

Civil proceedings above the Materiality Threshold

Nil

Civil proceedings that are non-quantifiable but otherwise deemed material.

Nil

Disclosure Pertaining to Wilful Defaulter(s) or Fraudulent Borrower(s)

None of our Company, our Promoters, or Directors have been categorized or identified as Wilful Defaulter(s) or Fraudulent Borrower(s).

GOVERNMENT AND OTHER STATUTORY APPROVALS

We are not required to obtain any licenses or approvals from any governmental and regulatory authorities in relation to the objects of this Issue. For further details, please refer to "*Objects of the Issue*" beginning on page 47 of this Draft Letter of Offer.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board, pursuant to its resolution dated June 14, 2023, authorised the Issue under Section 62(1)(a) of the Companies Act, 2013.

Our Board/Rights Issue Committee, in its meeting held on [●] has resolved to issue the Equity Shares on rights basis to the Eligible Equity Shareholders, at ₹[●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating upto ₹[●]. The Issue Price is ₹[●] per Equity Share and has been arrived at by our Company in consultation with the Lead Managers prior to determination of the Record Date.

Our Company has received in-principle approvals from BSE and NSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Equity Shares to be allotted in this Issue pursuant to their respective letters each dated [●] and [●], respectively. Our Company will also make applications to BSE and NSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI ICDR Master Circular.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see "*Terms of the Issue*" beginning on page 192 of this Draft Letter of Offer.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

Further, our Promoters and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. None our Directors or Promoters are associated with the securities market in any manner. Further, there is no outstanding action initiated against any of our Directors or Promoters by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our Promoters nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

Eligibility for the Issue

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE and NSE. We are eligible to undertake the Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, pursuant to Clause 3(a) and 3(b) of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part B-1 of Schedule VI to the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE is the Designated Stock Exchange for the Issue.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THIS DRAFT LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. THE LEAD MANAGERS, MARK CORPORATE ADVISORS PRIVATE LIMITED AND PIONEER INVESTCORP LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH 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 INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 11, 2023, WHICH READS AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THIS DRAFT LETTER OF OFFER PERTAINING TO THE ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**
 - a) THIS DRAFT LETTER OF OFFER FILED WITH THE SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - b) ALL THE MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - c) THE MATERIAL DISCLOSURES MADE IN THIS DRAFT LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE**

- SUCH REGISTRATION IS VALID – COMPLIED WITH TO THE EXTENT APPLICABLE**
4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOT APPLICABLE.**
 5. **WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THIS DRAFT LETTER OF OFFER WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS DRAFT LETTER OF OFFER – NOT APPLICABLE.**
 6. **ALL APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, WHICH RELATE TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THIS DRAFT LETTER OF OFFER. – NOT APPLICABLE**
 7. **ALL APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS WHICH RELATE TO RECEIPT OF PROMOTER'S CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THAT THE AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE. – NOT APPLICABLE**
 8. **NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE CREDITED/TRANSFERRED IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 40(3) OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THIS DRAFT LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE**
 9. **THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE "MAIN OBJECTS" IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. - COMPLIED TO THE EXTENT APPLICABLE**
 10. **FOLLOWING DISCLOSURES HAVE BEEN MADE IN THIS DRAFT LETTER OF OFFER:**
 - a) **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY. – COMPLIED WITH (AS ON THE DATE OF THIS DRAFT LETTER OF OFFER, OUR COMPANY HAS NOT ISSUED ANY SUPERIOR RIGHTS EQUITY SHARES); AND**
 - b) **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME – COMPLIED WITH**

11. **WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS—NOTED FOR COMPLIANCE**
12. **IF APPLICABLE, THE ISSUER IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS OF CHAPTER X OF THE SEBI ICDR REGULATIONS –NOT APPLICABLE**

WE ENCLOSE A NOTE EXPLAINING THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US IN RELATION TO THE BUSINESS OF THE ISSUER, THE RISKS IN RELATION TO THE BUSINESS, EXPERIENCE OF THE PROMOTERS AND THAT THE RELATED PARTY TRANSACTIONS ENTERED INTO FOR THE PERIOD DISCLOSED IN THE OFFER DOCUMENT HAVE BEEN ENTERED INTO BY THE ISSUER IN ACCORDANCE WITH APPLICABLE LAWS - COMPLIED WITH.

WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, AS AMENDED, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.- COMPLIED WITH.

THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGERS ANY IRREGULARITIES OR LAPSES IN THE LETTER OF OFFER.

Disclaimer clauses from our Company and the Lead Managers

Our Company and the Lead Managers accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in the Issue will be deemed to have represented to our Company, the Lead Managers and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Rights Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

CAUTION

Our Company shall make all information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

Our Company, the Lead Managers and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Securities. The Lead Manager and its respective affiliates may engage in transactions with and perform services for our Company or affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company or affiliates, for which they have received and may in the future receive,

compensation.

Disclaimer in respect of Jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, Maharashtra, India only.

Disclaimer Clause of the BSE

As required, a copy of this Draft Letter of Offer has been submitted to BSE. The disclaimer clause as intimated by BSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with SEBI and the Stock Exchanges.

