



(Please scan the QR to view the Prospectus)

PROSPECTUS

Dated: September 5, 2024

Please read section 26 of the Companies Act, 2013



100% Book Built Offer



GALA PRECISION ENGINEERING LIMITED

CORPORATE IDENTITY NUMBER: U29268MH2009PLC190522

| REGISTERED AND CORPORATE OFFICE | | CONTACT PERSON | | EMAIL AND TELEPHONE | WEBSITE |
|--|---|---|---|---|-------------------|
| A-801, 8th Floor, Thane One DIL Complex, Ghodbunder Road Majiwade, Thane (West), Maharashtra, India, 400610 | | Pooja Ladha Company Secretary and Compliance Officer | | Email: investor.relations@galagroup.com Tel: +91 22-6930 9224 | www.galagroup.com |
| PROMOTERS OF OUR COMPANY: KIRIT VISHANJI GALA AND SMEET KIRIT GALA | | | | | |
| DETAILS OF THE OFFER TO THE PUBLIC | | | | | |
| TYPE | FRESH ISSUE SIZE | OFFER FOR SALE SIZE | TOTAL OFFER SIZE | ELIGIBILITY AND SHARE RESERVATION AMONG QIBS, NIIS AND RIIS | |
| Fresh Issue and an Offer for Sale | 2,558,416 Equity Shares aggregating to ₹ 1,353.40 million | 616,000 Equity Shares aggregating to ₹ 325.86 million | 3,174,416 equity shares of face value of ₹10 each (“ Equity Shares ”) aggregating to ₹ 1,679.27 million (“ Offer ”) | The Offer has been made in terms of Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ SEBI ICDR Regulations ”). For details in relation to share reservation among Qualified Institutional Buyers, Non-Institutional Investors and Retail Individual Investors and Eligible Employees, see “ <i>Offer Structure</i> ” on page 420. | |
| OFFER FOR SALE | | | | | |
| DETAILS OF OFFER FOR SALE BY THE SELLING SHAREHOLDERS AND WEIGHTED AVERAGE COST OF ACQUISITION | | | | | |
| NAME OF THE SELLING SHAREHOLDERS | | TYPE | NUMBER OF EQUITY SHARES OFFERED/ AMOUNT^ | WEIGHTED AVERAGE COST OF ACQUISITION* (IN ₹ PER EQUITY SHARE) | |
| Taramati V Gala | | Promoter Group Selling Shareholder | 385,200 Equity Shares aggregating up to ₹203.77 million | 27.47 | |
| Kirit Vishanji Gala (HUF) | | Promoter Group Selling Shareholder | 79,200 Equity Shares aggregating up to ₹41.90 million | 17.00 | |
| Nayna Gala | | Promoter Group Selling Shareholder | 50,000 Equity Shares aggregating up to ₹26.45 million | 13.36 | |
| Satish Kotwani* | | Individual Selling Shareholder | 40,000 Equity Shares aggregating up to ₹21.16 million | 9.47 | |
| Hemlata Dhiraj Shah** | | Individual Selling Shareholder | 23,600 Equity Shares aggregating up to ₹12.48 million | 17.00 | |
| Dhiraj Nanchand Shah*** | | Individual Selling Shareholder | 28,000 Equity Shares aggregating up to ₹14.81 million | 17.00 | |
| Rupa Sunil Mehta | | Individual Selling Shareholder | 10,000 Equity Shares aggregating up to ₹5.29 million | 80.36 | |
| *Held as first shareholder with second shareholder being Anjali Kotwani, ** Held as first shareholder with second shareholder being. Dhiraj Nanchand Shah, ***Held as first shareholder with second shareholder being Hemlata Dhiraj Shah | | | | | |
| ^Subject to finalisation of the Basis of Allotment | | | | | |
| RISKS IN RELATION TO THE FIRST OFFER | | | | | |
| This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of each Equity Share is ₹ 10. The Floor Price, the Cap Price and the Offer Price, as determined by our Company in consultation with the Book Running Lead Manager, in accordance with the SEBI ICDR Regulations, and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated in “ <i>Basis for Offer Price</i> ” on page 137, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company, or regarding the price at which the Equity Shares will be traded after listing. | | | | | |
| GENERAL RISK | | | | | |
| Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“ SEBI ”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. Specific attention of the investors is invited to “ <i>Risk Factors</i> ” on page 36. | | | | | |
| OUR COMPANY’S AND SELLING SHAREHOLDERS’ ABSOLUTE RESPONSIBILITY | | | | | |
| Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each of the Selling Shareholders severally and not jointly, accepts responsibility for and confirms, that the statements specifically made or confirmed by such Selling Shareholder in this Prospectus, to the extent that the statements and information specifically pertain to such Selling Shareholder and the Equity Shares offered by such Selling Shareholder under the Offer for Sale are true and correct in all material respects and assumes responsibility that such statements are not misleading in any material respect. The Selling Shareholders assume no responsibility for any other statements, including, inter alia, any of the statements made by or relating to our Company in this Prospectus. | | | | | |
| LISTING | | | | | |
| The Equity Shares, once offered through the Red Herring Prospectus and this Prospectus are proposed to be listed on the Stock Exchanges being BSE Limited and National Stock Exchange of India Limited. For the purposes of the Offer, the Designated Stock Exchange is BSE Limited. | | | | | |
| BOOK RUNNING LEAD MANAGER | | | | | |

| | | | | | |
|--|---------------------------------|---------------------------------|----------------------------------|--|-------------------------------------|
|  <div>PL Capital PRABHUDAS LILLADHER</div> PL Capital Markets Private Limited | | Wincy Nadar/Ashwinikumar Chavan | | Telephone: +91 22 6632 2222 Email: galaprecisionipo@plindia.com | |
| | | REGISTRAR TO THE OFFER | | | |
| Name of Registrar | | Contact Person | | Email and Telephone | |
| Link Intime India Private Limited  | | Shanti Gopalkrishnan | | Tel: +91 22 4918 6200, + 91 81 0811 4949 E-mail: galaprecision.ipo@linkintime.co.in | |
| | | BID/OFFER PERIOD | | | |
| ANCHOR INVESTOR BID/OFFER PERIOD* | Friday, August 30, 2024* | BID/OFFER OPENED ON* | Monday, September 2, 2024 | BID/OFFER CLOSED ON** | Wednesday, September 4, 2024 |

#As certified by Statutory Auditor by way of their certificate dated August 23, 2024

* The Anchor Investor Bid/Offer Period was one Working Day prior to the Bid/Offer Opening Date.



(Please scan the QR to view the Prospectus)

PROSPECTUS

Dated: September 5, 2024

Please read section 26 of the Companies Act, 2013
100% Book Built Offer



GALA PRECISION ENGINEERING LIMITED

Our Company was incorporated as 'Gala Precision Engineering Private Limited' a private limited company under the Companies Act, 1956, pursuant to the certificate of incorporation issued by the RoC on February 23, 2009. Our Company entered into a Business Transfer Agreement dated May 26, 2009 to transfer the business operations from Gala Precision Technology Private Limited. The name of our Company was subsequently changed to 'Gala Precision Engineering Limited', upon conversion into a public company, pursuant to a board resolution dated September 5, 2023 and a shareholder resolution dated October 3, 2023, and a fresh certificate of change of name was issued on October 25, 2023 by the RoC.

Corporate Identity Number: U29268MH2009PLC190522

Registered and Corporate Office: A-801, 8th Floor, Thane One DIL Complex, Ghodbunder Road Majiwade, Thane (west), Maharashtra, India – 400610

Contact Person: Pooja Ladha, Company Secretary and Compliance Officer; Tel: + 91 22-6930 9224

E-mail: investor.relations@galagroup.com, Website: www.galagroup.com

OUR PROMOTERS: KIRIT VISHANJI GALA AND SMEET KIRIT GALA

INITIAL PUBLIC OFFER OF 3,174,416 EQUITY SHARES FOR CASH AT A PRICE OF ₹529 PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹519 PER EQUITY SHARE) AGGREGATING TO ₹ 1,679.27 MILLION COMPRISING OF A FRESH ISSUE OF 2,558,416 EQUITY SHARES AGGREGATING TO ₹ 1,353.40 MILLION AND OFFER FOR SALE OF 385,200 EQUITY SHARES BY TARAMATI V GALA AGGREGATING UP TO ₹ 203.77 MILLION, 79,200 EQUITY SHARES BY KIRIT VISHANJI GALA(HUF) AGGREGATING UP TO ₹ 41.90 MILLION, 50,000 EQUITY SHARES BY NAYNA GALA AGGREGATING UP TO ₹ 26.45 MILLION, 40,000 EQUITY SHARES BY SATISH KOTWANI AGGREGATING ₹ 21.16 MILLION, 23,600 EQUITY SHARES BY HEMLATA DHIRAJ SHAH* AGGREGATING TO ₹ 12.48 MILLION, UP TO 28,000 EQUITY SHARES BY DHIRAJ NANCHAND SHAH* AGGREGATING UP TO ₹ 14.81 MILLION AND 10,000 EQUITY SHARES BY RUPA SUNIL MEHTA AGGREGATING TO ₹ 5.29 MILLION. THE OFFER COMPRISES OF A NET OFFER OF 3,168,620 EQUITY SHARES AND EMPLOYEE RESERVATION PORTION OF 5,796 EQUITY SHARES AGGREGATING TO ₹ 3.07 MILLION FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (CONSTITUTING TO 0.05% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL). THE OFFER AND THE NET OFFER SHALL CONSTITUTE 25.05% AND 25.01% RESPECTIVELY OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE OFFER INCLUDED A RESERVATION OF 5,796 EQUITY SHARES AGGREGATING TO ₹ 3.07 MILLION (CONSTITUTING TO 0.05% OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE 25.05% AND 25.01%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 EACH AND THE OFFER PRICE IS 52.90 TIMES THE FACE VALUE OF THE EQUITY SHARES.

*Equity Shares held jointly with a second shareholder

^ Subject to finalisation of the Basis of Allotment

The Offer has been made, in terms of Rule 19(2)(b) of the SCRR, read with Regulation 31 of the SEBI ICDR Regulations. The Offer has been made through the Book Building Process in terms of Regulation 6 (1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer was available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs and such portion, the "QIB Portion"). Our Company, in consultation with the BRLM, allocated up to 60% of the QIB Portion to Anchor Investors on a discretionary basis ("Anchor Investor Portion"), out of which one-third was reserved for domestic Mutual Funds, subject to valid Bids having been received from domestic Mutual Funds at or above the price at which allocation was made to Anchor Investors ("Anchor Investor Allocation Price"), in accordance with the SEBI ICDR Regulations. Further, 5% of the Net QIB Portion was available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion was available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids having been received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds was less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion were added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Offer was made available for allocation to Non-Institutional Bidders ("Non-Institutional Portion") (of which one third of the Non-Institutional Portion was made reserved for Bidders with an application size between ₹ 0.20 million up to ₹ 1 million and two-thirds of the Non-Institutional Portion was made reserved for Bidders with an application size exceeding ₹ 1 million) subject to valid Bids having been received at or above the Offer Price and not less than 35% of the Offer was made available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids having been received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) were mandatorily required to participate in the Offer through the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA accounts and UPI ID in case of UPI Bidders using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amount were blocked by the Self Certified Syndicate Banks ("SCSBs") or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of the respective Bid Amounts. Anchor Investors were not permitted to participate in the Offer through the ASBA Process. For further details, see "Offer Procedure" on page 429.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 each. The Floor Price, the Offer Price or the Price Band as (determined by our Company in consultation with the BRLM, in accordance with the SEBI ICDR Regulations and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "Basis for Offer Price" on page 137, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company, or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 36.

OUR COMPANY'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, each of the Selling Shareholders severally and not jointly, accept responsibility for, and confirm, that the statements specifically made or confirmed by such Selling Shareholders in this Prospectus to the extent that the statements and information specifically pertain such Selling Shareholder and the Equity Shares offered by such Selling Shareholder under the Offer for Sale, are true and correct in all material respects and assumes responsibility that such statements are not

misleading in any material respect. The Selling Shareholders assume no responsibility for any other statements, including, inter alia, any of the statements made by or relating to our Company in this Prospectus.

LISTING

The Equity Shares, offered through the Red Herring Prospectus and Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters each dated June 20, 2024. For the purposes of the Offer, the Designated Stock Exchange shall be BSE Limited. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For further details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 500.

BOOK RUNNING LEAD MANAGER

REGISTRAR TO THE OFFER



PL Capital Markets Private Limited
3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai - 400 018, Maharashtra, India.
Telephone: +91 22 6632 2222
Email: galaprecisionipo@plindia.com
Website: www.plindia.com
Investor Grievance ID: grievance-mbd@plindia.com
Contact Person: Wincy Nadar/Ashwinikumar Chavan
SEBI Registration Number: INM000011237

Link Intime India Private Limited
C-101, 1st Floor, 247 Park, L.B.S. Marg Vikhroli (West), Mumbai 400 083, Maharashtra
Telephone: +91 22 4918 6200
E-mail: galaprecision.ipo@linkintime.co.in
Investor grievance e-mail: galaprecision.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact person: Shanti Gopalkrishnan
SEBI registration number: INR000004058

BID/OFFER PROGRAMME

BID/OFFER OPENS ON

Monday, September 2, 2024 *

BID/OFFER CLOSES ON

Wednesday, September 4, 2024

* The Anchor Investor Bid/Offer Period was one Working Day prior to the Bid/Offer Opening Date.

TABLE OF CONTENTS

| | |
|---|-----|
| SECTION I – GENERAL | 1 |
| DEFINITIONS AND ABBREVIATIONS | 1 |
| CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION | 16 |
| FORWARD LOOKING STATEMENTS | 20 |
| SUMMARY OF THE OFFER DOCUMENT | 22 |
| SECTION II – RISK FACTORS | 36 |
| SECTION III – INTRODUCTION | 66 |
| THE OFFER | 66 |
| SUMMARY FINANCIAL INFORMATION | 68 |
| GENERAL INFORMATION | 74 |
| CAPITAL STRUCTURE | 83 |
| OBJECTS OF THE OFFER | 114 |
| BASIS OF OFFER PRICE | 130 |
| STATEMENT OF SPECIAL TAX BENEFITS | 150 |
| SECTION IV – ABOUT THE COMPANY | 156 |
| INDUSTRY OVERVIEW | 156 |
| OUR BUSINESS | 197 |
| KEY REGULATIONS AND POLICIES | 235 |
| HISTORY AND CERTAIN CORPORATE MATTERS | 241 |
| OUR SUBSIDIARIES | 246 |
| OUR MANAGEMENT | 248 |
| OUR PROMOTERS AND PROMOTER GROUP | 274 |
| OUR GROUP COMPANIES | 279 |
| DIVIDEND POLICY | 282 |
| SECTION V – FINANCIAL INFORMATION | 283 |
| OTHER FINANCIAL INFORMATION | 355 |
| RELATED PARTY TRANSACTIONS | 357 |
| MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS | 358 |
| CAPITALISATION STATEMENT | 387 |
| FINANCIAL INDEBTEDNESS | 388 |
| SECTION VI – LEGAL AND OTHER INFORMATION | 391 |
| OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS | 391 |
| GOVERNMENT AND OTHER APPROVALS | 397 |
| OTHER REGULATORY AND STATUTORY DISCLOSURES | 401 |
| SECTION VII – OFFER RELATED INFORMATION | 415 |
| TERMS OF THE OFFER | 415 |
| OFFER STRUCTURE | 423 |
| OFFER PROCEDURE | 429 |
| RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES | 455 |
| SECTION VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION | 457 |
| SECTION IX – OTHER INFORMATION | 500 |
| MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION | 500 |
| DECLARATION | 503 |

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as assigned below. References to statutes, rules, regulations, guidelines and policies will, unless the context otherwise requires, be deemed to include all amendments, modifications and replacements notified thereto, as of the date of this Prospectus, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

The words and expressions used in this Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.

The terms not defined herein but used in “Objects of the Offer”, “History and Certain Corporate Matters”, “Financial Indebtedness”, “Basis of Offer Price”, “Statement of Special Tax Benefits”, “Industry Overview”, “Key Regulations and Policies”, “Financial Information”, “Outstanding Litigation and Other Material Developments” “Offer Procedure” and “Description of Equity Shares and Terms of Articles of Association”, on pages 114, 241, 388, 137, 150, 156, 235, 283, 391, 429 and 457 respectively, will have the meaning ascribed to such terms in those respective sections.