Disclaimer Clause of NSE

As required, a copy of this Draft Letter of Offer has been submitted to NSE. The disclaimer clause as intimated by NSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with SEBI and the Stock Exchanges.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is BSE.

Listing

The Rights Equity Shares offered through the Letter of Offer are proposed to be listed on BSE and NSE. Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Consents

Consents in writing of (a) our Directors, the Registrar to the Issue, the Lead Managers, Legal Advisor to Issue, the Statutory Auditor to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer and (b) the Banker(s) to the Issue/ Refund Bank will be obtained and filed along with a copy of the Letter of Offer with the RoC as required under Sections 26 and 32 of the Companies Act, 2013.

Our Company has received written consent dated July 01, 2023 from our Statutory Auditor, for inclusion of their report, on the Restated Financial Information in this Draft Letter of Offer and to include their name in this Draft Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated July 01, 2023 in the form and context in which it appears in this Draft Letter of Offer. Such consent has not been withdrawn up to the date of this Draft Letter of Offer. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Performance vis-à-vis objects – Public/Rights Issue of our Company

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Draft Letter of Offer.

Stock Market Data of the Equity Shares

Our Equity Shares are listed on BSE and NSE. Our Equity Shares are traded on BSE and NSE. For details in connection with the stock market data of the Stock Exchanges, please refer to the chapter titled "**Market Price Information**" beginning on page 175 of this Draft Letter of Offer.

Filing

This Draft Letter of Offer has been filed with SEBI at SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra, India for its observations and through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018) issued by the SEBI, and with the Stock Exchanges.

After SEBI gives its observations, the final Letter of Offer will be filed with SEBI and the Stock Exchanges as per the provisions of the SEBI ICDR Regulations.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 03, 2011 and shall comply with the SEBI circular no. CIR/OIAE/1/2014 dated December 18, 2014 and the SEBI Master Circular on the redressal of investor grievances through the SEBI Complaints Redress System (SCORES) platform dated November 07, 2022 (SEBI circular no. SEBI/HO/OIAE/IGRD/P/CIR/2022/0150), in relation to redressal of investor grievances through SCORES. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Bigshare Services Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints are received by our Company on a case-to-case basis, i.e. grievances are being received on the Company's email address and are typically disposed of in a timely manner from the date of receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "*Terms of the Issue*" beginning on page 192 of this Draft Letter of Offer. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Registrar to the Company:

Bigshare Services Private Limited

Office No S6-2, 6th Floor,
Pinnacle Business Park
Next to Ahura Centre, Mahakali Caves Road
Andheri (East), Mumbai 400 093

Telephone: +91 22 6263 8200/22

Email: rightsissue@bigshareonline.com

Website: www.bigshareonline.com

Investor grievance e-mail: investor@bigshareonline.com

Contact Person: Mohan D

SEBI Registration No.: INR000001385

Validity of Registration: Permanent

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment / share certificates/ demat credit/

Refund Orders etc.

Rahima Shaikh is the Company Secretary and Compliance Officer of our Company. Her contact details are set forth hereunder:

Telephone: +91 022 62918111

E- mail: infoengg@lloyds.in

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Managers are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make an independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Draft Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Draft Letter of Offer.

Please note that in accordance with the provisions of the SEBI ICDR Master Circular, all investors (including Renouncee) shall make an application for a rights issue only through ASBA facility.

OVERVIEW

The Rights Entitlement on the Equity Shares, the ownership of which is currently under dispute and including any court proceedings or are currently under transmission or are held in a demat suspense account and for which our Company has withheld the dividend, shall be held in abeyance and the Application Form along with the Rights Entitlement Letter in relation to these Rights Entitlements shall not be dispatched pending resolution of the dispute or court proceedings or completion of the transmission or pending their release from the demat suspense account. On submission of such documents/ records confirming the legal and beneficial ownership of the securities with regard to these cases on or prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to the Rights Equity Shares pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.

This Issue and the Right Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the BSE and NSE and the terms and conditions as stipulated in the Allotment Advice.

Dispatch and availability of Issue Materials

In accordance with the SEBI ICDR Regulations, SEBI ICDR Master Circular and the ASBA Circulars, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other issue material ('Issue Materials') only to the Eligible Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India addresses provided by them.

Further, the Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses and have made a request in this regard.

Investors can also access this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- Our Company at www.lloydsengg.in;
- the Registrar to the Issue at www.bigshareonline.com;
- the Lead Managers at <https://www.markcorporateadvisors.com/> and <https://www.pinc.co.in/>
- Securities and Exchange Board of India at www.sebi.gov.in; and
- the Stock Exchange at <https://www.bseindia.com> and <https://www.nseindia.com>.

To update the respective Indian addresses/e-mail addresses/phone or mobile numbers in the records maintained by the Registrar or by our Company, Eligible Equity Shareholders should visit www.bigshareonline.com.

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at www.bigshareonline.com by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and such other credentials for validation of the identity of the shareholder, as may be required. The link for the same shall also be available on the website of our Company at <https://www.lloydsengg.in/>

Further, our Company along with the Lead Managers will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

Please note that neither our Company nor the Registrar nor the Lead Managers shall be responsible for not sending the physical copies of Issue Materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

Resident Eligible Shareholders, who are holding Equity Shares in physical form as on the Record Date, can obtain details of their respective Rights Entitlements from the website of the Registrar by entering their Folio Number and such other credentials for validation of the identity of the shareholder, as may be required.