General Terms

| Term | Description |
|--|---|
| our Company / the Company / the Issuer | Gala Precision Engineering Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered and Corporate Office at A-801, 8th Floor, Thane One DIL Complex, Ghodbunder Road Majiwade, Thane (West), Maharashtra, India, 400610 |
| we / us / our | Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, on a consolidated basis as on the date of this Prospectus. |

Company Related Terms

| Term | Description |
|--|---|
| 1Lattice Report | Precision Engineering Industry Report dated August, 2024 prepared and issued by Lattice Technologies Private Limited |
| Addendum to the Price Band Advertisement | The addendum to the price band advertisement dated August 28, 2024 published on August 29, 2024 in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and regional editions of Navshakti (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located) |
| Articles of Association / Articles / AoA | Articles of association of our Company, as amended from time to time |
| Audit Committee | Audit Committee of our Board. For more details see “Our Management – Corporate Governance” on page 248 |
| Auditors / Statutory Auditors | Statutory auditors of our Company, currently being M M Nissim & Co LLP |
| Board / Board of Directors | Board of directors of our Company, as constituted from time to time or any duly constituted committee thereof. For details see “Our Management – Board of Directors” on page 248 |
| BTA | Business Transfer Agreement dated May 26, 2009 between our Company and Gala Precision Technology Private Limited. For details, see “History and Certain Corporate Matters” on page 241 |

| Term | Description |
|---|--|
| Chairman | Chairman of our Company, namely Kirit Vishanji Gala |
| Chief Financial Officer / CFO | Chief financial officer of our Company, namely Srinivasan Giridhar. For details, see “ <i>Our Management – Key Managerial Personnel</i> ” on page 248 |
| Company Secretary and Compliance Officer | The company secretary and compliance officer of our Company, namely Pooja Ladha. For details, see “ <i>Our Management – Key Managerial Personnel</i> ” on page 248 |
| Corporate Office | A-801, 8th Floor, Thane One, DIL Complex, Ghodbunder Road Majiwade, Thane (West), Maharashtra, India, 400610 |
| Corporate Social Responsibility Committee / CSR Committee | The corporate social responsibility committee of our Company. For details see “ <i>Our Management – Corporate Governance</i> ” on page 248 |
| Director(s) | The director(s) on the Board of Directors, as appointed from time to time |
| DPR | The detailed project report dated February 12, 2024 issued by RBSA Advisors LLP, an Independent Consultant |
| ESIC | Employee State Insurance Corporation |
| ESOP Scheme 2014 | Gala Precision Engineering Limited, Employee Stock Option Plan 2014, as amended from time to time |
| ESOP Scheme 2021 | Gala Precision Engineering Limited, Employee Stock Option Plan 2021, as amended from time to time |
| ESOP Scheme 2024 | Gala Precision Engineering Limited, Employee Stock Option Plan 2024, as amended from time to time |
| Equity Shares | The equity shares of our Company of face value of ₹ 10 each |
| Executive Director(s) | Executive director(s) on our Board. For further details of the Executive Director, see “ <i>Our Management</i> ” on page 248 |
| Group Companies | The group companies of our Company in accordance with the SEBI ICDR Regulations and the Materiality Policy of our Company. For details see “ <i>Group Companies</i> ” on page 279 |
| Independent Architect | Independent Chartered Engineer for our Proposed Project being TSO Design Commune Private Limited |
| Independent Chartered Engineer | Independent Chartered Engineer of our Company being M./s M.C. Punjwani |
| Independent Director(s) | The non-executive, Independent Director(s) on our Board appointed as per the Companies Act, 2013 and the Listing Regulations. For details of our Independent Directors, see “ <i>Our Management-Board of Directors</i> ” on page 248 |
| IPO Committee | The IPO committee of our Board. For details see “ <i>Our Management – Corporate Governance</i> ” on page 248. |
| Key Managerial Personnel / KMP | Key managerial personnel of our Company. For details see “ <i>Our Management – Key Managerial Personnel</i> ” on page 248 |
| LWF | Labour Welfare Fund |
| Managing Director | The managing director of our Company, namely Kirit Vishanji Gala. For details, see “ <i>Our Management</i> ” on page 248. |
| Materiality Policy | The Materiality Policy adopted by our Board pursuant to a resolution of our Board dated November 30, 2023 for identification of the material: (a) outstanding material litigation proceedings; (b) Group Companies; and (c) material creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in the Draft Red Herring Prospectus the Red Herring Prospectus and this Prospectus. |
| Memorandum of Association / Memorandum/ MoA | The memorandum of association of our Company, as amended |
| Nomination and Remuneration Committee / NRC Committee | The nomination and remuneration committee of our Company. For details see “ <i>Our Management – Corporate Governance</i> ” on page 248 |

| Term | Description |
|--|---|
| Non – Executive Director(s) | A Director, not being an Executive Director. For further details of the Non- Executive Director, see “ <i>Our Management</i> ” on page 248. |
| PF | Providend fund |
| Promoter(s) | The promoters of our Company namely, Kirit Vishanji Gala and Smeet Kirit Gala. For details see in “ <i>Our Promoters and Promoter Group</i> ” on page 274 |
| Promoter Group | Such persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed in “ <i>Our Promoters and Promoter Group</i> ” on page 274 |
| Registered and Corporate Office | A-801, 8th Floor, Thane One DIL Complex, Ghodbunder Road Majiwade, Thane (West), Maharashtra, India, 400610 |
| Registrar of Companies / RoC | Registrar of Companies, Mumbai, India. For further information, see “ <i>General Information</i> ” on page 74 |
| Restated Financial Statements/ Restated Financial Information” | The restated consolidated financial statements of our Company and our Subsidiaries, comprising of restated statement of assets and liabilities as at and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, the restated statement of profit and loss (including other comprehensive income), the restated statement of cash flows and restated statement of changes in equity for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 and the Significant Accounting Policies and explanatory notes to the restated financial statements of the Company and included in “ <i>Financial Information</i> ” on page 283 |
| Selling Shareholder(s) | Collectively, the Promoter Group Selling Shareholders and Individual Selling Shareholders |
| Shareholders | The holders of the Equity Shares of our Company from time to time |
| Stakeholders Relationship Committee | The stakeholders’ relationship committee of our Company. For details see described in “ <i>Our Management – Corporate Governance</i> ” on page 248 |
| Subsidiaries | The subsidiaries of our Company namely Gala Springs LLP and Gala Precision Components Shanghai Limited. For details see “ <i>Our Subsidiaries</i> ” on page 246 |
| Whole-time Director(s) | The whole-time director of our Company. For details see “ <i>Our Management</i> ” on page 248 |

Offer Related Terms

| Term | Description |
|--|---|
| Abridged Prospectus | A memorandum containing such salient features of a prospectus as may be specified by SEBI in this regard |
| Acknowledgement Slip | The slip or document issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form |
| Allot / Allotment /Allotted | Unless the context otherwise requires, allotment of Equity Shares offered pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to successful Bidders |
| Allotment Advice | Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange |
| Allottee | A successful Bidder to whom the Equity Shares are Allotted |
| Anchor Investor(s) | A Qualified Institutional Buyer, who applied under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus |
| Anchor Investor Allocation Price | Price at which Equity Shares was allocated to Anchor Investors in terms of the Red Herring Prospectus and this Prospectus, which was decided by our Company and the Selling Shareholders, in consultation with the BRLM during the Anchor Investor Bidding Date |
| Anchor Investor Application Form | Application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which was considered as an application for Allotment in terms of the Red Herring Prospectus and this Prospectus |
| Anchor Investor Bid/Offer Period or Anchor Investor Bidding Date | One Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors were submitted and allocation to Anchor Investors was completed |

| Term | Description |
|--|---|
| Anchor Investor Offer Price | Final price, in this case being ₹ 529, at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and this Prospectus, which price is equal to the Offer Price. |
| Anchor Investor Pay-In Date | The Anchor Investor Bidding Date |
| Anchor Investor Portion | <p>60% of the QIB Portion, consisting of 950,586 Equity Shares^ which were be allocated by our Company and the Selling Shareholders in consultation with the BRLM, to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations.</p> <p>One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids having been received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations</p> <p><i>^Subject to finalisation of Basis of allotment</i></p> |
| Application Supported by Blocked Amount / ASBA | An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account and includes applications made by RIIs using the UPI Mechanism where the Bid Amount is blocked upon acceptance of UPI Mandate Request by RIIs using the UPI Mechanism |
| ASBA Account | A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds are blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a Retail Individual Investor linked to a UPI ID, which is blocked by the SCSB upon acceptance of the UPI Mandate Request in relation to a Bid by a Retail Individual Investor Bidding through the UPI Mechanism |
| ASBA Bidders | All Bidders except Anchor Investors |
| ASBA Form | An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which was considered as the application for Allotment in terms of the Red Herring Prospectus and this Prospectus |
| Banker(s) to the Offer | Collectively, the Escrow Collection Bank(s), Refund Bank(s), Sponsor Bank and Public Offer Account Bank(s), as the case may be |
| Basis of Allotment | Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, as described in “Offer Procedure” on page 429. |
| Bid | <p>An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.</p> <p>The term “Bidding” shall be construed accordingly.</p> |
| Bid Amount | <p>The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIIs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and paid by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid which was net of the Employee Discount, as applicable</p> <p>However, Eligible Employees who applied in the Employee Reservation Portion were allowed to apply at the Cut-off Price, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form.</p> |
| Bidding Centres | Centres at which the Designated Intermediaries accepted the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs |
| Bid cum Application Form | Anchor Investor Application Form or the ASBA Form, as the context requires |
| Bid Lot | 28 Equity Shares and in multiples of 28 Equity Shares thereafter |
| Bid/Offer Closing Date | Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries did not accept any Bids, which was notified in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and regional editions of Navshakti (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located) |

| Term | Description |
|--|---|
| Bid/ Offer Opening Date | Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries started accepting Bids, which was published in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and regional editions of Navshakti (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located) |
| Bid/ Offer Period | Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which Bidders (excluding Anchor Investors) could submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. |
| Bidder / Applicant | Any prospective investor who made a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, included an ASBA Bidder and an Anchor Investor. |
| Book Building Process | The book building process as described in Part A, Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer has been made. |
| Book Running Lead Manager” or “BRLM” | The book running lead manager to the Offer, namely PL Capital Markets Private Limited |
| Broker Centre | Broker centres notified by the Stock Exchanges where ASBA Bidders could submit the ASBA Forms, provided that RIBs only submit ASBA Forms at such broker centres if they are Bidding using the UPI Mechanism, to a Registered Broker and details of which are available on the websites of the respective Stock Exchanges. The details of such Broker Centres, along with the names and the contact details of the Registered Brokers were available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), and updated from time to time. |
| Bidding Centres | Centres at which the Designated Intermediaries accepted the Bid cum Application Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs. |
| CAN or Confirmation of Allocation Note | The notice or advice or intimation of allocation of the Equity Shares sent to successful Anchor Investors who have been allocated Equity Shares on / after the Anchor Investor Bidding Date. |
| Cap Price | The higher end of the Price Band, i.e. ₹ 529 per Equity Share, above which the Offer Price and the Anchor Investor Offer Price were not finalised and above which no Bids were accepted. |
| Cash Escrow and Sponsor Bank Agreement | The agreement dated August 21, 2024 entered into between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLM, the Syndicate Member, the Banker(s) to the Offer, <i>inter alia</i> , for the appointment of the Sponsor Bank in accordance with the UPI Circular, for the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof. |
| Client ID | Client identification number maintained with one of the Depositories in relation to the Bidder’s beneficiary account. |
| Collecting Depository Participant or CDP | A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as per the list available on the websites of BSE and NSE, as updated from time to time. |
| Cut-off Price | The Offer Price, being ₹ 529 as finalised by our Company, in consultation with the BRLM. Only Retail Individual Bidders and Eligible Employees. Bidding under the Employee Reservation Portion were entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders were not entitled to Bid at the Cut-off Price |
| Demographic Details | Details of the Bidders including the Bidder’s address, name of the Bidder’s father/ husband, investor status, occupation, PAN, DP ID, Client ID and bank account details and UPI ID, where applicable. |
| Designated CDP Locations | Such locations of the CDPs where Bidders could submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com) as updated from time to time. |
| Designated Date | The date on which funds are transferred from the Escrow Account to the Public Offer Account or the Refund Account, as appropriate, or the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Offer Account, as the case may be, in terms of the Red |

| Term | Description |
|--------------------------------------|---|
| | Herring Prospectus and this Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors or IPO Committee may Allot Equity Shares to successful Bidders in the Offer. |
| Designated Intermediaries | <p>In relation to ASBA Forms submitted by RIBs with an application size of up to ₹0.20 million and Non-Institutional Bidders Bidding with an application size of up to ₹0.50 million (not using the UPI mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.</p> <p>In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount was blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs.</p> <p>In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs.</p> |
| Designated RTA Locations | Such locations of the RTAs where Bidders could submit the ASBA Forms to RTAs, a list of which, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time. |
| Designated SCSB Branches | Such branches of the SCSBs which collected ASBA Forms, a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time. |
| Designated Stock Exchange | BSE Limited |
| Draft Red Herring Prospectus or DRHP | The draft red herring prospectus dated February 14, 2024, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the Offer, including the price at which the Equity Shares will be Allotted and the size of the Offer. |
| Eligible Employee | <p>All or any of the following (i) a permanent employee of our Company and/ or Subsidiaries working in India or out of India; or (ii) a director of our Company and/ or Subsidiaries, whether whole-time or not, as on the date of the filing of the Red Herring Prospectus with the RoC and who continue to be a permanent employee of our Company or any of our Subsidiaries or be our Director(s), as the case may be until the submission of the Bid cum Application Form, but excludes: (a) an employee who is the Promoter or belongs to the Promoter Group; (b) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of outstanding Equity Shares of our Company; and (c) an independent director.</p> <p>The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee did not exceed ₹0.50 million (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion did not exceed ₹0.20 million.</p> |
| Eligible FPIs | FPIs that are eligible to participate in the Offer in terms of applicable law and from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby. |
| Eligible NRIs | NRI(s) eligible to invest under the relevant provisions of the FEMA Rules, on a non-repatriation basis, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constituted an invitation to purchase the Equity Shares |
| Employee Reservation Portion | <p>The portion of the Offer being up to 5,796[^] Equity Shares aggregating up to ₹ 3.07 million, available for allocation to Eligible Employees, on a proportionate basis. Such portion did not exceed 5% of the post-Offer equity share capital of our Company.</p> <p><i>[^]Subject to finalisation of Basis of Allotment</i></p> |
| Escrow and Sponsor Bank Agreement | The agreement dated August 21, 2024 entered into amongst our Company, the Registrar to the Issue, the BRLMs and Banker(s) to the Issue for inter alia collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account(s) and where applicable remitting refunds, if any, to Bidders, on the terms and conditions thereof. |

| Term | Description |
|--|---|
| Escrow Account(s) | Accounts opened with the Escrow Collection Bank(s) and in whose favour Anchor Investors transferred money through direct credit/ NEFT/ RTGS/NACH in respect of Bid Amounts when submitting a Bid |
| Escrow Collection Bank(s) | The banks which are clearing members and registered with SEBI as Bankers to an issue under the BTI Regulations, and with whom the Escrow Account(s) were opened, in this case being HDFC Bank Limited |
| First Bidder | The Bidder whose name was mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name appeared as the first holder of the beneficiary account held in joint names |
| Fraudulent Borrower | Fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations |
| Fugitive Economic Offender | A fugitive economic offender as defined under the Fugitive Economic Offenders Act, 2018 |
| Floor Price | The lower end of the Price Band, i.e. ₹ 503. |
| Fresh Issue | The fresh issue component of the Offer comprising of an issuance of 2,558,416 Equity Shares [^] at ₹ 529 per Equity Share (including a premium of ₹ 519 per Equity Share) aggregating to ₹ 1,353.40 million [^] by our Company <i>[^]Subject to finalisation of Basis of Allotment</i> |
| General Information Document or GID | The General Information Document for investing in public offers, prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document was available on the websites of the Stock Exchanges and the BRLM |
| Gross Proceeds | The Offer proceeds from the Fresh Issue |
| Monitoring Agency | CRISIL Ratings Limited |
| Monitoring Agency Agreement | The agreement dated August 14, 2024 entered into between our Company and the Monitoring Agency |
| Mutual Fund | Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 |
| Mutual Fund Portion | 5% of the Net QIB Portion, or 31,686 Equity Shares [^] , which was available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids having been received at or above the Offer Price <i>[^]Subject to Basis of Allotment</i> |
| Net Offer | The Offer less Employee Reservation Portion |
| Net Proceeds | The Gross Proceeds less our Company's share of the Offer-related expenses applicable to the Fresh Issue. For further details about use of the Net Proceeds and the Offer related expenses, see " <i>Objects of the Offer</i> " on page 114 |
| Net QIB Portion | QIB Portion, less the number of Equity Shares Allotted to the Anchor Investors |
| Non-Institutional Investors or NII(s) or Non-Institutional Bidders or NIB(s) | All Bidders, that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹ 0.20 million (but not including NRIs other than Eligible NRIs) |
| Non-Institutional Portion | The portion of the Offer being not less than 15% of the Net Offer comprising of 475,293 Equity Shares [^] which was made available for allocation to NIIs in accordance with the SEBI ICDR Regulations, to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price. The allocation to the NIIs was made as follows: a) One-third of the Non-Institutional Portion was reserved for applicants with an application size of more than ₹0.20 million and up to ₹1.00 million; and b) Two-thirds of the Non-Institutional Portion was reserved for applicants with an application size of more than ₹1.00 million |
| Non-Resident or NR | A person resident outside India, as defined under FEMA |
| Offer | The initial public offer of 3,174,416 Equity Shares for cash at a price of ₹ 529 per Equity Share (including a share premium of 519 per Equity Share) aggregating to ₹ 1,679.27 million consisting of a Fresh issue of 2,558,416 Equity Shares aggregating to ₹ 1,353.40 million by our Company and an Offer for Sale of 616,000 Equity Shares aggregating to 325.86 million, by the Selling Shareholders. The Offer comprises the Net Offer and Employee Reservation Portion |
| Offer Agreement | The agreement dated February 14, 2024 amongst our Company, the Selling Shareholders and the BRLM, pursuant to the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Offer |

| Term | Description |
|---|--|
| Offer for Sale | The offer for sale of 616,000 Equity Shares [^] aggregating to ₹ 325.86 million by the Selling Shareholders in the Offer <i>[^]Subject to Basis of Allotment</i> |
| Offer Price | ₹ 529 per Equity Share, being the final price within the Price Band, at which the Equity Shares were Allotted to successful Bidders other than Anchor Investors. Equity Shares were Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus. The Offer Price was decided by our Company and the Selling Shareholders, in consultation with the BRLM, in accordance with the Book Building Process on the Pricing Date and in terms of the Red Herring Prospectus. |
| Offered Shares | 616,000 Equity Shares [^] offered by Selling Shareholders as part of the Offer for Sale. <i>[^]Subject to Basis of Allotment</i> |
| Price Band | Price band of a minimum price of ₹ 503 per Equity Share (Floor Price) and the maximum price of ₹ 529 per Equity Share (Cap Price). The Price Band and the minimum Bid Lot for the Offer was decided by our Company, Selling Shareholders, in consultation with the Book Running Lead Manager, and was advertised in all editions of English national daily newspaper, Financial Express, all editions of Hindi national daily newspaper, Jansatta and regional editions of the Marathi daily newspaper Navshakti (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), each with a wide circulation, not less than two Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor price and at the Cap Price, and was made available to the Stock Exchanges for the purpose of uploading on their respective websites |
| Pricing Date | The date on which our Company and the Selling Shareholders, in consultation with the BRLM, finalised the Offer Price |
| Prospectus | This prospectus dated September 05, 2024 to be filed with the RoC, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations containing, amongst other things, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto |
| Public Offer Account Bank(s) | The banks which are clearing members and registered with SEBI under the BTI Regulations, with whom the Public Offer Account(s) will be opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being HDFC Bank Limited. |
| Public Offer Account(s) | Bank account opened in accordance with the provisions of the Companies Act, 2013, with the Public Offer Account Bank(s) to receive money from the Escrow Accounts and from the ASBA Accounts on the Designated Date. |
| QIB Portion | The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer, consisting of 1,584,310 Equity Shares [^] which was allocated to QIBs, including the Anchor Investors (which allocation was on a discretionary basis, as determined by our Company and the Selling Shareholders, in consultation with the BRLM up to a limit of 60% of the QIB Portion) subject to valid Bids having been received at or above the Offer Price or Anchor Investor Offer Price. <i>[^]Subject to Basis of Allotment</i> |
| Qualified Institutional Buyers” or “QIBs” | A qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations. However, non-residents which are FVCIs and multilateral and bilateral development financial institutions were not permitted to participate in the Offer. |
| Red Herring Prospectus or RHP | The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of SEBI ICDR Regulations, which did not have complete particulars of the price at which the Equity Shares were offered and the size of the Offer, including any addenda or corrigenda thereto. The red herring prospectus was filed with the RoC not less than three working days before the Bid/ Offer Opening Date and has become this Prospectus upon filing with the RoC after the Pricing Date. |
| Refund Account(s) | The ‘no-lien’ and ‘non-interest bearing’ account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors were made |
| Refund Bank(s) | The Banker(s) to the Offer with whom the Refund Account(s) were opened, in this case being HDFC Bank Limited. |
| Registered Broker | Stock brokers registered with the stock exchanges having nationwide terminals other than the members of the Syndicate, and eligible to procure Bids in terms of the circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI |

| Term | Description |
|--|---|
| Registrar Agreement | The agreement dated February 14, 2024 entered amongst our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer |
| Registrar and Share Transfer Agents or RTAs | Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the lists available on the website of BSE and NSE, and the UPI Circulars |
| Registrar, or Registrar to the Offer | The Registrar to the Issue namely Link Intime India Private Limited. |
| Resident Indian | A person resident in India, as defined under FEMA |
| Retail Individual Bidders or RIB(s) or Retail Individual Investors or RII(s) | Individual Bidders (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs) who could have Bid for the Equity Shares for an amount not more than ₹0.20 million in any of the Bidding options in the Offer |
| Retail Portion | The portion of the Offer being not less than 35% of the Net Offer consisting of 1,109,017 Equity Shares^ which was available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids having been received at or above the Offer Price <i>^Subject to finalisation of Basis of Allotment</i> |
| Revision Form | Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders were not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders Bidding in the Retail Portion and Eligible Employees Bidding in the Employee Reservation Portion could revise their Bids during the Bid/Offer Period and were allowed to withdraw their Bids until Bid/Offer Closing Date |
| SCORES | Securities and Exchange Board of India Complaints Redress System, a centralized web based complaints redressal system launched by SEBI vide circular no. CIR/OIAE/1/2014 dated December 18, 2014 |
| Self-Certified Syndicate Bank(s) or SCSB(s) | The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 , or such other website as may be prescribed by SEBI from time to time. Applications through UPI in the Offer were made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which were live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 , as updated from time to time. |
| Specified Locations | The Bidding centres where the Syndicate accepted Bid cum Application Forms from relevant Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in), and updated from time to time. |
| Share Escrow Agent | Escrow agent appointed pursuant to the Share Escrow Agreement, namely HDFC Bank Limited. |
| Share Escrow Agreement | The agreement dated August 21, 2024 entered into amongst our Company, the Selling Shareholders, and the Share Escrow Agent for deposit of the Equity Shares offered by the Selling Shareholders in escrow and credit of such Equity Shares to the demat account of the Allottees. |
| Sponsor Bank(s) | The Banker(s) to the Offer registered with SEBI which is appointed by the Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the UPI Mandate Requests and / or payment instructions of the RIBs using the |

| Term | Description |
|---|--|
| | UPI Mechanism and carry out any other responsibilities in terms of the UPI Circulars, in this case being HDFC Bank Limited. |
| Stock Exchanges | Collectively, BSE Limited NSE Limited |
| Syndicate Agreement | Agreement dated August 21, 2024, entered into among our Company, the Selling Shareholders, the BRLM, and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate |
| Syndicate Members | Intermediaries (other than BRLM) registered with SEBI who are permitted to accept bids, applications and place orders with respect to the Offer and carry out activities as an underwriter namely, Prabhudas Liladher Private Limited |
| Syndicate or members of the Syndicate | Together, the BRLM and the Syndicate Members |
| Systemically Important Non-Banking Financial Company or NBFC-SI | Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations |
| Underwriters | Together, the BRLM and Syndicate Member |
| Underwriting Agreement | The agreement dated September 05, 2024 entered into amongst the Underwriters, the Selling Shareholders and our Company. |
| UPI | Unified Payments Interface, which is an instant payment mechanism developed by NPCI |
| UPI Bidders | <p>Collectively, individual investors who applied as RIBs in the Retail Portion, and individuals applying as Non-Institutional Investors with a Bid Amount of up to ₹ 0.50 million in the Non-Institutional Portion and who bid under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.</p> <p>Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors who apply in public issues where the application amount is up to ₹ 0.50 million should use UPI and provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity).</p> |
| UPI Circulars | Collectively, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/OW/P/2021/2481/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/47 dated March 31, 2021 SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, the RTA Master Circular and SEBI master circular no. SEBI/HO/CFD/PoD- 2/P/CIR/2023/00094 dated June 21, 2023 SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022, and any subsequent circulars or notifications issued by SEBI and Stock Exchanges in this regard. |
| UPI ID | ID created on UPI for single-window mobile payment system developed by the NPCI |
| UPI Mandate Request | A request (intimating the UPI Bidder by way of a notification on the UPI application, by way of a SMS directing the UPI Bidder to such UPI application) to the UPI Bidder initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment |
| UPI Mechanism | The Bidding mechanism that was used by a UPI Bidder to make a Bid in the Offer in accordance with the UPI Circulars |
| UPI PIN | Password to authenticate UPI transaction |
| WACA | Weighted Average Cost of Acquisition |

| Term | Description |
|------------------|--|
| Wilful Defaulter | A wilful defaulter, as defined under the SEBI ICDR Regulations |
| Working Day | All days, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, Working Day shall mean all days except all Saturdays, Sundays and public holidays on which commercial banks in Mumbai are open for business and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays in India, as per the circulars issued by SEBI, including the SEBI UPI Circulars |

Technical/ Industry Related Terms

| Term | Description |
|-------|--|
| AC | Alternating Current |
| AMP | Automotive Mission Plan |
| BESS | Battery Energy Storage System |
| BEV | Battery Electric Vehicle |
| BS-VI | Bharat Stage VI |
| CAD | Computer-aided design |
| CAGR | Compounded annual growth rate |
| CBET | Cross-Border Electricity Trading |
| CCQC | Chapter Convention on Quality Concepts |
| CEF | Connecting Europe Facility |
| COP | Climate Change Conference |
| CSS | Coil & Spiral Spring |
| CNC | Computerized numerical control |
| CY | Calendar Year |
| DC | Direct Current |
| DIN | Deutsches Institut für Normung |
| DOT | Department of Transportation |
| DSS | Disc & Strip Springs |
| EMU | Electric Multiple Unit |
| EU | European Union |
| EV | Electric Vehicles |
| FAME | Faster Adoption and Manufacturing of Electric Vehicles |
| FRA | Federal Railroad Administration |
| FY | Financial Year |
| GDP | Gross Domestic Product |
| GW | Gigawatt |
| GWLW | Gallock Wedge Lock Washers |
| HCV | Heavy Commercial Vehicles |
| HVAC | Heating, Ventilation, and Air Conditioning |
| IATF | International Automotive Task Force |
| IEA | International Energy Agency |
| INR | Indian Rupees |
| IRA | Inflation Reduction Act |
| IRSDC | Indian Railway Station Development Corporation |
| ISO | International Organization Standardization |
| KM | Kilometer |
| LCV | Light commercial vehicle |
| MCV | Medium commercial vehicle |
| MFS | Manufacture of Mass Finishing Systems |
| NHSRC | National High-Speed Rail Corporation |
| NITI | National Institution for Transforming India |
| NIP | National Infrastructure Pipeline |
| NRP | National Rail Plan |
| OEM | Original Equipment Manufacturers |
| OHVs | Off-Highway Vehicle |
| PLI | Production Linked Incentive |
| PPP | Public-Private Partnership |

| Term | Description |
|-------|--|
| PURPA | Public Utility Regulatory Policies Act |
| PV | Photovoltaic |
| QA | Quality Assurance |
| QC | Quality Control |
| RFQ | Request for quote |
| RPS | Renewable Portfolio Standard |
| SFS | Special Fastening Solution |
| SMAM | Sub-Mission on Agriculture Mechanization |
| US\$ | United States Dollar |
| WLW | Wedge Lock Washers |
| Y-o-Y | Year on year |

Conventional and General Terms or Abbreviations

| Term | Description |
|---|---|
| A/c | Account |
| AGM | Annual general meeting |
| AIF | An alternative investment fund as defined in and registered with SEBI under the SEBI AIF Regulations |
| B2B | Business-to-Business |
| BSE | BSE Limited |
| CAGR | Compounded Annual Growth Rate |
| Calendar Year / year | Unless the context otherwise requires, shall refer to the twelve-month period ending December 31 |
| CDSL | Central Depository Services (India) Limited |
| CIN | Corporate Identity Number |
| Companies Act, 1956 | Companies Act, 1956, and the rules, regulations, notifications, modifications and clarifications made thereunder, as the context requires |
| Companies Act, 2013 / Companies Act | Companies Act, 2013 and the rules, regulations, notifications, modifications and clarifications thereunder |
| Consolidated FDI Policy | The consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any amendments or substitutions thereof, issued from time to time |
| Contract Labour Act | The Contract Labour (Regulation and Abolition) Act, 1970. |
| CSR | Corporate social responsibility |
| Demat | Dematerialised |
| Depositories Act | Depositories Act, 1996 read with the rules and regulations thereunder |
| Depository / Depositories | NSDL and CDSL |
| DIN | Director Identification Number |
| DP ID | Depository Participant's Identification Number |
| DP / Depository Participant | A depository participant as defined under the Depositories Act |
| DPIIT | The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India |
| EBITDA | Earnings before interest, tax, depreciation and amortisation |
| EGM | Extraordinary general meeting |
| EPS | Earnings per share |
| EUR | Euro |
| FAQs | Frequently asked questions |
| FCNR | Foreign currency non-resident account |
| FDI | Foreign direct investment |
| FDI Circular or Consolidated FDI Policy | The Consolidated Foreign Direct Investment Policy bearing DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time |

| Term | Description |
|-------------------------------------|--|
| FEMA | Foreign Exchange Management Act, 1999, including the rules and regulations thereunder |
| FEMA Regulations | Foreign Exchange Management (Transfer of Issue of Security by a Person Resident outside India) Regulations, 2017 |
| FEMA Rules | Foreign Exchange Management (Non-debt Instruments) Rules, 2019 |
| Financial Year / Fiscal / FY / F.Y. | Period of twelve months ending on March 31 on that particular year, unless stated otherwise |
| FI | Financial institutions |
| FPI(s) | A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations |
| FVCI | Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI |
| FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000 |
| Fugitive Economic Offender | An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018. |
| GDP | Gross domestic product |
| Central Government / GoI | Government of India |
| GST | Goods and service tax |
| HUF | Hindu undivided family |
| IT Act | The Information Technology Act, 2000 |
| I.T. Act | The Income Tax Act, 1961 |
| ICAI | The Institute of Chartered Accountants of India |
| IFRS | International Financial Reporting Standards of the International Accounting Standards Board |
| Ind AS | Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013 |
| Ind AS Rules | Companies (Indian Accounting Standards) Rules, 2015 |
| Indian GAAP | Generally Accepted Accounting Principles in India, being, accounting principles generally accepted in India including the accounting standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended |
| IPO | Initial public offering |
| IRDAI | Insurance Regulatory and Development Authority of India |
| IT | Information technology |
| MCA | Ministry of Corporate Affairs, Government of India |
| MCLR | Marginal cost of fund-based lending rate |
| Mn / mn | Million |
| MCA | Ministry of Corporate Affairs, Government of India |
| N.A / NA | Not applicable |
| NACH | National Automated Clearing House |
| National Investment Fund | National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India |
| NAV | Net asset value |
| NBFC | Non-Banking Financial Companies |
| NBFC - SI | Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations. |
| NCLT | National Company Law Tribunal |
| NEFT | National electronic fund transfer |
| Negotiable Instruments Act | The Negotiable Instruments Act, 1881 |
| Non-Resident | A person resident outside India, as defined under FEMA |
| NPCI | National payments corporation of India |
| NRE Account | Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016 |

| Term | Description |
|-----------------------------------|---|
| NRI/ Non-Resident Indian | A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955 |
| NRO Account | Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016 |
| NSDL | National Securities Deposit Limited |
| NSE | National Stock Exchange of India Limited |
| OCB/ Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer |
| p.a. | Per annum |
| P/E Ratio | Price/earnings ratio |
| PAN | Permanent account number allotted under the I.T. Act |
| PAT | Profit After Tax |
| R&D | Research and development |
| RBI | Reserve Bank of India |
| Regulation S | Regulation S under the U.S. Securities Act |
| RONW | Return on net worth |
| Rs. / Rupees/ ₹ / INR | Indian Rupees |
| RTGS | Real time gross settlement |
| SCORES | SEBI Complaints Redress System |
| SCRA | Securities Contracts (Regulation) Act, 1956 |
| SCRR | Securities Contracts (Regulation) Rules, 1957 |
| SEBI | Securities and Exchange Board of India constituted under the SEBI Act |
| SEBI Act | Securities and Exchange Board of India Act, 1992 |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 |
| SEBI BTI Regulations | Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 |
| SEBI FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 |
| SEBI ICDR Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 |
| SEBI Insider Trading Regulations | Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |
| SEBI Merchant Bankers Regulations | Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 |
| SEBI Mutual Funds Regulations | Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 |
| SEBI Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |
| SEBI SBEB Regulations | Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 |
| SEBI VCF Regulations | Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations |
| Specified Securities | Equity shares and/or convertible securities |
| State Government | Government of a state of India |

| Term | Description |
|--|--|
| Stock Exchanges | Collectively, the BSE and NSE |
| STT | Securities transaction tax |
| TAN | Tax deduction account number |
| TDS | Tax deducted at source |
| U.S. Securities Act | United States Securities Act of 1933, as amended |
| US GAAP | Generally Accepted Accounting Principles in the United States of America |
| USA/ U.S/ US/United States | The United States of America, its territories and possessions, any State of the United States and the District of Columbia |
| USD/ US\$/ \$ | United States Dollars |
| VAT | Value added tax |
| VCFs | Venture capital funds as defined in, and registered with SEBI under, the SEBI VCF Regulations |
| Wilful Defaulter or Fraudulent Borrower | Wilful defaulter or a fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations. |

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

Certain Conventions

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

All references in this Prospectus to the “US”, “U.S.” “USA” or “United States” are to the United States of America and its territories and possessions.