The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer, the Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with the Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Managers or their respective affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their

agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Managers or their respective affiliates to make any filing or registration (other than in India).

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS ENTITLEMENTS (INCLUDING THEIR CREDIT) AND THE RIGHTS EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" AS DEFINED IN AND IN RELIANCE ON REGULATIONS UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES OCCUR.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under the Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer or the Abridged Letter of Offer and Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company.

Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States and is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Managers, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions ; (ii) does not include the relevant certifications set out in the Application Form, including that such person is submitting and/ or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with the Issue, among others; or (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements, including in the United States; and our Company shall not be bound to issue or Allot any Rights Equity Shares in respect of any such Application Form.

PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI ICDR Master Circular and the ASBA Circulars, all Investors desiring to make an Application in the Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in the Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "*Terms of Issue- Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" on page 195.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form, as applicable, as on Record Date and applying in the Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

a) *Facilities for Application in this Issue:*

ASBA facility

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, please refer to Paragraph titled "***Procedure for Application through the ASBA process***" beginning on page 203 of this Draft Letter of Offer.

Please note that subject to SCSBs complying with the requirements of SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

b) *Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:*

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Resident Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "[●] ISSUE – SUSPENSE ESCROW DEMAT ACCOUNT") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Resident Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings; or (f) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form, as applicable, as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (g) non-institutional equity shareholders in the United States.

c) *Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form:*

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only.

Such Eligible Equity Shareholders holding shares in physical form, as applicable, can update the details of their respective demat accounts on the website of the Registrar (*i.e.* [https:// www.bigshareonline.com](https://www.bigshareonline.com)). Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish their relevant details (such as copies of self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares) along with the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in the Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Such Resident Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

In accordance with the SEBI ICDR Master Circular, the Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.

d) *Application for Additional Equity Shares:*

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "**Basis of Allotment**" beginning on page 217 of this Draft Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation / Off Market Renunciation, an Application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the Renouncee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation / Off Market Renunciation, please refer to the heading titled "**Procedure for Application through the ASBA process**" beginning on pages 203 of this Draft Letter of Offer.

e) *Other important links and helpline:*

The Investors can visit following links for the below-mentioned purposes:

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.bigshareonline.com
- Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company *i.e.* Bigshare Services Private Limited: www.bigshareonline.com

- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form, as applicable: www.bigshareonline.com; and
- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders: www.bigshareonline.com

Renounees

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renounee(s) as well.

Authority for the Issue

The Board of Directors in its meeting dated June 14, 2023 have authorised this Issue under Section 62(1)(a) of the Companies Act, 2013.

This Draft Letter of Offer is approved by our Board pursuant to its resolution dated August [●], 2023. The Board of Directors has in their meeting held on [●] approved the Letter of Offer. The Rights Issue Committee has in their meeting held on [●] determined the Issue Price at [●] per Equity Share (including a premium of ₹[●] per Equity Share), the Rights Entitlement as [●] Rights Equity Share(s) for every [●] fully paid-up Equity Share(s) held on the Record Date. Our Company has received in-principle approvals from BSE and NSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be allotted in the Issue pursuant to letters dated [●] and [●] respectively. Our Company will also make applications to BSE and NSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI ICDR Master Circular. The Issue Price is ₹[●] per Equity Share and has been arrived at by our Company in consultation with the Lead Managers prior to determination of the Record Date.

Our Company has been allotted the ISIN: [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. For details, please refer to the section entitled "*Terms of the Issue*" beginning on page 192 of this Draft Letter of Offer.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

Rights Entitlement ("REs") (Rights Equity Shares)

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., [●], are entitled to the number of Rights Equity Shares as set out in the Application Form / in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company: <https://www.lloydsengg.in/>.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is ISIN: [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date in dematerialised form only. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under Rights Issue for subscribing to the Rights Equity Shares offered under Issue.

If the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹1.

Issue Price

Each Rights Equity Share is being offered at a price of ₹ [●] per Rights Equity Share in the Issue.

The Issue Price has been arrived at by our Company prior to the determination of the Record Date.

The Rights Equity Shares issued in this Issue will be fully paid-up. The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations.

The Issue Price is ₹[●] per Equity Share and has been arrived at by our Company in consultation with the Lead Managers prior to determination of the Record Date.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date.

Rights of instrument holder

Each Rights Equity Share shall rank *pari passu* with the existing Equity Shares of the Company.

Terms of Payment

The entire amount of the Issue Price of ₹[●] per Rights Equity Share shall be payable at the time of Application.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Share(s) or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders

shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement, if any.

For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Shareholder will be entitled to [●] Rights Equity Shares on a rights basis and will also be given a preferential consideration for the Allotment of one Additional Rights Equity Share if the Shareholder has applied for Additional Rights Equity Share if such Eligible Equity Shareholder has applied for Additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Equity Shares in the Issue post allocation towards Rights Entitlements applied for.