Unless indicated otherwise, all references to a year in this Prospectus are to a calendar year and references to a Fiscal or a Fiscal Year are to the year ended on March 31, of that calendar year.

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

Time

All references to time in this Prospectus are to Indian Standard Time (“IST”).

Financial Data

Unless indicated or the context requires otherwise, the financial information and financial ratios in this Prospectus are derived from our Restated Financial Information. The Restated Financial Information included in this Prospectus comprise the restated statement of assets and liabilities as at financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, the restated statements of profit and loss (including other comprehensive income), the restated statement of changes in equity, the restated cash flow statement for the financial year ended and financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, the summary statement of significant accounting policies, and other explanatory information, together with the annexures and the notes thereto, prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations, as amended and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI. See “*Summary of the Offer Document - Summary of Restated Financial Information*” and “*Financial Information*” on pages 22 and 283, respectively.

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year and accordingly, all references to a particular financial year are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

Our Restated Financial Information have been prepared in accordance with Ind AS. There are significant differences between International Financial Reporting Standards (“IFRS”) and Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). The degree to which the financial information included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act 2013, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India. Accordingly, any reliance by persons not familiar with Ind AS, the Companies Act 2013, the SEBI ICDR Regulations, the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI and practices on the financial disclosures presented in this Prospectus should accordingly be limited. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial information included in this Prospectus, nor do we provide a reconciliation of our financial information to those under U.S. GAAP or IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial information. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS see “*Risk Factors - Significant differences exist between Ind AS and other accounting principles,*

such as U.S. GAAP and IFRS, which may be material to the Financial Statements prepared and presented in accordance with SEBI ICDR Regulations contained in this Prospectus.” on page 36.

Certain additional financial information pertaining to our Group Companies are derived from their respective audited financial statements.

Certain figures contained in this Prospectus, including financial information, have been subject to rounding adjustments. All decimals, including percentages, have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Prospectus as rounded off to such number of decimal points as provided in their respective sources.

Non-GAAP Financial Measures

Certain Non-GAAP Measures relating to our operations and financial performance including EBITDA, EBITDA Margin, EBITDA CAGR, EBIT, RoNW, ROCE and NAV per Equity Share (“**Non-GAAP Measures**”) have been included in this Prospectus. We compute and disclose such Non-GAAP Measures relating to our financial performance as we consider such information to be supplemental and useful measures of our business and financial performance. These Non-GAAP Measures and other information relating to financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore, may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by generally accepted accounting principles, including Ind AS and may not be comparable to similarly titled measures presented by other companies.

Currency and Units of Presentation

All references to “Rupee(s)”, “Rs.”, “₹” or “INR” are to Indian Rupees, the official currency of the Republic of India.

All references to “\$”, “US\$”, “U.S. Dollars” or “USD” are to United States Dollars, the official currency of the United States of America.

All references to “€” or “Euro” are to the official currency of the European Union.

All references to “£” or “GBP” are to the Great British Pound, the official currency of the United Kingdom of Great Britain and Northern Ireland.

All references to “¥” or “YEN” are to the Japanese Yen, the official currency of Japan.

All the figures in this Prospectus have been presented in million or in whole numbers where the numbers have been too small to present in million, unless stated otherwise. One million represents 1,000,000 and one billion represents 1,000,000,000. Certain figures contained in this Prospectus, including financial information, have been subject to rounding adjustments. All figures in decimals have been rounded off to the second decimal. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, figures sourced from third-party industry sources may be expressed in denominations other than million or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Exchange Rates

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

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the other currencies used in the Prospectus:

(in ₹)

| Currency | Exchange Rate | | |
|----------|----------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| USD | 83.37 | 82.21 | 75.81 |
| EUR | 90.22 | 89.61 | 84.66 |
| GBP | 105.29 | 101.87 | 99.55 |
| 100JPY | 55.09 | 61.80 | 62.23 |

Source: www.fbil.org.in

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

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

Industry and market Data

Unless stated otherwise, information pertaining to the industry in which our Company operates in, contained in this Prospectus is derived from the 1Lattice Report which has been exclusively commissioned and paid for by our Company, pursuant to an engagement letter dated October 9, 2023, for the purpose of understanding the industry in connection with this Offer, since no report is publicly available which provides a comprehensive industry analysis, particularly for our Company's services, that may be similar to the 1Lattice Report. This Prospectus contains certain data and statistics from the 1Lattice Report, which is available on the website of our Company at www.galagroup.com.

Lattice Technologies Private Limited is an independent agency which has no relationship with our Company, our Promoters, any of our Directors, Key Managerial Personnel, Senior Management or the Book Running Lead Manager.

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 accuracy, completeness and underlying assumptions of such third-party sources are not guaranteed. Although the industry and market data used in this Prospectus is reliable, the data used in these sources may have been re-classified by us for the purposes of presentation however, no material data in connection with the Offer has been omitted. Data from these sources may also not be comparable. Further, Lattice Technologies Private Limited has confirmed that to the best of its knowledge no consent is required from any Government or other source from which any information is used in the 1Lattice Report.

The 1Lattice Report is subject to the following disclaimer:

“The market information in the 1Lattice report is arrived at by employing an integrated research methodology which includes secondary and primary research. 1Lattice primary research work includes surveys and in-depth interviews of consumers, customers and other relevant ecosystem participants, and consultations with market participants and experts. In addition to the primary research, quantitative market information is also derived based on data from trusted portals and industry publications. Therefore, the information is subject to limitations of, among others, secondary statistics, and primary research, and accordingly the findings do not purport to be exhaustive.

1Lattice's estimates and assumptions are based on varying levels of quantitative and qualitative analyses from various sources, including industry journals, company reports and information in the public domain. 1Lattice's research has been conducted with a broad perspective on the industry and will not necessarily reflect the performance of individual companies in the industry.

1Lattice shall not be liable for any loss suffered by any person on account of reliance on the information contained in this report. While 1Lattice has taken due care and caution in preparing the 1Lattice report based on information obtained from sources generally believed to be reliable, its accuracy, completeness and underlying assumptions are subject to limitations like interpretations of market scenarios across sources, data availability amongst others.

Therefore, 1Lattice does not guarantee the accuracy or completeness of the underlying data or the 1Lattice report. Forecasts, estimates and other forward-looking statements contained in the 1Lattice report are inherently uncertain and could fluctuate due to changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen.

Additionally, the COVID-19 coronavirus pandemic has significantly affected economic activity in general and the maritime logistics sector in particular, and it is yet to be fully abated. The forecasts, estimates and other forward-looking statements in the 1Lattice report depend on factors like the recovery of the economy, evolution of consumer sentiments, the competitive environment, amongst others, leading to significant uncertainty, all of which cannot be reasonably and accurately accounted for. Actual results and future events could differ materially from such forecasts, estimates, or such statements.

The 1Lattice report is not a recommendation to invest/disinvest in any entity covered in the 1Lattice report and the 1Lattice report should not be construed as investment advice within the meaning of any law or regulation. Without limiting the generality of the foregoing, nothing in the 1Lattice report should be construed as 1Lattice providing or intending to provide any services in jurisdictions where it does not have the necessary permission and / or registration to carry out its business activities in this regard. No part of the 1Lattice report shall be reproduced or extracted or published in any form without 1Lattice's prior written approval.

Although we believe that the industry and market data used in this Prospectus is reliable, industry sources and publications may base their information on estimates and assumptions that may prove to be incorrect. The extent to which the industry and market data presented in this Prospectus is meaningful depends upon the reader's familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which our Company conducts business and methodologies and assumptions may vary widely among different market and industry sources. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors."

For details of risks in relation to 1Lattice Report, see "Risk Factors – This Prospectus contains information from industry sources including the industry report commissioned from Lattice Technologies Private Limited. Prospective investors are advised not to place undue reliance on such information" on page 36. Accordingly, no investment decision should be made solely on the basis of such information.

In accordance with the SEBI ICDR Regulations, "Basis for Offer Price" beginning on page 137 includes information relating to our peer group companies. Such information has been derived from publicly available sources specified herein. Accordingly, no investment decision should be made solely on the basis of such information.

Notice to Prospective Investors

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved. The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdiction where those offers and sales are made.

FORWARD LOOKING STATEMENTS

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

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

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 our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities, investments, or the industry in which we operate, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations, taxes, changes in competition in the industry in which we operate and incidents of any natural calamities and/or acts of violence. Certain important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- The loss of any of our key customers or significant reduction in our productions and sales of, or demand for our products from our significant customers may adversely affect our business, results of operations and financial condition.
- Our Business and revenue of operations of our Company is dependent on demand of customer's products. Any loss of, or a significant reduction in purchases by such customers due to the reduction in demand of our customers products could adversely affect our business.
- We do not have any Exclusivity Arrangements with the customers and with the suppliers
- Our Company is involved in a patent infringement suit, and an adverse outcome in this proceeding may adversely affect our business, financial condition and growth strategy.
- Our revenue is dependent on the springs technology segment of our business. Any downturn in the spring technology segment can adversely impact our business, results of operations, cash flow and financial condition of our Company.
- We do not have long term contracts or exclusive arrangements with any of our suppliers, and a significant increase in the cost of, or a shortfall in the availability, or deterioration in the quality, of such input materials could have an adverse effect on our business and results of operations.
- Our business is dependent on the performance of the application industries with a large portion of revenue being derived from a select few of application industries. Any downturn in the application industries can adversely impact our business, results of operations, cash flow and financial condition of our Company.
- Our Company is involved in certain legal proceedings, and an adverse outcome in any such proceedings may adversely affect our business, financial condition and growth strategy.
- We have entered into transactions with related parties. These or any future related party transactions may potentially involve conflicts of interest and there can be no assurance that we could not have achieved better terms, had such arrangements been entered into with unrelated parties.

- Our Company's operations are subject to varied business risks and our Company's insurance cover may prove inadequate to cover the economic losses of our Company.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 36, 197 and 358, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses 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 our future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs, assumptions, current plans, estimates and expectations, 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, the Book Running Lead Manager, the Selling Shareholders, the Syndicate Members 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 SEBI requirements, our Company will ensure that investors in India are informed of material developments pertaining to our Company and the Equity Share forming part of the Offer from the date of this Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. In accordance with the SEBI ICDR Regulations, the Selling Shareholders shall ensure (through our Company) that the investors are informed of material developments in relation to statements and undertakings specifically confirmed or undertaken by the Selling Shareholders in relation to it and the Offered Shares from the date of this Prospectus, until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer.

SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of the terms of the Offer included in this Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Prospectus when filed, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Prospectus, including the sections titled “Risk Factors”, “The Offer”, “Capital Structure”, “Objects of the Offer”, “Industry Overview”, “Our Business”, “Our Promoters and Promoter Group”, “Financial Information”, “Outstanding Litigation and Other Material Developments” and “Offer Procedure” on pages 36, 66, 83, 114, 156, 197, 274, 283, 391 and 429 respectively of this Prospectus.

Summary of Primary business of our Company

We are a precision component manufacturer of technical springs like disc & strip springs (“DSS”) including wedge lock washers; coil & spiral springs (“CSS”) and special fastening solution (“SFS”) supplying to original equipment manufacturers (“OEMs”), Tier 1 and channel partners; used in sectors like renewable energy including wind turbine and hydro power plants, various industrial sectors such as electrical, off highway equipments, infrastructure and general engineering, mobility segments such as automotive and railways (*Source: 1Lattice Report*). Our listed competitors include Harsha Engineers International Limited, SKF India Limited, Sundram Fasteners Limited, Rolex Rings Limited, Sterling Tools Limited and Ratnaveer Precision Engineering Limited. Our technical springs and high tensile fasteners have been supplied to customers in countries such as Germany, Denmark, China, Italy, Brazil, USA, Sweden, Switzerland etc. Accordingly, we are a key link in the global supply chain for OEMs.

Summary of the Industry in which our Company operates

The global DSS & WLW market was valued at ~US\$ 891M in CY23 and is projected to grow at a CAGR of 6.1% during CY23-26. The Indian DSS & WLW market is showing the similar growth trajectory and is expected to register a CAGR of 6.6% during FY24-27, with the market value in FY24 being ~US\$ 115M. Industrials sector comprising of heavy machinery like equipments used in manufacturing, infrastructure & others, contribute the maximum revenue share in the DSS & WLW market. The growth is largely accredited to the increase in steel demand to fulfil the growing urbanization & construction needs. After Industrials, mobility sector consisting of automobiles (such as four-wheelers and two-wheelers) & railways is the biggest contributor to the revenue of DSS & WLW. In automobile sector, demand is fuelled by the growing consumption of passenger cars in countries like India & Brazil. The renewable energy sector comprising of wind & hydro energy is another key growing market. Here, the focus on government policies to mitigate international climate change will boost growth. The coil & spiral springs (CSS) market will witness growth due to the surge in demand of EV vehicles in India. The Indian market for CSS was valued at ~US\$ 459M in FY24 and is expected to grow at a CAGR of 9.8% during FY24-27. The market growth is credited to factors like growing automobile industry & rapid urbanization. The major consumption of CSS happens in the mobility largely applied in the commercial vehicles, automobiles & railways. Coil springs are used in EVs to reduce the overall vehicle weight. Penetration of EVs in the 2-wheeler market stands at ~5% and in 4-wheeler market is ~1% as of FY23 in India. This growing penetration will largely increase the demand. After mobility, the major consumption happens in the Industrials sector. Here, the focus on Indian government to develop India’s Industrials participation through schemes like PLI, Urban Infrastructure Development scheme is boosting growth. (*Source: 1Lattice Report*)

Our Promoters

Our Promoters are Kirit Vishanji Gala and Smeet Kirit Gala. For further details, see “Our Promoters and Promoter Group” on page 274.

Offer Size

| | |
|---|--|
| Offer of Equity Shares¹ | 3,174,416 [^] Equity Shares of ₹ 10 each, aggregating ₹ 1,679.27 million [^] |
| of which: | |
| Fresh Issue | 2,558,416 [^] Equity Shares of ₹ 10 each, aggregating up to ₹ 1,353.40 million [^] |
| Offer for Sale² | 616,000 [^] Equity Shares of ₹ 10 each, aggregating up to ₹ 325.86 million [^] by the Selling Shareholders |

| | |
|---|--|
| Employee Reservation Portion³ | 5,796 [^] Equity Shares of ₹ 10 each, aggregating up to ₹ 3.07 [^] million |
| Net Offer | 3,168,620 [^] Equity Shares of ₹ 10 each, aggregating up to ₹ 1,676.20 million [^] |

[^]Subject to finalisation of Basis of Allotment

Notes:

1. The Offer has been authorized by a resolution of our Board dated November 30, 2023 and the Fresh Issue has been authorized by a special resolution of our Shareholders dated January 15, 2024.
2. The Equity Shares offered by the Selling Shareholders have been held for a period of at least one year immediately preceding the date of the Red Herring Prospectus with SEBI, and are eligible for being offered for sale pursuant to the Offer in terms of Regulation 8 of the SEBI ICDR Regulations. For details of authorizations received for the Offer for Sale, see “Other Regulatory and Statutory Disclosures” on page 401.
3. In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹0.20 million (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹0.50 million (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion after allocation of up to ₹0.50 million (net of Employee Discount, if any), shall be added to the Net Offer. For further details, see “Offer Procedure” and “Offer Structure” on pages 429 and 423, respectively.

The above table summarises the details of the Offer. For further details of the offer, see “The Offer” and “Offer Structure” on pages 66 and 423, respectively.

The Offer and Net Offer shall constitute 25.05% and 25.01% of the post Offer paid up Equity Share capital of our Company, respectively.

Objects of the Offer

The Net Proceeds are proposed to be used by our Company in accordance with the details set forth below:

| Particulars | Estimated amount (₹ in million) | Estimated amount as a percentage of Net Proceeds (%) |
|--|------------------------------------|--|
| Setting up a new facility at Vallam-Vadagal, SIPCOT, Sriperumbudur, Tamil Nadu for manufacturing high tensile fasteners and hex bolts; | 370.00 | 30.47 |
| Funding capital expenditure requirements towards purchase of equipment, plant and machinery at Wada, Palghar, Maharashtra; | 110.69 | 9.12 |
| Repayment/ prepayment, in full or part, of certain borrowings availed by our Company; and | 454.30 | 37.42 |
| General Corporate Purposes. | 279.14 | 22.99 |
| Total | 1,214.13 | 100.00 |

For further details, see “Objects of the Offer” on page 114.

Aggregate Pre-Offer shareholding of our Promoters, the Promoter Group (other than our Promoters) and the Selling Shareholders as a percentage of the pre-Offer paid-up Equity Share Capital

1. The aggregate pre-Offer shareholding of our Promoters, as a percentage of the pre-Offer paid-up Equity Share capital of our Company is set out below:

| Name of the Shareholder | Equity Shares of face value of ₹ 10 each | Percentage of pre-Offer paid-up equity share capital (%) |
|-------------------------|---|---|
| Kirit Vishanji Gala | 2,791,488 | 27.61 |
| Smeet Kirit Gala | 589,144 | 5.83 |
| Total | 3,380,632 | 33.44* |

* Rounded-off

2. The aggregate pre-Offer shareholding of the members of the Promoters Group (other than our Promoter), as a percentage of the pre-Offer paid- up Equity Share capital of our Company is set out below:

| Name of the Shareholder | Equity Shares of face value of ₹ 10 each | Percentage of pre-Offer paid-up equity share capital (%) |
|------------------------------------|---|---|
| Rumie Kirit Gala | 1,249,488 | 12.36 |
| Taramati V Gala | 1,582,400 | 15.65 |
| Kirit Vishanji Gala (HUF) | 213,600 | 2.11 |
| Nayna Gala | 254,400 | 2.52 |
| Saloni Kirit Gala | 143,544 | 1.42 |
| Alpa Kiran Chheda | 254,400 | 2.52 |
| Vaibhavi Gala | 254,400 | 2.52 |
| Madhu V Ashar | 84,000 | 0.83 |
| Manisha Ashar | 14,800 | 0.15 |
| Rajiv and Anupa Ashar Family Trust | 107,200 | 1.06 |
| Total | 4,158,232 | 41.12 |

3. The aggregate pre-Offer shareholding of the members of the Selling Shareholders, as a percentage of the pre-Offer paid- up Equity Share capital of our Company is set out below:

| Name of the Shareholder | Equity Shares of face value of ₹ 10 each | Percentage of pre-Offer paid-up equity share capital (%) |
|--------------------------|---|---|
| Taramati V Gala | 1,582,400 | 15.65 |
| Kirit Vishanji Gala(HUF) | 213,600 | 2.11 |
| Nayna Gala | 254,400 | 2.52 |
| Satish Kotwani* | 266,760 | 2.64 |
| Hemlata Dhiraj Shah** | 37,600 | 0.37 |
| Dhiraj Nanchand Shah*** | 40,000 | 0.40 |
| Rupa Sunil Mehta | 56,000 | 0.55 |
| Total | 20,65,560 | 20.43 |

* Held as first shareholder with second shareholder being Anjali Kotwani.

** Held as first shareholder with second shareholder being. Dhiraj Nanchand Shah

***Held as first shareholder with second shareholder being Hemlata Dhiraj Shah

Vishanji Gala passed away on March 31, 2024 and Vishanji Harshi Gala (HUF) ceased to exist from February 16, 2024.

For further details, see “Capital Structure” on page 83.

Summary of Restated Financial Information:

(in ₹ million except per share data)

| Particulars | As at and for the Fiscal ended March 31, 2024 | As at and for the Fiscal ended March 31, 2023 | As at and for the Fiscal ended March 31, 2022 |
|--------------------------|--|--|--|
| Equity Share Capital | 101.11 | 25.24 | 25.28 |
| Total Equity | 1044.48 | 836.54 | 593.16 |
| Total Borrowings | 550.27 | 585.98 | 568.92 |
| Total Income | 2043.77 | 1,670.82 | 1,479.63 |
| EBITDA (₹ in million) | 405.89 | 289.41 | 223.51 |
| EBITDA margins (%) | 19.86 | 17.32 | 15.11 |

| Particulars | As at and for the Fiscal ended March 31, 2024 | As at and for the Fiscal ended March 31, 2023 | As at and for the Fiscal ended March 31, 2022 |
|--|---|---|---|
| PAT <i>(before exceptional items)</i> | 243.02 | 144.53 | 66.31 |
| PAT Margin <i>(before exceptional items)</i> (%) | 11.89 | 8.65 | 4.48 |
| PAT <i>(after exceptional items)</i> | 223.32 | 242.12 | 66.31 |
| PAT Margin <i>(after exceptional items)</i> (%) | 10.93 | 14.49 | 4.48 |
| Earnings per share (basic) <i>(without exceptional items)</i> (in ₹) | 24.37 | 14.31 | 6.56 |
| Earnings per share (basic) <i>(with exceptional items)</i> (in ₹) | 22.09 | 23.98 | 6.56 |
| Earnings per share (diluted) <i>(without exceptional items)</i> (in ₹) | 24.02 | 14.06 | 6.44 |
| Earnings per share (diluted) <i>(with exceptional items)</i> (in ₹) | 21.77 | 23.56 | 6.44 |
| Return on Net Worth before exceptional Item (%) | 23.27 | 17.28 | 11.18 |
| Return on Net Worth after exceptional Item (%) | 21.38 | 28.94 | 11.18 |
| Adjusted NAV per equity share | 103.30 | 82.85 | 58.66 |

Notes:

1. $EBITDA = PAT + (\text{finance Costs} + \text{depreciation and amortization expenses} + \text{total tax expense}) - \text{exceptional items}$.
2. EBITDA Margin is EBITDA as a percentage of total income.
3. PAT Margin before exceptional items (%) is calculated as profit/ (loss) for the year/ period before exceptional items as a percentage of total income.
4. PAT Margin after exceptional items (%) is calculated as profit/ (loss) for the year / period after exceptional items as a percentage of total income.
5. Basic EPS (₹) = Basic earnings per share calculated by dividing the Restated Profit for the year by the number of Equity Shares outstanding at the year-end, after considering impact of bonus issuance retrospectively, for all periods presented.
6. Diluted EPS (₹) = Diluted earnings per share is calculated by dividing the Restated Profit for the year by the number of equity Shares outstanding at the year end as adjusted for the effects of all dilutive potential Equity Shares outstanding at the year end, if any and after considering impact of bonus issuance retrospectively, for all periods presented.
7. Return on Net worth before exceptional Item (%) = Restated Profit for the year/ period before exceptional item as a percentage of the Net worth as at the end of the year.
8. Return on Net worth after exceptional Item (%) = Restated Profit for the year/ period after exceptional item as a percentage of the Net worth as at the end of the year.
9. Adjusted Net Asset Value per Equity Share = Net worth divided by the number of equity shares outstanding at the end of the year/ period, after considering impact of bonus issuance on September 27, 2023

For further details, see “Other Financial Information” on page 355.

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

There are no qualifications from the Statutory Auditors in the examination report that have not been given effect to in the Restated Financial Information.

Summary of Outstanding Litigation and Material Developments

A summary of outstanding litigation proceedings of our Company, Directors, Promoters and Subsidiaries as disclosed in “*Outstanding Litigation and Material Developments*” on page 391, in terms of the SEBI ICDR Regulations and the materiality policy approved by our Board pursuant to resolution dated November 30, 2023 as of the date of this Prospectus is set forth below:

(in ₹ million, unless otherwise specified)

| Name of the Entity | Criminal Proceedings | Tax Proceedings | Statutory or Regulatory Proceeding | Disciplinary actions by the SEBI or Stock Exchanges against our Promoter | Material Civil Litigations* | Aggregate Amount Involved (₹ in million)** |
|--|----------------------|-----------------|------------------------------------|--|-----------------------------|--|
| Company | | | | | | |
| By our Company | 1 | - | - | - | - | - |
| Against our Company | - | 7 | - | - | 1 | 48.12*# |
| Directors (other than promoter) | | | | | | |
| By our Directors | - | - | - | - | - | - |
| Against our Directors | - | - | - | - | - | - |
| Promoter | | | | | | |
| By our Promoter | - | - | - | - | - | - |
| Against our Promoter | - | - | - | - | - | - |
| Subsidiaries | | | | | | |
| By our Subsidiaries | - | - | - | - | - | - |
| Against our Subsidiaries | - | - | - | - | - | - |
| Group Companies | | | | | | |
| By our Group Companies | - | - | - | - | - | - |
| Against our Group Companies | - | - | - | - | - | - |
| Total | 1 | 7 | - | - | 1 | 48.12*# |

* In accordance with the Materiality Policy

**To the extent quantifiable

Our Company is currently engaged in a material civil litigation. The Plaintiffs' have sought reliefs and have claimed damaged amounting to ₹20.00 million. However, the Plaintiffs' have reserved their rights to enhance their claim amount at a later stage taking into account the Defendants' total sales revenue for all the infringing products sold during the entire period of infringement, which will be assessed after the trial takes place. For further details, see “*Outstanding Litigation and Material Developments*” on page 391.

As on the date of this Prospectus, there are no outstanding litigation proceedings involving our Group Company which may have a material impact on our Company as on the date of this Prospectus.

For further details of the outstanding litigation proceedings, see “*Outstanding Litigation and Material Developments*” beginning on page 391.

Risk Factors

Details of Top 10 Risk Factors

| S. No | Risk category | Description of risk |
|-------|--|---|
| 1. | Internal Risk Factor – Operations of the Company | The loss of any of our key customers or significant reduction in our products and sales of, or demand for our products from our significant customers may adversely affect our business, results of operations and financial condition. |
| 2. | Internal Risk Factor - Operations of the Company | Our Business and revenue of operations of our Company is dependent on demand of customer's products. Any loss of, or a significant reduction in purchases by such customers due to the reduction in demand of our customers products could adversely affect our business |
| 3. | Internal Risk Factor Operations of the Company | We do not have any Exclusivity Arrangements with the customers and with the suppliers |
| 4. | Internal Risk Factor – Legal Risk | Our Company is involved in a patent infringement suit, and an adverse outcome in this proceeding may adversely affect our business, financial condition and growth strategy. |
| 5. | Internal Risk Factor – Financial Risk | Our revenue is dependent on the springs technology segment of our business. Any downturn in the spring technology segment can adversely impact our business, results of operations, cash flow and financial condition of our Company. |
| 6. | Internal Risk Factor – Insurance Risk | We do not have long term contracts or exclusive arrangements with any of our suppliers, and a significant increase in the cost of, or a shortfall in the availability, or deterioration in the quality, of such input materials could have an adverse effect on our business and results of operations |
| 7. | Internal Risk Factor - Operations of the Company | Our business is dependent on the performance of the application industries with a large portion of revenue being derived from a select few of application industries. Any downturn in the application industries can adversely impact our business, results of operations, cash flow and financial condition of our Company |
| 8. | Internal Risk Factor- Operations of the Company | Our Company is involved in certain legal proceedings, and an adverse outcome in any such proceedings may adversely affect our business, financial condition and growth strategy |
| 9. | Internal Risk Factor - Operations of the Company | We have entered into transactions with related parties. These or any future related party transactions may potentially involve conflicts of interest and there can be no assurance that we could not have achieved better terms, had such arrangements been entered into with unrelated parties. |
| 10. | Internal Risk Factor - Operations of the Company | Our Company's operations are subject to varied business risks and our Company's insurance cover may prove inadequate to cover the economic losses of our Company |

Specific attention of the investors is invited to “*Risk Factors*” on page 36. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer.

Summary of Contingent Liabilities

As of March 31, 2024, contingent liabilities as per Ind AS 37 as indicated in our Financial Information are as follows:

(₹ in million)

| Particulars | As at March 31, 2024 |
|-----------------------------|----------------------|
| Disputed Income Tax Demands | 32.97 |
| Patent | 20.00 |
| Bank guarantees | 7.96 |
| Letters of credit | 37.45 |
| Total | 98.38 |

For further details of contingent liabilities as at March 31, 2024, see “*Restated Financial Information– Annexure VI – Note 31(i) – Contingent liabilities and commitments*” on page 283.

Summary of Related Party Transactions

Summary of the related party transactions of our Company for the Financial Year ended March 31, 2024, 2023 and 2022, as per Ind AS 24 – Related Party Disclosures read with the SEBI ICDR Regulations, derived from Restated Financial Information read with SEBI ICDR Regulations are set forth in the table below:

(In ₹ million)

| Particulars | Nature of transaction | March 31, 2024 | Percentage of total amount of nature of transaction | March 31, 2023 | Percentage of total amount of nature of transaction | March 31, 2022 | Percentage of total amount of nature of transaction |
|----------------------------------|-----------------------|----------------|---|----------------|---|----------------|---|
| Workamp Spaces Private Limited | Other Expenses | 0.00 | - | 0.35 | 5.29 | 0.06 | 1.05 |
| Workamp Spaces Private Limited | Trade receivables | 0.00 | - | 3.76 | 1.25 | 3.76 | 1.48 |
| Slate Workspaces Private Limited | Other Income | 0.00 | - | 0.00 | - | 2.26 | 8.41 |
| Slate Workspaces Private Limited | Trade receivables | 0.00 | - | 0.87 | 0.29 | 1.13 | 0.44 |
| Vishanji Harshi Gala | Interest Expense | 0.14 | 1.25 | 0.42 | 2.67 | 0.67 | 3.59 |
| Taramati Vishanji Gala | Interest Expense | 0.07 | 0.62 | 0.17 | 1.08 | 0.12 | 0.64 |
| Kirit Vishanji Gala | Interest Expense | 2.49 | 22.19 | 2.81 | 17.89 | 3.22 | 17.24 |
| Rumie K Gala | Interest Expense | 0.14 | 1.25 | 0.33 | 2.10 | 0.31 | 1.66 |
| Kirit Vishniji Gala (HUF) | Interest Expense | 0.04 | 0.36 | 0.09 | 0.57 | 0.06 | 0.32 |
| Alpa Chheda | Interest Expense | 0.40 | 3.55 | 0.83 | 5.28 | 0.83 | 4.43 |
| Nayna Gala | Interest Expense | 0.00 | - | 0.00 | - | 0.26 | 1.39 |
| Satish Kotwani | Interest Expense | 0.00 | - | 0.00 | - | 0.08 | 0.43 |
| Balkishan Jalan (HUF) | Interest Expense | 0.00 | - | 0.00 | - | 0.11 | 0.59 |
| Slate Workspaces Private Limited | Interest Expenses | 2.40 | 21.39 | 0.00 | - | 0.00 | - |
| Vishanji Harshi Gala (HUF) | Interest Expense | 0.03 | 0.27 | 0.03 | 0.19 | 0.06 | 0.32 |
| Kirit Vishanji Gala | Remuneration | 9.44 | 3.81 | 6.48 | 2.79 | 5.02 | 2.33 |
| Balkishan Jalan | Remuneration | 9.59 | 3.87 | 8.62 | 3.71 | 7.36 | 3.42 |

| Particulars | Nature of transaction | March 31, 2024 | Percentage of total amount of nature of transaction | March 31, 2023 | Percentage of total amount of nature of transaction | March 31, 2022 | Percentage of total amount of nature of transaction |
|----------------------------------|-----------------------|----------------|---|----------------|---|----------------|---|
| Satish Kotwani | Remuneration | 7.52 | 3.04 | 6.75 | 2.91 | 5.81 | 2.70 |
| Smeet Gala | Remuneration | 2.34 | 0.94 | 2.21 | 0.95 | 1.54 | 0.72 |
| S Giridhar | Remuneration | 0.72 | 0.29 | 0.00 | - | 0.00 | - |
| Pooja Ladha | Remuneration | 0.41 | 0.17 | 0.00 | - | 0.00 | - |
| Vishanji Harshi Gala | Loan repaid | 3.65 | 1.05 | 7.60 | 6.13 | 7.30 | 5.73 |
| Taramati Vishanji Gala | Loan repaid | 1.65 | 0.47 | 3.00 | 2.42 | 1.05 | 0.82 |
| Kirit Vishanji Gala | Loan repaid | 91.10 | 26.10 | 70.35 | 56.76 | 70.90 | 55.67 |
| Rumie K Gala | Loan repaid | 4.75 | 1.36 | 5.25 | 4.24 | 4.55 | 3.57 |
| Kirit Vishanji Gala (HUF) | Loan repaid | 0.90 | 0.26 | 1.15 | 0.93 | 0.50 | 0.39 |
| Nayna Gala | Loan repaid | 0.00 | - | 0.00 | - | 5.00 | 3.93 |
| Balkishan Jalan (HUF) | Loan repaid | 0.00 | - | 0.00 | - | 2.75 | 2.16 |
| Satish Kotwani | Loan repaid | 0.00 | - | 0.00 | - | 1.90 | 1.49 |
| Vishanji Gala (HUF) | Loan repaid | 0.58 | 0.16 | 0.00 | - | 0.90 | 0.71 |
| Alpa Chheda | Loan repaid | 9.20 | 2.64 | 0.00 | - | 0.00 | - |
| Slate Workspaces Private Limited | Loan repaid | 108.20 | 31.00 | 0.00 | - | 0.00 | - |
| Vishanji Harshi Gala | Loan received | 3.65 | 1.47 | 7.60 | 8.57 | 2.50 | 3.27 |
| Taramati Vishanji Gala | Loan received | 1.65 | 0.67 | 3.00 | 3.38 | 0.35 | 0.46 |
| Kirit Vishanji Gala | Loan received | 91.10 | 36.77 | 70.35 | 79.31 | 59.75 | 78.26 |
| Rumie K Gala | Loan received | 4.75 | 1.92 | 5.25 | 5.92 | 2.30 | 3.01 |
| Kirit Vishanji Gala (HUF) | Loan received | 0.90 | 0.36 | 1.15 | 1.30 | 0.95 | 1.24 |
| Vishanji Gala (HUF) | Loan received | 0.00 | - | - | - | 0.50 | 0.65 |
| Slate Spaces Private Limited | Loan received | 108.20 | 43.67 | - | - | - | - |
| Vishanji Gala | Balance | 0.00 | - | - | - | 5.20 | 3.65 |

| Particulars | Nature of transaction | March 31, 2024 | Percentage of total amount of nature of transaction | March 31, 2023 | Percentage of total amount of nature of transaction | March 31, 2022 | Percentage of total amount of nature of transaction |
|---------------------------|-----------------------|----------------|---|----------------|---|----------------|---|
| Taramati Gala | Balance | 0.00 | - | - | - | 1.00 | 0.70 |
| Kirit Vishanji Gala (HUF) | Balance | 0.00 | - | - | - | 1.15 | 0.81 |
| Alpa Chheda | Balance | 0.00 | - | 9.20 | 9.11 | 9.20 | 6.46 |
| Vishanji Gala (HUF) | Balance | 0.00 | - | 0.33 | 0.33 | 0.33 | 0.23 |

For details of the related party transactions in accordance with Ind AS 24, see “Financial Information – Annexure VI - Note 31(e) – Related Party Disclosures” beginning on page 283.

Financing arrangements

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

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

The weighted average price at which our Promoters and the Selling Shareholders acquired the Equity Shares in the last one year preceding the date of this Prospectus are as follows:

| Name | Number of Equity Shares acquired | Weighted Average Price of Equity Shares acquired (₹)\$ |
|-----------------------------|----------------------------------|--|
| Promoters | | |
| Kirit Vishanji Gala | 2,218,616 | NIL [#] |
| Smeet Kirit Gala | 566,858 | NIL [#] |
| Selling Shareholders | | |
| Taramati V Gala | 1,322,000 | 19.81 [^] |
| Kirit Vishanji Gala (HUF) | 160,200 | NIL [#] |
| Nayna Gala | 204,400 | NIL [#] |
| Satish Kotwani* | 200,070 | NIL [#] |
| Hemlata Dhiraj Shah** | 28,200 | NIL [#] |
| Dhiraj Nanchand Shah*** | 30,000 | NIL [#] |
| Rupa Sunil Mehta | 42,000 | NIL [#] |

\$As certified by the Statutory Auditor, by way of their certificate dated August 23, 2024

#Our Promoters and Selling Shareholders, in the one year preceding the date of this Prospectus have acquired Equity Shares through issuance of Bonus Equity Shares. In such a case, there is no cost of acquisition.

*Pursuant to gift from Vishanji Harshi Gala

[^] Transfer pursuant to demise of Vishanji Harshi Gala from nominee being Kirit Vishanji Gala to Taramati V Gala being the beneficiary of the Equity Shares as per the testamentary will of Vishanji Harshi Gala

* Held as first shareholder with second shareholder being Anjali Kotwani.

** Held as first shareholder with second shareholder being Dhiraj Nanchand Shah

***Held as first shareholder with second shareholder being Hemlata Dhiraj Shah

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

| Period | Weighted average cost of acquisition per Equity Share (in ₹)^ | Cap Price is 'x' times the weighted average cost of acquisition^ | Range of acquisition price per Equity Share: lowest price – highest price (in ₹)^ |
|--|---|--|---|
| Last one year preceding the date of this Prospectus | 5.49 | 96.36 | Nil – 68 |
| Last 18 months preceding the date of this Prospectus# | 5.49 | 96.36 | Nil – 68 |
| Last three years preceding the date of this Prospectus | 5.49 | 96.36 | Nil – 68 |

^ As certified by the Statutory Auditor, by way of their certificate dated August 23, 2024

The Board of Directors pursuant to a resolution dated August 17, 2023 and the special resolution dated September 05, 2023 passed by our Shareholders, have approved the issuance of 7,583,688 bonus Equity Shares in the ratio of 3:1 which were issued and allotted on September 27, 2023.

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

The average cost of acquisition per Equity Share of the Equity Shares held by our Promoters and the Selling Shareholders, as at the date of this Prospectus, is set forth below:

| Name | Number of Equity Shares | Average cost of acquisition per Equity Share\$ (₹) |
|-----------------------------|-------------------------|--|
| Promoters: | | |
| Kirit Vishanji Gala | 2,791,488 | 18.88 |
| Smeet Kirit Gala | 589,144 | 5.17 |
| Selling Shareholders | | |
| Taramati V Gala | 1,582,400 | 27.47 |
| Kirit Vishanji Gala (HUF) | 213,600 | 17.00 |
| Nayna Gala | 254,400 | 13.36 |
| Satish Kotwani* | 266,760 | 9.47 |
| Hemlata Dhiraj Shah** | 37,600 | 17.00 |
| Dhiraj Nanchand Shah*** | 40,000 | 17.00 |
| Rupa Sunil Mehta | 56,000 | 80.36 |

\$As certified the Statutory Auditor, by way of their certificate dated August 23, 2024.

* Held as first shareholder with second shareholder being Anjali Korwani.

** Held as first shareholder with second shareholder being. Dhiraj Nanchand Shah

***Held as first shareholder with second shareholder being Hemlata Dhiraj Shah

For further details of the acquisition of Equity Shares of our Promoters, see “Capital Structure – Details of Shareholding of our Promoter, members of Promoter Group in our Company” at page 83.

Details of secondary transaction executed by the Promoters, Promoter Group and Selling Shareholders between the period of filing of draft offer document and RHP

| Pre-offer | | | | | | | Post-offer |
|---|---------------------|----------------|---|--------------------------|-------------------------|---|--|
| Date of allotment/ transfer/ acquisition of equity shares | No of Equity Shares | Face value (₹) | Issue/ Transfer/ Acquisition price per equity share (₹) | Nature of considerations | Nature of transaction | Percentage of Equity Share capital of the Company (%) | Percentage of Equity Share capital of the Company (%)# |
| Promoters | | | | | | | |
| Kirit Vishanji Gala | | | | | | | |
| June 08, 2024^ | 155,600 | 10 | Not applicable | Not applicable | Transmission of 155,600 | 1.54 | 1.23 |

| Pre-offer | | | | | | | Post-offer |
|---|---------------------|----------------|---|--------------------------|---|---|--|
| Date of allotment/ transfer/ acquisition of equity shares | No of Equity Shares | Face value (₹) | Issue/ Transfer/ Acquisition price per equity share (₹) | Nature of considerations | Nature of transaction | Percentage of Equity Share capital of the Company (%) | Percentage of Equity Share capital of the Company (%)# |
| | | | | | Equity Shares from Vishanji Harshi Gala | | |
| June 21, 2024^^ | (155,600) | 10 | Not applicable | Not applicable | Transfer of 155,600 Equity Shares to Taramati V Gala | 1.54 | 1.23 |
| Promoter Group | | | | | | | |
| Vishanji Harshi Gala HUF* | | | | | | | |
| March 11, 2024 | (54,400) | 10 | Not applicable | Not applicable | Transfer of 54,400 Equity Shares to Rumie Kirit Gala pursuant dissolution of Vishanji Harshi Gala HUF | 0.54 | 0.43 |
| March 15, 2024 | (54,400) | 10 | Not applicable | Not applicable | Transfer of 54,400 Equity Shares to Nayna Gala pursuant to dissolution of Vishanji Harshi Gala HUF | 0.54 | 0.43 |
| March 18, 2024 | (54,400) | 10 | Not applicable | Not applicable | Transfer of 54,400 Equity Shares to Alpa Kiran Chheda pursuant to dissolution of Vishanji Harshi Gala HUF | 0.54 | 0.43 |
| June 13, 2024 | (54,400) | 10 | Not applicable | Not applicable | Transfer of 54,400 Equity Shares to Vaibhavi Gala pursuant to dissolution of Vishanji Harshi Gala HUF | 0.54 | 0.43 |
| Rumie Kirit Gala | | | | | | | |
| March 11, 2024 | 54,400 | 10 | Not applicable | Not applicable | Transfer of 54,400 Equity | 0.54 | 0.43 |

| Pre-offer | | | | | | | Post-offer |
|---|---------------------|----------------|---|--------------------------|--|---|--|
| Date of allotment/ transfer/ acquisition of equity shares | No of Equity Shares | Face value (₹) | Issue/ Transfer/ Acquisition price per equity share (₹) | Nature of considerations | Nature of transaction | Percentage of Equity Share capital of the Company (%) | Percentage of Equity Share capital of the Company (%)# |
| | | | | | Shares from Vishanji Harshi Gala HUF pursuant to dissolution of Vishanji Harshi Gala HUF | | |
| April 10, 2024 | (54,400) | 10 | Nil | Gift | Gift of 54,400 Equity Shares to Saloni Kirit Gala | 0.54 | 0.43 |
| Nayna Gala | | | | | | | |
| March 15, 2024 | 54,400 | 10 | Not applicable | Not applicable | Transfer of 54,400 Equity Shares from Vishanji Harshi Gala HUF pursuant to dissolution of Vishanji Harshi Gala HUF | 0.54 | 0.43 |
| Alpa Kiran Chheda | | | | | | | |
| March 18, 2024 | 54,400 | 10 | Not applicable | Not applicable | Transfer of 54,400 Equity Shares from Vishanji Harshi Gala HUF pursuant to dissolution of Vishanji Harshi Gala HUF | 0.54 | 0.43 |
| Saloni Kirit Gala | | | | | | | |
| April 10, 2024 | 54,400 | 10 | Nil | Gift | Gift of 54,400 Equity Shares from Rumie Kirit Gala | 0.54 | 0.43 |
| Vishanji Harshi Gala | | | | | | | |
| June 08, 2024^ | (155,600) | 10 | Not applicable | Not applicable | Transmission of 155,600 Equity Shares to Kirit Vishanji Gala | 1.54 | 1.23 |
| August 21, 2024 | (385,200) | 10 | Not applicable | Not applicable | Transmission of 385,200 Equity | 3.81 | 3.04 |

| Pre-offer | | | | | | | Post-offer |
|---|---------------------|----------------|---|--------------------------|--|---|--|
| Date of allotment/ transfer/ acquisition of equity shares | No of Equity Shares | Face value (₹) | Issue/ Transfer/ Acquisition price per equity share (₹) | Nature of considerations | Nature of transaction | Percentage of Equity Share capital of the Company (%) | Percentage of Equity Share capital of the Company (%)# |
| | | | | | Shares to Taramati Gala | | |
| Vaibhavi Gala | | | | | | | |
| June 13, 2024 | 54,400 | 10 | Not applicable | Not applicable | Transfer of 54,400 Equity Shares from Vishanji Harshi Gala HUF pursuant to dissolution of Vishanji Harshi Gala HUF | 0.54 | 0.43 |
| Taramati V Gala | | | | | | | |
| June 21, 2024^^ | 155,600 | 10 | Not applicable | Not applicable | Transfer of 155,600 Equity Shares from Kirit Vishanji Gala | 1.54 | 1.23 |
| August 21, 2024 | 385,200 | 10 | Not applicable | Not applicable | Transfer of 385,200 Equity Shares from Vishanji Harshi Gala | 3.81 | 3.04 |
| Selling Shareholders | | | | | | | |
| Nayna Gala | | | | | | | |
| March 15, 2024 | 54,400 | 10 | Not applicable | Not applicable | Transfer of 54,400 Equity Shares from Vishanji Harshi Gala HUF pursuant to dissolution of Vishanji Harshi Gala HUF | 0.54 | 0.43 |
| Taramati V Gala | | | | | | | |
| June 21, 2024^^ | 155,600 | 10 | Not applicable | Not applicable | Transfer of 155,600 Equity Shares from Kirit Vishanji Harshi Gala | 1.54 | 1.23 |
| August 21, 2024 | 385,200 | 10 | Not applicable | Not applicable | Transfer of 385,200 Equity Shares from Vishanji Harshi Gala | 3.81 | 3.04 |

^Transmission pursuant to demise of Vishanji Harshi Gala, Kirit Vishanji Gala being the nominee.

^Transfer pursuant to demise of Vishanji Harshi Gala from nominee being Kirit Vishanji Gala to Taramati V Gala being the beneficiary of the Equity Shares as per the testamentary will of Vishanji Harshi Gala.

#Subject to finalisation of Basis of Allotment

**Vishanji Gala passed away on March 31, 2024 and Vishanji Harshi Gala (HUF) ceased to exist from February 16, 2024.*

Details of Pre-IPO Placement

Our Company has not is not undertaking any Pre-IPO placement.

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

Other than as disclosed in “*Capital Structure*” on page 83, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Prospectus.

Split or Consolidation of Equity Shares in the last one year

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

Exemption from complying with any provisions of securities laws

Our Company has not made any application under Regulation 300(1)(a), 300(1)(b) and 300(1)(c) of the SEBI ICDR Regulations for seeking an exemption from complying with any provisions of securities laws by SEBI as on the date of this Prospectus.

SECTION II – RISK FACTORS

Any investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Prospectus, including the risks, uncertainties and challenges described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares or the industry in which we operate. Additional risks and uncertainties not presently known to us or that we deem immaterial may also impair our business, results of operations, financial condition or cash flows. In order to obtain a complete understanding about us, you should read this section in conjunction with sections entitled “Our Business”, “Industry Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 197, 156 and 358, respectively, as well as the other financial and statistical information contained in this Prospectus. If any or a combination of the following risks, or other risks and uncertainties that are not currently known or are now deemed immaterial, actually materialize, our business, financial condition, results of operations and prospects may suffer, the trading price of our Equity Shares may decline, and all or part of your investment in our Equity Shares may be lost. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned here.