Also, those Equity Shareholders holding less than [●] Equity Shares and therefore entitled to 'Zero' Rights Equity Share under this Issue shall be dispatched an Application Form with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of 1 (one) Additional Rights Equity Share, if such Equity Shareholders have applied for the Additional Rights Equity Shares. However, they cannot renounce the same to third parties. Application Forms with zero entitlement will be non-negotiable/non-renounceable.

Ranking

The Rights Equity Shares to be issued and allotted pursuant to the Issue shall be subject to the provisions of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and Memorandum of Association and the Articles of Association provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI LODR Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice. The Rights Equity Shares to be issued and allotted pursuant to the Issue shall rank *pari passu* with the existing Equity Shares of our Company, in all respects including dividends.

Mode of payment of dividend

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

As per the SEBI ICDR Master Circular, the Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the Issue Opening Date. On the Issue Closing Date, the Depositories will suspend the ISIN of Rights Entitlements for transfer and once the Allotment is done post the Basis of Allotment approved by the Designated Stock Exchange, the separate ISIN no. [●] for Rights Entitlements so obtained will be permanently deactivated from the Depository system.

The existing Equity Shares of our Company are listed and traded under the ISIN: **INE093R01011** on BSE (Scrip Code: **539992**) and on NSE (Symbol: **LSIL**). The Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Our Company has received in-principle approval from BSE and NSE through letter dated [●] and [●] respectively. All steps for completion of necessary formalities for listing and commencement of trading in the equity shares will be taken within 7 working days from the finalization of the Basis of Allotment. Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

The temporary ISIN shall be kept blocked till the receipt of final listing and trading approval from the BSE and NSE. Upon receipt of such listing and trading approvals, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within the specified time prescribed under the SEBI ICDR Regulations. The listing and trading of the Rights Equity Shares issued pursuant to the Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. If permissions to list, deal in and for an official quotation of the Rights Equity Shares are not granted by BSE and NSE, our Company shall within four days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, forthwith refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, then our Company and every Director who is an officer in default shall, on and from such expiry of fourth day, be jointly and severally liable to repay the money, with interest at rates prescribed under applicable law. For details of trading and listing of Rights Equity Shares, please refer to the heading "*Terms of Payment*" beginning on page 192 of this Draft Letter of Offer.

Subscription to the Issue by our Promoters and Promoter Group

For details of the intent and extent of the subscription by our Promoters and Promoter Group, please refer to "*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue*" beginning on page 45 of this Draft Letter of Offer

Rights of holders of Equity Shares

Subject to applicable laws, the Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited/restricted by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association.

General terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in the Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Arrangements for Disposal of Odd Lots

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 01, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not effected unless the securities are held in the dematerialized form with a depository.

Notices

In accordance with the SEBI ICDR Regulations, SEBI ICDR Master Circular and MCA General Circular No. 21/2020, our Company will send, through email and registered/speed post, the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other Issue Material only to the Eligible Equity Shareholders who have provided an Indian address to our Company. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, our Company along with the Lead Managers will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

Please note that neither our Company nor the Registrar nor the Lead Managers shall be responsible for not sending the physical copies of Issue Materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and a Marathi language daily newspaper (Marathi being the regional language in the place where our Registered and Corporate Office is located).

This Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI ICDR Master Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in the Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "*Terms of Issue- Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" on page 195.

Further, the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date can apply for this Issue through ASBA facility. For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, please refer to "*Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form*" beginning on page 208 of this Draft Letter of Offer.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form, as applicable, as on Record Date and applying in the Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

The Lead Managers, our Company, its directors, its employees, affiliates, associates and their respective directors and officers, and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account. Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Prior to making an Application, such Investors should enable the internet banking of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or (ii) the requisite internet banking.

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected. Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details please refer to "*Grounds for Technical Rejection*" beginning on page 215 of this Draft Letter of Offer. Our Company, the Lead Managers, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by

the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, please refer to "*Applications on Plain Paper under ASBA process*" beginning on page 207 of this Draft Letter of Offer.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to. Details of each Eligible Equity Shareholders Rights Entitlement will be sent to the Eligible Equity shareholder separately along with the Application Form and other Issue Materials would also be available on the website of the Registrar to the Issue at www.bigshareonline.com and link of the same would also be available on the website of our Company at (www.lloydsengg.in). Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

If the Eligible Equity Shareholder applies in the Issue, then such Eligible Equity Shareholders will have the option to:

- i apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- ii apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- iii apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- iv apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or
- v renounce its Rights Entitlements in full.

In accordance with the SEBI ICDR Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. [●], desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period through ASBA mode. Such resident Eligible Equity Shareholders must check the procedure for Application in "*Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form*" beginning on page 208 of this Draft Letter of Offer.

Procedure for Application through the ASBA process

An Investor, wishing to participate in the Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have otherwise provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making

Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in the Issue and clear demarcated funds should be available in such account for such an Application.

The Lead Managers, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "*Applications on Plain Paper under ASBA process*" beginning on page 207 of this Draft Letter of Offer.

Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Applications for Additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the BSE and NSE in the manner prescribed under the section titled "*Terms of the Issue*" beginning on page 192 of this Draft Letter of Offer. Applications for Additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "*Basis of Allotment*" beginning on page 217 of this Draft Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares.