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

This Prospectus also contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. For further information, see section entitled “Forward-Looking Statements” on page 20.

Unless otherwise indicated, the financial information included herein is based on our Restated Financial Information included in this Prospectus. For further information, see section entitled “Financial Information” on page 283. Unless the context otherwise requires, in this section, references to “we”, “us”, or “our” refers to Gala Precision Engineering Limited on a consolidated basis and references to “the Company” or “our Company” refers to Gala Precision Engineering Limited on a standalone basis.

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled “Precision Engineering Industry Report” dated August, 2024 (the “**ILattice Report**”) prepared and issued by Lattice Technologies Private Limited, appointed on October 09, 2023 and exclusively commissioned and paid for by us in connection with the Offer. A copy of the ILattice Report will be available on the website of our Company at www.galagroup.com from the date of the Red Herring Prospectus. There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the ILattice Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see section entitled “Risk Factors – Industry information included in this Prospectus has been derived from an industry report prepared by Lattice Technologies Private Limited exclusively commissioned and paid for by us for such purpose” on page 36. Also see section entitled “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data” on page 16.*

Internal risk factors

Risks relating to business and operations

- 1. The loss of any of our key customers or significant reduction in our productions and sales of, or demand for our products from our significant customers may adversely affect our business, results of operations and financial condition.***

We generate a significant portion of our revenue from, and are therefore dependent on, certain key customers for a substantial portion of our business. Set out in the table below is the contribution of our top 3, 5 and 10 customers to our consolidated revenue from operations for the Fiscal 2024, Fiscal 2023 and Fiscal 2022:

| Particulars | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|------------------|--|-----------------------------------|--|-----------------------------------|--|-----------------------------------|
| | Revenue from operations (in ₹ million) | As a % of revenue from operations | Revenue from operations (in ₹ million) | As a % of revenue from operations | Revenue from operations (in ₹ million) | As a % of revenue from operations |
| Top 3 customers | 492.81 | 24.33 | 355.29 | 21.89 | 413.60 | 29.03 |
| Top 5 customers | 657.45 | 32.46 | 471.17 | 29.03 | 502.24 | 35.26 |
| Top 10 customers | 961.62 | 47.48 | 679.46 | 41.86 | 647.93 | 45.48 |

It is difficult to forecast the success or sustainability of any strategies undertaken by any of our key customers in response to the current economic or industry environment. Unfavourable industry conditions can also result in an increase in commercial disputes and other risks of supply disruption. A sustained decline in the demand for products produced by our OEM customers could prompt them to cut their production volumes, directly affecting the demand from OEM customers for our products. In addition to decline in demand for existing products, insufficient demand for new products launched by our OEM customers may also prevent growth in demand for our products from such OEM customers. Further, the volume and timing of sales to our customers may vary due to variation in demand for our customers' products, our customers' attempts to manage their inventory, design changes, changes in their product mix, manufacturing strategy and growth strategy, and macroeconomic factors affecting the economy in general, and our customers in particular.

2. *Our Business and revenue from operations of our Company is dependent on demand of customer's products. Any loss of, or a significant reduction in purchases by such customers due to the reduction in demand of our customers products could adversely affect our business.*

In fiscal, 2024, 2023, 2022, revenue from our top five customers represented 32.46%, 29.03% and 35.26% respectively, of our total revenue from operations in such periods. Larger contracts from few customers may represent a larger part of our portfolio, increasing the potential volatility of our results and exposure to individual contract risks. Such concentration of our business on a few projects or clients may have an adverse effect on our results of operations if we do not achieve our expected margins or suffer losses on one or more of these large contracts.

3. *We do not have any Exclusivity Arrangements with the customers and with the suppliers*

We do not have firm commitment long-term supply agreements with our customers and instead rely on purchase orders and forecasts to govern the volume and other terms of our sales of products. Many of the purchase orders we receive from our customers specify a price per unit and delivery schedule. Further, we do not typically have exclusivity arrangements with our customers. Consequently, there is no commitment on the part of the customers to continue to place new work orders with us and as a result, our sales from period to period may fluctuate significantly as a result of changes in our customers' vendor preferences and we may be unable to procure repeat orders from our customers.

Our growth depends on the growth of our key customers. If our key customers do not successfully enter into and retain market share in high-growth segments, we may be prevented from capitalizing on new growth opportunities. Since we are significantly dependent on certain key customers for a significant portion of our sales, the loss of any one of our key customers, a significant reduction in demand from such customers or the downturn in business by such customers could have an adverse effect on our business, results of operations and financial condition. We may continue to remain dependent upon our key customers for a substantial portion of our revenues. In the event of our failure to retain one or more of our key customers, it will have an adverse effect on our financial performance and result of operations.

4. *Our Company is involved in a patent infringement suit, and an adverse outcome in this proceeding may adversely affect our business, financial condition and growth strategy.*

Our Company is involved in a material civil litigation regarding a patent infringement suit ("Suit") which was filed against our Company, Gala Precision Engineering Private Limited ("Defendant No. 1") and Gala Fasteners Private Limited ("Defendant No. 2") by Nord-Lock AB ("Plaintiff No.1") and Nord-Lock (India) Private Limited ("Plaintiff No. 2") before the High Court of Delhi on December 14, 2023 under the provisions of the Patent Act, 1970 alleging infringement of Plaintiffs' patents pertaining to Wedge-Lock technology washers namely, Patent No. 311313 titled "A method and a device for the manufacturing of washers for locking and washer for locking" and Patent No. 302324 titled "A method for coating washers for locking and coated washer for locking"). The Plaintiffs' allege this infringement as a direct consequence by the Company's manufacture, sale and advertisement of its washers under the brand name "Gallock Washers". The High Court of Delhi vide order dated December 18, 2023 appointed local commissioners to visit the

premises of our Company situated at “Plot No. 295 and Plot No. 302 (I and II), Village Vadali at Post Met, Musarne Road, Bhiwandi- Wada, Highway, Taluka Wada, Maharashtra, Palghar” and called for a hearing on December 22, 2023. The local commissioners visited our plants on December 20, 2023 and submitted their report to the Delhi High Court on January 3, 2024.

Further, at the hearing dated December 22, 2023, the Delhi High Court fixed February 8, 2024 for arguments. The Plaintiffs’ have sought reliefs of inter alia permanent injunction against our Company and have claimed damages amounting to ₹20.00 million. However, the Plaintiffs’ have reserved their rights to enhance their claim amount at a later stage taking into account the Defendants’ total sales revenue for all the infringing products sold during the entire period of infringement, which will be assessed after the trial takes place. Meanwhile, our Company filed a reply on January 12, 2024, denying all averments made by the Plaintiff and for removal of Defendant No. 2 from the array of Defendants since Gala Fasteners Private Limited is no longer in existence. On May 27, 2024, a written Statement was filed by our Company to the counter claim. The civil litigation matter is currently pending.

Further, the revenue from the sale of the product involved in the Suit, during Fiscals 2024, 2023 and 2022 was ₹94.78 million, ₹105.97 million and ₹78.87 million constituting to 4.68%, 6.40% and 5.43%, respectively of our total revenue.

Involvement in this proceeding could divert our management’s time and attention, and consume financial resources. Further, an adverse judgment in this proceeding could have an adverse impact on our business, results of operations and financial condition. See “Outstanding Litigation and Other Material Developments” on page 390. We cannot assure you that this proceeding will be settled in our favour or that no additional liability will arise out of this proceedings

5. *Our revenue is dependent on the springs technology segment of our business. Any downturn in the spring technology segment can adversely impact our business, results of operations, cash flow and financial condition of our Company.*

A large portion of our revenue during Fiscals 2024, 2023 and 2022 was derived from our spring technology segment. Our revenue from spring technology during Fiscals 2024, 2023 and 2022 are set out below:

| Particulars | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|-------------------|---|-------------------|---|-------------------|---|-------------------|
| | Revenue from spring technology (in ₹ million) | As a % of revenue | Revenue from spring technology (in ₹ million) | As a % of revenue | Revenue from spring technology (in ₹ million) | As a % of revenue |
| Spring Technology | 1622.66 | 80.11 | 1,388.51 | 83.92 | 1,133.25 | 78.01 |

Any downturn or lack of demand for our spring technology products could have an adverse impact on our revenue, our business, results of operations, cash flow and financial condition.

6. *We do not have long term contracts or exclusive arrangements with any of our suppliers, and a significant increase in the cost of, or a shortfall in the availability, or deterioration in the quality, of such input materials could have an adverse effect on our business and results of operations.*

We do not currently have long term contracts or exclusive supply arrangements with any of our suppliers and we purchase the raw materials on spot basis based on the requirements. The key raw materials involved in our manufacturing process include steel. These key input materials are purchased from the domestic and international markets. During the Fiscals 2024, 2023 and 2022, our cost of material consumed and changes in inventories was ₹ 827.47 million, ₹ 667.89 million and ₹ 591.93 million, constituting 46.81%, 44.71% and 43.29% respectively, of our total expenses. Set out below is the split of our cost of material consumed (including changes in inventory of finished goods), from domestic and overseas suppliers during Fiscals 2024, 2023, and 2022:

| Suppliers | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|-----------|---|--------------------------|---|--------------------------|---|--------------------------|
| | Cost of materials consumed (in ₹ million) | As a % of total expenses | Cost of materials consumed (in ₹ million) | As a % of total expenses | Cost of materials consumed (in ₹ million) | As a % of total expenses |
| Domestic | 660.48 | 79.82% | 496.15 | 74.29% | 390.75 | 66.01% |
| Overseas | 167.00 | 20.18% | 171.74 | 25.71% | 201.19 | 33.99% |

| Suppliers | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|-----------|---|--------------------------|---|--------------------------|---|--------------------------|
| | Cost of materials consumed (in ₹ million) | As a % of total expenses | Cost of materials consumed (in ₹ million) | As a % of total expenses | Cost of materials consumed (in ₹ million) | As a % of total expenses |
| Total | 827.47 | 100% | 667.89 | 100% | 591.93 | 100% |

The price and availability of such input materials is subject to, supply side disruptions and is dependent on several factors beyond our control, including overall economic conditions, taxes and duties, the prevailing Indian regulatory environment, foreign exchange rate, production levels and competition.

Further, we procure our raw material from around 79 suppliers but we have significant supplier contribution with top 10 of our suppliers constituting to more than 50% of our total purchases for the financial year ended 2024.

Although we have not received any customer complaints in the past, we cannot assure that the same trend will continue in the future. These suppliers have accorded their trust and service based on our long operating history in the industry, our credit worthiness and our goodwill. However, in the absence of written agreements, our suppliers are not bound to supply raw materials to us.

The failure of our suppliers to deliver raw material in the necessary quantities or as per the required schedule, of a specified quality/standard/specification, may adversely affect our production processes thereby giving rise to contractual penalties or liabilities, loss of customers and/or an adverse effect on our reputation, which may in turn result in an adverse effect on our business, financial condition and results of operations. Additionally, a material shortage in supply of raw material could result in the failure to meet our sales obligations, which may in turn result in a loss of revenue and cash flows. We do not rely on a single source or supplier for raw materials, instead, have alternative sources. Although we have not encountered any significant disruptions in the sourcing and/or supply of our raw materials, we cannot assure you that such disruptions will not occur and/or we shall continue to be able to source raw materials in a cost effective manner.

Further, our customers generally have the right to inspect and audit our facilities, processes and products after reasonable notice to ensure that our services are meeting their internal standards. Most of our customers routinely inspect and audit our facilities. Further, we also monitor the customer satisfaction ratings of our products and customer complaints on a regular basis. In the past we have received certain customer complaints in relation to our products, however, such complaints had no material impact on our business and financial condition. If we fail to perform our services in accordance with best practices stipulated by our customers and/or our customers are dissatisfied with the quality of our facilities in any manner, our reputation could be harmed and our customers may terminate/modify their contractual arrangements and/or refuse to renew their contractual arrangements or purchase orders.

7. Our business is dependent on the performance of the application industries with a large portion of revenue being derived from a select few of application industries. Any downturn in the application industries can adversely impact our business, results of operations, cash flow and financial condition of our Company.

Our business is reliant on various application industries such as industrials, renewable energy and mobility segments. Out of the application industries that we cater to, a large portion of our revenue during Fiscals 2024, 2023 and 2022 was derived from renewable energy, mobility segments and industrials. Our revenue from these application industries during Fiscals 2024, 2023 and 2022 are set out below:

| Particulars | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|----------------------|--|---|--|---|--|---|
| | Revenue from sale of products (in ₹ million) | As a % of revenue from sale of products | Revenue from sale of products (in ₹ million) | As a % of revenue from sale of products | Revenue from sale of products (in ₹ million) | As a % of revenue from sale of products |
| Industrials* | 813.19 | 40.49 | 826.95 | 50.32 | 789.25 | 54.63 |
| Renewable energy** | 622.23 | 30.98 | 425.58 | 25.89 | 379.17 | 26.24 |
| Mobility segments*** | 573.03 | 28.53 | 390.99 | 23.79 | 276.39 | 19.13 |
| Total | 2008.45 | 100.00 | 1,643.52 | 100.00 | 1,444.81 | 100.00 |

*Customers for application under the industrial segment include Bufab India Fasteners Pvt Ltd, L & T Electrical Automation, LPS Bossard, Wuerth Industrials Services Pvt Ltd

** Customers for application under the renewable energy segment include Enercon and Vestas wind Technology India Pvt Ltd

*** Customers for application under the mobility segments include Brembo Brake India Pvt Ltd, Endurance Technologies Ltd, Exedy Clutch India Pvt Ltd, MSL Drive line Systems Ltd. (formerly Mahindra Sona Limited), Hitachi Astemo, Schaeffler and Webtec.

Any downturn or lack of demand for our products in any or all of the application industries or macro-economic conditions impacting the application industries, more importantly in renewable energy, mobility and industrials, could have an adverse impact on our business, results of operations, cash flow and financial condition. We also cannot assure you that a lack of demand for our products in renewable energy, mobility and industrials could potentially be off-set by sales to other application industries.

8. Our Company is involved in certain legal proceedings, and an adverse outcome in any such proceedings may adversely affect our business, financial condition and growth strategy.

Our Company and one of our Director is involved in certain legal proceedings, in the ordinary course of business, which are pending at varying levels of adjudication at different fora, from time to time. All pending litigation involving our Company, Directors, Promoters and Subsidiaries, other than criminal proceedings, statutory or regulatory actions and taxation matters, are considered “material” if the monetary amount of claim by or against the entity or person, in any such pending litigation exceeds 5% of the consolidated profit after tax of our Company, as per the Restated Financial Information, for the latest fiscal i.e. Fiscal 2024, amounting to ₹ 11.17 million, or any such litigation, an adverse outcome of which would materially and adversely affect our Company’s business, prospects, operations, financial condition or reputation, irrespective of the amount involved in such litigation.

Our Company is involved in a material civil litigation regarding a patent infringement suit (“Suit”) which was filed against our Company, Gala Precision Engineering Private Limited (“**Defendant No. 1**”) and Gala Fasteners Private Limited (“**Defendant No. 2**”) by Nord-Lock AB (“**Plaintiff No.1**”) and Nord-Lock (India) Private Limited (“**Plaintiff No. 2**”) before the High Court of Delhi on December 14, 2023 under the provisions of the Patent Act, 1970 alleging infringement of Plaintiffs’ patents pertaining to Wedge-Lock technology washers namely, Patent No. 311313 titled “A method and a device for the manufacturing of washers for locking and washer for locking” and Patent No. 302324 titled “A method for coating washers for locking and coated washer for locking”). The Plaintiffs’ allege this infringement as a direct consequence by the Company’s manufacture, sale and advertisement of its washers under the brand name “Gallock Washers”. The High Court of Delhi vide order dated December 18, 2023 appointed local commissioners to visit the premises of our Company situated at “Plot No. 295 and Plot No. 302 (I and II), Village Vadali at Post Met, Musarne Road, Bhiwandi- Wada, Highway, Taluka Wada, Maharashtra, Palghar” and called for a hearing on December 22, 2023. The local commissioners visited our plants on December 20, 2023 and submitted their report to the Delhi High Court on January 3, 2024. At the hearing dated December 22, 2023, the Delhi High Court fixed February 8, 2024 for arguments. The Plaintiffs’ have sought reliefs of *inter alia* permanent injunction against our Company and have claimed damages amounting to ₹20.00 million. However, the Plaintiffs’ have reserved their rights to enhance their claim amount at a later stage taking into account the Defendants’ total sales revenue for all the infringing products sold during the entire period of infringement, which will be assessed after the trial takes place. Meanwhile, our Company filed a reply on January 12, 2024, denying all averments made by the Plaintiff and for removal of Defendant No. 2 from the array of Defendants since Gala Fasteners Private Limited is no longer in existence. The civil litigation matter is currently pending.