Applications by Overseas Corporate Bodies

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies ("**OCBs**"), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003.

Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s). The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 08, 2003, that OCBs which are incorporated and are not and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 03, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment

is through automatic route on case by case basis. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for the Issue as an incorporated non-resident must do so in accordance with the FDI Policy and FEMA Rules. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renounee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the Application Form.

RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

Renounees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to the Issue shall apply to the Renounee(s) as well.

Renunciation of Rights Entitlements

The Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off market transfer. In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 06, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the “**On Market Renunciation**”); or (b) through an off-market transfer (the “**Off Market Renunciation**”), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

In accordance with the SEBI ICDR Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Our Company and the Lead Managers accepts no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

a) *On Market Renunciation*

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI ICDR Master Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlement. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN [●] and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+1 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

b) *Off Market Renunciation*

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a Depository Participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their Depository Participant by issuing a delivery instruction slip quoting the ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their Depository Participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Applications on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above and only such plain paper applications which provide all the details required in terms of Regulation 78 of SEBI ICDR Regulations shall be accepted by SCSBs.

Alternatively, Eligible Equity Shareholders may also use the Application Form available online on the websites of our Company, the Registrar to the Issue, the Lead Managers, the Stock Exchanges to provide requisite details.

An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Issuer, being Lloyds Engineering Works Limited (formerly known as "Lloyds Steels Industries Limited");
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option preferred - only Demat form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for within the Right Entitlements;
- Total amount paid at the rate of ₹[●] per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the Applicants;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);

- Additionally, all such Applicants are deemed to have accepted the following:

"I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended ("US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof ("United States") or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act ("Regulation S"). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, or any other person acting on behalf of us have reason to believe is a resident of the United States "U.S. Person" (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

"I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

I/ We hereby make representations, warranties and agreements set forth herein.

I/We acknowledge that the Company, the Lead Managers, its affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties and agreements set forth therein."

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.bigshareonline.com.

Our Company, the Lead Managers and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in the Issue are advised to furnish the details

of their demat account to the Registrar or our Company at least two clear Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, as applicable, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in the Issue:

- (a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two clear Working Days prior to the Issue Closing Date;
- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- (c) The remaining procedure for Application shall be same as set out in "*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" on page 207.
- (d) In accordance with the SEBI ICDR Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM, AS APPLICABLE, AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM, AS APPLICABLE.

Last date for Application

The last date for submission of the duly filled in Application Form is [●]. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and together with the amount payable is either (i) not blocked with an SCSB; or (ii) not received by the Bankers to the Issue on or before the close of banking hours on the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under "*Terms of the Issue - Basis of Allotment*" beginning on page 217 of this Draft Letter of Offer.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on

Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

Mode of payment for Resident Investors

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to a person resident outside India and having investment in an Indian company to make investment in rights equity shares issued by such company subject to certain conditions. Further, as per the Master Direction on Foreign Investment in India dated January 04, 2018 issued by RBI, non-residents may, amongst other things, subject to the conditions set out therein (i) subscribe for additional shares over and above their rights entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Right Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment Advice. If a non-resident or NRI Investor has specific approval from RBI, or any other governmental authority in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application and send it to the Registrar. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Managers and our Company will not be responsible for any such allotments made by relying on such approvals.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Managers.

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar or our Company.

Note:

In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their e-mail addresses and upon its failure only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. This Draft Letter of Offer will be provided, only through e-mail, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Eligible Equity Shareholders can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Managers and the Stock Exchanges. Further, Application Forms will be made available at Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.
- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.
- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India. Non-resident Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares in the Issue.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, PLEASE REFER TO "ALLOTMENT ADVICES/ REFUND ORDERS/UNBLOCKING OF ASBA ACCOUNTS" BEGINNING ON PAGE 216 OF THIS DRAFT LETTER OF OFFER.

General instructions for Investors

- a) Please read this Draft Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.

- b) In accordance with the SEBI ICDR Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.
- c) Please read the instructions on the Application Form sent to you.
- d) The Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
- e) Application should be made only through the ASBA facility.
- f) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected.
- g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "*Applications on Plain Paper under ASBA process*" beginning on page 207 of this Draft Letter of Offer.
- h) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI ICDR Master Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.
- i) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- j) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE and NSE.
- k) Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar or the Lead Managers.
- l) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.
- m) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- n) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid.
- o) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- p) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- q) All communication in connection with Application for the Rights Equity Shares, including any change in address, contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the Date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers (for Eligible Equity Shareholders who hold Equity Shares in physical form, as applicable, as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in address, contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective Depository Participant, or to our Company or the Registrar

- in case of Eligible Equity Shareholders holding Equity Shares in physical form, as applicable.
- r) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.
 - s) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
 - t) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
 - u) In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Additional general instructions for Investors in relation to making of an Application

- a) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- b) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section entitled "**Applications on Plain Paper under ASBA process**" beginning on page 207 of this Draft Letter of Offer.
- c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, folio number, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or Registrar or shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**
- d) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- e) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- f) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- g) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- h) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- i) Do not pay the Application Money in cash, by money order, pay order or postal order.

- j) Do not submit multiple Applications.
- k) No investment under the FDI route requiring government approval will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.
- l) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

Do's:

- a) Ensure that the Application Form and necessary details are filled in.
- b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects.
- d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Managers, the SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

- a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- d) Do not pay the Application Money in cash, by money order, pay order or postal order.
- e) Do not submit multiple Applications.

Do's for Investors applying through ASBA:

- a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account
- b) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- c) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- f) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.
- i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

Don'ts for Investors applying through ASBA

- a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- b) Do not send your physical Application to the Registrar, a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- c) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.
- e) Do not submit Application Form using third party ASBA account.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- a) DP ID, folio number and Client ID mentioned in Application does not match with the DP ID, folio number and Client ID records available with the Registrar.
- b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- c) Sending an Application to our Company, the Lead Managers, the Registrar, to a branch of a SCSB which is not a Designated Branch of the SCSB.
- d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- f) Account holder not signing the Application or declaration mentioned therein.
- g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
- m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
- q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- r) Application from Investors that are residing in U.S. address as per the depository records (other than in reliance with Reg S).

- s) Applicants not having the requisite approvals to make application in the Issue.
- t) **IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.**
- u) Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.
- v) These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- w) The Allotment Advice and the email intimating unblocking of ASBA Account would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or the Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.
- x) In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

Multiple Applications

In case where multiple Applications are made using same demat account in respect of the same Rights Entitlement, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights Equity Shares with/without using Additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications shall not be treated as multiple applications. For details, please refer to "*Investment by Mutual Funds*" beginning on page 223 of this Draft Letter of Offer.

In cases where multiple Applications are submitted, including cases where an (a) Investor submits Application Forms along with a plain paper Application, or (b) multiple plain paper Applications, or (c) multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected (other than

multiple applications that may be submitted by any of the Promoters or members of the Promoter Group as described in "*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue*" beginning on page 45 of this Draft Letter of Offer.

Underwriting

The Issue is not underwritten.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, may withdraw their Application post 5.00 p.m. (Indian Standard Time) on the Issue Closing Date.

Issue schedule

Last date for credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last date for On Market Renunciation*	[●]
Issue Closing Date	[●]
Finalisation of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

Note: Our Board may, however, decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date*

***Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Our Company, the Lead Managers and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms or on before the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form, as applicable, as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●].

Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/have applied for Rights Equity Shares renounced in its/their favor, in full or in part, as adjusted for fractional entitlement.
- b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

- c) Allotment to the Eligible Equity Shareholders who have applied for the full extent of their Rights Entitlement and have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares shall be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are unsubscribed Rights Equity Shares after making full Allotment under (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
- d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour and also have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares shall be made on a proportionate basis in consultation with the Designated Stock Exchange, as part of the Issue and will not be a preferential allotment.
- e) Allotment to any other person that our Board may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.
- f) After taking into account Allotment to be made under (a) to (e) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of Regulation 3(1)(b) of the SEBI Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

- a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;
- b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Banker to the Issue to refund such Applicants.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

Allotment Advices/Refund Orders/ Unblocking of ASBA Accounts

Our Company will issue and send/dispatch Allotment Advice, refund intimations/instructions, if applicable or demat credit of securities and/or letters of regret, by e-mail or registered post or speed post, only to the Eligible Equity Shareholders who have provided Indian address; along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form, as applicable, on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment Advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under

the SEBI ICDR Regulations. In the event that there is a delay in making refunds/unblocking of fund beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

The allotment advice or refund order (if any) or unblocking advice would be sent by e-mail or registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company but the Applicant's Depository Participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account. Such refund orders would be payable at par at all places where the Applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favor of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

Payment of Refund

Mode of making refunds

In case of Applicants not eligible to make an application through ASBA process, the payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

- (a) **Unblocking amounts blocked using ASBA facility-** The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility.
- (b) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including a Magnetic Ink Character Recognition (“**MICR**”) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- (c) **National Electronic Fund Transfer (“NEFT”)** – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (“**IFSC Code**”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- (d) **Direct Credit** – Investors having bank accounts with the Banker to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- (e) **RTGS** – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
- (f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.
- (g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to Non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Allotment Advice or Demat Credit

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Right Equity Shares in Dematerialised Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE RESIDENT ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM, AS APPLICABLE, AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form only. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates:

- a) Tripartite Agreement between our Company, National Securities Depository Limited and the Registrar to the Company dated July 24, 2014.
- b) Tripartite Agreement between our Company, Central Depository Service India Limited and the Registrar to the Company dated October 31, 2015.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
- It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
- The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's Depository Participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's Depository Participant.
- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
- The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders whose Equity

Shares are with IEPF authority/ in suspense, etc.). The allotment advice or refund order (if any) or unblocking advice would be sent by e-mail or registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company but the Applicant's Depository Participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

- Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
- Non-transferable Allotment Advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.
- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue for further details, please refer to "Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form" beginning on page 208 of this Draft Letter of Offer.

Procedure for Applications by certain categories of Investors

Investment by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions or restrictions as specified by SEBI and RBI in this regard.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the GoI from time to time. The FPIs who wish to participate in the Issue are advised to use the ASBA Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, only Category I FPIs, 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 an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

1. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
2. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Investment by Systemically Important Non-Banking Financial Companies (NBFC – SI)

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Investment by AIFs, FVCIs, VCFs and FDI route

The SEBI (Venture Capital Funds) Regulations, 1996, as amended ("SEBI VCF Regulations") and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended ("SEBI FVCI Regulations") prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 ("**SEBI AIF Regulations**") prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Applications will not be accepted from FPIs in restricted jurisdictions.

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹2 lakhs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹2 lakhs.

Investment by NRIs

Investments by NRIs are governed by Rule 12 of FEMA Rules. Applications will not be accepted from NRIs in Restricted Jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO counts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

As per Rule 12 of the FEMA Rules read with Schedule III of the FEMA Rules, an NRI or OCI may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should 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 will 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 warrants. 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.

Further, in accordance with Press Note 3 of 2020, the FDI Policy ("**Press Note**") has been recently amended to state that all investments by entities incorporated in 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 of India. It is not clear from the Press Note whether or not an issuance of the Right Shares to Restricted Investors will also require a prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required and such approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Investment by Mutual Funds

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Procedure for applications by Systemically Important NBFCs

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (ii) network certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 05, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

- i. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- ii. 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*
- iii. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447. "*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 10 lakhs 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 ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 lakhs or with both.

Disposal of Applications and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form. Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be unblocked in the respective ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date and refunded in the respective bank accounts from which Application Money was received on or before T+1 day (T being the date of finalisation of Basis of Allotment) In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Utilization of Issue Proceeds

Our Board of Directors declares that:

- a) All monies received out of the Issue shall be transferred to a separate bank account;
- b) Details of all monies utilized out of the Issue referred to in clause (a) above shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- c) Details of all unutilized monies out of the Issue referred to in clause (a) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
- d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

- a) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- b) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchange where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.
- c) The funds required for unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- d) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- e) No further issue of securities shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription, etc. other than as disclosed in accordance with Regulation 97 of SEBI ICDR Regulations .
- f) In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- g) Adequate arrangements shall be made to collect all ASBA Applications.
- h) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
- i) As on date our Company does not have any convertible debt instruments.
- j) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
- k) Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has

made all reasonable enquiries to ascertain such facts.

Minimum Subscription

The objects of the Issue involve (i) meeting the working capital requirements of our Company; and (ii) general corporate purposes.

Other than Late Chitralkha R. Gupta and Shree Global Tradefin Limited, we have been informed by our Promoters that, they will fully subscribe to their entitlements arising out of the proposed Rights Issue. Further, we have been informed by Shree Global Tradefin Limited and our Promoter Group that they may or may not fully subscribe to their entitlements arising out of the proposed Rights Issue and may renounce whole or a part of their right entitlement in favour of third parties whom Shree Global Tradefin Limited and our Promoter Group may identify in due course or may renounce whole or a part of their right entitlement in the open market. Therefore, the minimum subscription criteria (of at least 90% of the Issue) as provided in regulation 86(1) of the SEBI ICDR Regulations is applicable to this Issue. Pursuant to regulation 86(2) of the SEBI ICDR Regulations in case of non-receipt of minimum subscription, all application monies received shall be refunded to the Applicants forthwith, but not later than four days from the closure of the Rights Issue.

Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold for filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees one thousand lakhs to Rupees five thousand lakhs. Since the size of this Issue falls above this threshold, this Draft Letter of Offer has been filed with BSE and NSE and with SEBI.

Withdrawal of the Issue

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, Our Company, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchange will also be informed promptly.

The Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchanges.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Investor Grievances, Communication and Important Links

Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in "**Risk Factors**" beginning on page 21 of this Draft Letter of Offer.

All enquiries in connection with this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "[●]" on the envelope to the Registrar at the following

address:

Bigshare Services Private Limited

Office No S6-2, 6th Floor,
Pinnacle Business Park
Next to Ahura Centre, Mahakali Caves Road
Andheri (East), Mumbai 400 093

In accordance with SEBI ICDR Master Circular, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar www.bigshareonline.com. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 22 6263 8200.

The Investors can visit following links for the below-mentioned purposes:

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.bigshareonline.com
- Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company i.e. Bigshare Services Private Limited: www.bigshareonline.com
- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form, as applicable: www.bigshareonline.com; and
- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders: www.bigshareonline.com

The Issue will remain open for minimum period of 7 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Consolidated FDI Policy and FEMA. The FDI Policy prescribes the limits and conditions subject to which foreign investment can be made in different sectors of the Indian economy and FEMA regulates the precise manner in which such investment may be made.

The government bodies responsible for granting foreign investment approvals are the concerned ministries/departments of the Government of India and the RBI. Pursuant to the press release dated May 24, 2017, the Union Cabinet phased out the FIPB and it was replaced by the Foreign Investment Facilitation Portal (**FIFP**) to speed up the FDI inflow and to increase the transparency in the FDI approvals in the country. The DIPP issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on June 29, 2017 (the "**SOP**"). The SOP provides a list of the competent authorities to grant approvals for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under the automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned Administrative Ministry/Department shall act as the competent authority (the "**Competent Authority**") for the grant of post facto approval for foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP will identify the Competent Authority.

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("**FDI**") through press notes and press releases. The DIPP, has issued a consolidated FDI Policy DPIIT File Number 5(2)/2020-FDI Policy Dated the October 15, 2020 ("**FDI Policy 2020**"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI policy issued by the DIPP that were in force till that date. The Government of India proposes to update the consolidated circular on FDI policy once every year and therefore, the FDI Policy 2020 will be valid until the DIPP issues an updated circular.

Under the FDI Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to 100% without any prior approvals, however the foreign investor must follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the FIFP.

The transfer of shares between an Indian resident and a non-resident does not need prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA, and the transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the extant policy of the Government of India, erstwhile OCBs cannot participate in this Issue. OCBs or Overseas Corporate Bodies have been de-recognised as a class of investor entity in India with effect from September 16, 2003.

Overseas Corporate Body means a company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least sixty per cent by Non- Resident Indians and includes overseas trust in which not less than sixty percent beneficial interest is held by Non-resident Indians directly or indirectly but irrevocably, which was in existence as on September 16, 2003 and was eligible to undertake transactions pursuant to the general permission granted under FEMA. Any investment made in India by such entities will be treated as investments by incorporated non-resident entities, i.e. a foreign company.

The Issue, if renounced by our shareholders, may include offers within India, to Indian institutional, non-institutional and retail investors in offshore transactions as defined in, and made in reliance upon exemptions from the registration requirements under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), including the exemption under Regulation S ("**Regulation S**") of the U.S. Securities Act.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION VIII – STATUTORY AND OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, may be inspected at the Corporate Office between 10 a.m. and 5 p.m. on all working days from the date of this Draft Letter of Offer until the Issue Closing Date or the material contracts shall be made available for inspection through online means. Additionally, any person intending to inspect the abovementioned contracts and documents electronically, may do so, by writing an email to infoengg@lloyds.in.

I. Material Contracts for the Issue

- i. Issue Agreement dated August 04, 2023 between our Company and the Lead Managers, pursuant to which certain arrangements are agreed in relation to the Issue.
- ii. Registrar Agreement dated August 04, 2023, entered into amongst our Company and the Registrar to the Issue;
- iii. Banker to the Issue Agreement to be entered amongst our Company, the Registrar to the Issue and Banker(s) to the Issue.

II. Material Documents

- i. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
- ii. Annual Reports of the Company for the financial years ended March 31, 2021, March 31, 2022, and March 31, 2023.
- iii. Certificate of incorporation dated July 25, 2023.
- iv. Resolution of the Board of Directors dated June 14, 2023 in relation to the Issue.
- v. Resolution of the Board of Directors dated [●] approving and adopting this Draft Letter of Offer.
- vi. Resolution of the Rights Issue Committee dated [●] in relation to the terms of the Issue including the Record Date, Issue Price and Rights Entitlement Ratio.
- vii. The audited and restated financial results for the years ended March 31, 2021, March 31, 2022, and March 31, 2023 included in this Draft Letter of Offer.
- viii. The Unaudited Interim Financial Information for the three months periods ended June 30, 2023.
- ix. Consent of our Directors, Compliance Officer, Statutory Auditor, Lead Manager(s) the Registrar to the Issue, Key Banker(s) to the Company, the Legal Advisor to the Issue for inclusion of their names in this Draft Letter of Offer in their respective capacities.
- x. Statement of Tax Benefits dated July 01, 2023 from the Statutory Auditor included in this Draft Letter of Offer.
- xi. Consent letter dated July 01, 2023 from the Statutory Auditor for inclusion of their name as expert, as defined under Section 2(38) of the Companies Act, in this Draft Letter of Offer.
- xii. Board resolution dated June 14, 2023 in order to constitute a Rights Issue Committee.
- xiii. Tripartite Agreement between our Company, Central Depository Service India Limited and the Registrar to the Company dated October 31, 2015.
- xiv. Tripartite Agreement between our Company, National Securities Depository Limited and the Registrar to the Company dated July 24, 2014.
- xv. Due Diligence Certificate dated August 11, 2023 issued by Lead Managers.
- xvi. SEBI Observation letter no. [●] dated [●].
- xvii. In-principle listing approvals dated [●], from the BSE.
- xviii. In-principle listing approvals dated [●], from the NSE.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, 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 statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

Mukesh R. Gupta
(Chairman & Wholetime Director)

Sd/-

Ashok Satyanarayan Tandon
(Non-Executive Non-Independent Director)

Sd/-

Bela Sundar Rajan
(Non-Executive Independent Director)

Sd/-

Rajashekhhar Mallikarjun Alegavi
(Non-Executive Non-Independent Director)

Sd/-

Lakshman Ananthsubramanian
(Non-Executive Independent Director)

Sd/-

Kishor Kumar Mohanlal Pradhan
(Non-Executive Independent Director)

Sd/-

Ashok Kumar Sharma
(Non-Executive Independent Director)

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:

Sd/-

Kalpesh Agrawal

(Chief Financial Officer)

Date: August 11, 2023

Place: Mumbai