The summary of the outstanding litigations involving the aforementioned persons/entities are as follows:

(in ₹ million, unless otherwise specified)

| Name of the Entity | Criminal Proceedings | Tax Proceedings | Statutory or Regulatory Proceeding | Disciplinary actions by the SEBI or Stock Exchanges against our Promoter | Material Civil Litigations* | Aggregate Amount Involved (₹ in million)** |
|--|----------------------|-----------------|------------------------------------|--|-----------------------------|--|
| Company | | | | | | |
| By our Company | 1 | - | - | - | - | - |
| Against our Company | - | 7 | - | - | 1 | 48.12*# |
| Directors (other than promoter) | | | | | | |
| By our Directors | - | - | - | - | - | - |
| Against our Directors | - | - | - | - | - | - |

| Name of the Entity | Criminal Proceedings | Tax Proceedings | Statutory or Regulatory Proceeding | Disciplinary actions by the SEBI or Stock Exchanges against our Promoter | Material Civil Litigations* | Aggregate Amount Involved (₹ in million)** |
|-----------------------------|----------------------|-----------------|------------------------------------|--|-----------------------------|--|
| Promoter | | | | | | |
| By our Promoter | - | - | - | - | - | - |
| Against our Promoter | - | - | - | - | - | - |
| Subsidiaries | | | | | | |
| By our Subsidiaries | - | - | - | - | - | - |
| Against our Subsidiaries | - | - | - | - | - | - |
| Group Companies | | | | | | |
| By our Group Companies | - | - | - | - | - | - |
| Against our Group Companies | - | - | - | - | - | - |
| Total | 1 | 7 | | | | 48.12 *# |

* In accordance with the Materiality Policy

**To the extent quantifiable

Our Company is currently engaged in a material civil litigation. The Plaintiffs' have sought reliefs and have claimed damaged amounting to ₹20.00 million. However, the Plaintiffs' have reserved their rights to enhance their claim amount at a later stage taking into account the Defendants' total sales revenue for all the infringing products sold during the entire period of infringement, which will be assessed after the trial takes place. For further details, see "Outstanding Litigation and Material Developments" on page 391.

@ Cannot be quantified

Further, as on the date of this Prospectus, there are no outstanding litigation proceedings involving our Group Companies, the outcome of which could have a material impact on our Company.

Involvement in such proceedings could divert our management's time and attention, and consume financial resources. Further, an adverse judgment in these proceedings could have an adverse impact on our business, results of operations and financial condition. See "Outstanding Litigation and Other Material Developments" on page 391. We cannot assure you that any of such proceedings will be settled in our favour or in favour of our Company or Directors, as applicable, or that no additional liability will arise out of these proceedings.

9. We have entered into transactions with related parties. These or any future related party transactions may potentially involve conflicts of interest and there can be no assurance that we could not have achieved better terms, had such arrangements been entered into with unrelated parties.

Our Company has engaged in the past, and may engage in the future, in transactions with related parties, including our Promoters and Key Managerial Personnel. A summary detail of our transactions with related parties are set out below:

(in ₹ million, except %)

| Particulars | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|-------------|-------------|-------------|
| Revenue from Operations | 2025.45 | 1654.65 | 1452.77 |
| Sum of all Related Party Transactions* as a percentage of Revenue from Operations (%) | 1.76 | 1.76 | 1.91 |
| Sum of all Related Party Transactions* | 35.73 | 29.09 | 27.76 |

*Revenue based

Such related party transactions may potentially involve conflicts of interest. See “*Financial Information – Restated Financial Information – Annexure VI – Note No.31 (e) – Related Party Transactions*” on page 283. These related party transactions entered into by us, were in compliance with the Companies Act.

While our Company believes that all such transactions have been conducted on an arm’s length basis and contain commercially reasonable terms and are in compliance with the relevant provisions of Companies Act and any other applicable laws and regulations as amended, there can be no assurance that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is likely that our Company may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest. We cannot assure you that such transaction, individually or in the aggregate, will always be in the best interests of our Company and/or that it will not have an adverse effect on our business and results of operations.

10. Our Company’s operations are subject to varied business risks and our Company’s insurance cover may prove inadequate to cover the economic losses of our Company.

Our Company’s operations are subject to various risks and hazards which may adversely affect revenue generation and profitability of our Company. While our Company believes that it has taken adequate safeguards to protect our Company’s assets from various risks inherent in our Company’s business, including by purchasing and maintaining relevant insurance cover, it is possible that our Company’s insurance cover may not provide adequate coverage in certain circumstances.

While our Company believes that we maintain sufficient insurance cover by virtue of maintaining insurance policies, certain types of losses may be either uninsurable, not economically viable to insure or not offered for insurance, such as losses due to acts of terrorism or war. If any uninsured loss occur, our Company could lose our investment in, as well as anticipated profits and cash flows from the asset. In addition, even if any such loss is insured, there may be a significant deductible on any claim for recovery prior to our insurer being obligated to reimburse us for the loss, or the amount of the loss may exceed our coverage for the loss. Any loss that is not covered by insurance, or for which our Company is unable to successfully claim insurance, or which is in excess of the insurance cover could, in addition to damaging our Company’s reputation, have an adverse effect on our Company’s business, cash flows, financial condition and results of operation.

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

Details of our total insurance coverage vis-à-vis our net fixed assets excluding intangibles as at the period ended March 31, 2024, March 31, 2023 and March 31, 2022 is set out below:

(in ₹ million, unless stated otherwise)

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|----------------------|
| Insurance Coverage vis-à-vis our net fixed assets (A) | 1446.20 | 910.33 | 852.78 |
| Net fixed assets* as per Restated Consolidated Financial Statements (B) | 490.24 | 443.71 | 395.88 |
| Insurance coverage times the net fixed assets (A/B) | 2.95 | 2.05 | 2.15 |

* Sum of Property, Plant and Equipment (net block), capital work in progress, right of use assets and investment property (buildings net block).

11. Certain of our immovable properties, including our registered and corporate office, are leased. If we are unable to renew existing leases or relocate our operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition and operations.

Our registered and corporate office is on leasehold basis from certain third parties. For details of our registered and corporate office and one of our manufacturing facilities, see “*Business – Property*” on page 197. Further, the premises for our registered and corporate office is leased to us for a short-term period of 5 years from Redbrick Lifespaces LLP. Further our new facility at Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu is leased to us for a long-term period of 99 years from State Industries Promotion Corporation of Tamil Nadu Limited and we have a branch office in Germany located at Office no. 14 on 16th Floor of the building Lyoner Strabe 14, 60528 Frankfurt, Germany which has been leased to us for an indefinite period from July 16, 2009. While we have, in the past, renewed such short-term and medium-term lease arrangements for our facilities and offices from time to time, if we are unable to renew certain or all of these leases

on commercially reasonable terms, we may suffer a disruption in our operations or be unable to continue to operate from those locations in the future (and may, to that extent, need to revise our raw material sourcing, product manufacturing and raw material and product inventory schedules and/or incur significant costs to relocate or expand our operations elsewhere in order to continue to honour our commitments to our customers). In addition, the terms of certain of our leases require us to obtain the lessor's prior consent for certain actions (including making significant structural alterations to the factory building, which may be required if we were to undertake a significant expansion in the future, or for undertaking a corporate restructuring or to sublet, transfer, assign, charge or mortgage such properties). In the event that any lease agreement is not renewed, we will be required to expend time and financial resources to locate suitable land or premises to set up new warehouses and offices, which may adversely affect our financial condition. Further, if the vacated property or premises is leased or sold to a competitor, we may also face increased competition in that geographic area which could adversely affect our market share and revenues.

12. We are dependent on third party transportation for the delivery of raw materials and finished products and any disruption in their operations or a decrease in the quality of their services could adversely affect our business and results of operations.

We procure raw materials from domestic and international suppliers, which are brought to our manufacturing facilities through third party logistics providers including shipping companies and overland transport companies. Similarly, our finished products are transported from our manufacturing facilities to OEMs, Tier 1 and channel partners by air, sea and overland transport. The logistics service providers are, therefore, integral to our Company's business operations. While we have over the years engaged the services of various logistics service providers for our business operations, we do not have, and we do not propose to enter into, contractual arrangements with such third-party logistics providers. While these third-party logistics service providers have generally, in the past, been reliable, we cannot assure you that they will continue to be available to us as required. If such third-party logistics service providers discontinue their services for a reasonable length of time and, if we are unable to obtain the services of other service providers, our business operations could be adversely impacted, at times, significantly. A failure to maintain a continuous supply of raw materials could have a material and adverse effect on our business, financial condition and results of operations.

Additionally, if we lose one or more of our transportation providers, we may not be able to obtain terms as favourable as those we receive from the third party transportation providers that we currently use, which in turn would increase our costs and thereby adversely affect our operating results. Disruptions of transportation services because of weather-related problems, strikes, inadequacies in the road or rail infrastructure, or other events could impair the ability of the third-party transportation providers to deliver us the raw materials and our finished products to our customers in a timely manner or at all. While there have been no instances of discontinuance of logistics services during the last 3 Fiscals, we cannot assure you that we will not face discontinuance of logistic services in the future which could have a material adverse effect on our overall business, result of operations, cash flows and financial condition of our Company.

13. Our business is manpower intensive. Our business may be adversely affected by work stoppages, increased wage demands by our employees, or increase in minimum wages across various states, and if we are unable to engage new employees at commercially attractive terms.

Our ability to provide engineered products and services and to manage the complexity of our business depends, in part, on our ability to retain and attract semi-skilled and skilled and qualified manpower in the areas of management, product engineering, design, manufacture, servicing, sales, information technology, and finance. Competition for such personnel is intense and the cost of retaining or replacing such personnel may affect our profitability. In addition, our strategies for growth have placed, and are expected to continue to place, increased demands on our managements' and employees' skills and resources. The table below sets forth details of our employee benefit expenses and as a percentage of our total expenses for the periods indicated:

(in ₹ million, unless stated otherwise)

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|----------------------|
| Employee Benefit Expenses | 247.75 | 232.30 | 215.12 |
| Total Expenses | 1767.90 | 1,493.84 | 1,367.35 |
| Employee Benefit Expenses as a percentage of Total Expenses(%) | 14.01 | 15.55 | 15.73 |

Further, our manufacturing activities are labour intensive, requiring our management to undertake significant labour interface, and expose us to the risk of industrial action. As on June 30, 2024 we have 294 permanent employees and 390 persons employed as contract employees, out of which we had a permanent workforce of 182 manufacturing workers, 19 permanent employees for stores and logistics, 19 permanent employees for quality assurance staff, 14 permanent employees for tool room development and maintenance staffs and 22 permanent employees for human resources and admin staffs. For further details, see "Our Business – Human Resources". As on March 31, 2024 our employee benefit

expenses was ₹ 247.75 million, constituting 14.01% of our total expenses. Our Company's average attrition rate of employees during the last 3 Fiscals is set out below:

| Particulars | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|-------------|-------------|-------------|
| Employee | 7.61% | 11.72% | 12.21% |
| Average Attrition for the past 3 years | | | 10.51% |

As on the date of this Prospectus, we have 2 labour unions in our manufacturing facilities located at Wada, Palghar, Maharashtra namely, Shramik Sena and Bharatiya Kamgar Sena. We have entered into wage settlement agreements with our unions. Further, while we have not experienced any strikes or labour unrest at any of our manufacturing facilities in the past, we cannot assure you that we will not experience work disruptions in the future due to disputes or other problems with our work force. Any such event, at our current facilities or at any new facilities that we may commission or acquire in the future, may adversely affect our ability to operate our business and serve our customers, and impair our relationships with key customers and suppliers, which may adversely impact our business and financial condition. Any changes in the existing labour laws of the countries in which we operate may increase our labour cost and may also increase time spent by our management in labour related matters, which could impact our business and results of operations. If labour laws become more stringent or are more strictly enforced, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have an adverse effect on our business, results of operations, financial condition and cash flows.

14. We intend to utilise the Net Proceeds for funding our capital expenditure requirements and we are yet to place orders for some of our capital expenditure requirements. There is no assurance that we would be able to source such capital expenditure requirements in a timely manner or at commercially acceptable prices.

We propose to utilize ₹ 370.00 million of our Net Proceeds for setting up a new manufacturing facility at Vallam-Vadagal, SIPCOT, Sriperumbudur, Tamil Nadu and ₹ 110.69 million for funding capital expenditure requirements towards purchase of equipment, plant and machinery at Wada, Palghar, Maharashtra. For further information, see "Objects of the Offer" on page 102. We have not entered into any definitive agreements with any of the vendors, and have relied on the quotations received from vendors. Further, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution or any other independent agency. While we have obtained the quotations from various vendors in relation to such capital expenditure, most of these quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations, that there will not be cost escalations and that we would be able to procure such equipment in a timely manner, or that we will complete our expansion works within the estimated timelines, and if not, obtain extensions for the quotations at reasonable cost to us, if at all. There is no assurance that we would be able to source such upgradation in a timely manner or at commercially acceptable prices, which could adversely affect our expansion plans and consequently, our business and results of operations.

Our new manufacturing facility at Vallam-Vadagal, SIPCOT, Sriperumbudur, Tamil Nadu remain subject to the potential problems and uncertainties that construction projects face including cost overruns or delays. Problems that could adversely affect our expansion plans include inability to raise significant additional funds on reasonable terms or at all, labour shortages, increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed in our manufacturing facilities, delays in completion, defects in design or construction, failure of third-parties to adhere to our specifications, quality standards and/ or timelines, the possibility of unanticipated future regulatory restrictions, delays in receiving governmental, statutory and other regulatory approvals, incremental pre-operating expenses, taxes and duties, interest and finance charges, working capital margin, environment and ecology costs and other external factors which may not be within the control of our management. Further, there can be no assurance that our budgeted costs may be sufficient to meet our proposed capital expenditure requirements. If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects.

15. Our Company has a high working capital requirement and if our Company is unable to raise sufficient working capital the operations of our Company will be adversely affected.

Our Company's business operations are subject to high working capital requirements. Currently, our Company meets its working capital requirements through a mix of internal accruals and working capital facilities from scheduled commercial banks. Our Company's working capital requirements (i.e., sum of trade receivables and inventory, as reduced by trade payables) as on March 31, 2024, March 31, 2023 and March 31, 2022 was ₹ 909.49 million, ₹ 776.12 million and ₹ 613.81 million, respectively. Our net working capital turnover ratio as on March 31, 2024, March 31, 2023, and March 31, 2022

was 2.23, 2.13 and 2.37. As on March 31, 2024 our Company had sanctioned working capital facilities aggregating to ₹ 450.00 million.

While we believe that our internal accruals and working capital facilities availed from our lenders will be sufficient to address our working capital requirements, we cannot assure you that we will continue to generate sufficient internal accruals and / or be able to raise adequate working capital from lenders to address our future needs. Our inability to meet our present working capital requirements or our enhanced working capital requirements will have an adverse impact on our results of operation, business and financial condition. For further details pertaining to our present working capital position, see “*Financial Indebtedness*’ and ‘*Management’s Discussion and Analysis of Financial Condition and Results of Operation*” on pages 388 and 358, respectively.

In addition, our Promoters have also extended personal and corporate guarantees, as applicable, for some of the debt facilities availed by our Company. For further details see chapter “*Financial Indebtedness*” on page 388. Any inability to continue to provide such guarantee or their inability to honour such guarantee could result in an acceleration of such facilities and / or adversely impact our ability to raise debt which could impact our cash flows, result in cash flow mismatch and adversely affect our financial condition.

16. Our Promoters have provided personal and corporate guarantees for certain borrowings obtained by our Company and any failure or default by our Company to repay such loans could trigger repayment obligations on our Promoters which may impact their ability to effectively service their obligations and thereby, adversely impact our business and operations.

As of June 30, 2024, there are certain borrowing availed by our Company for which our Promoters have given guarantees. The table set out below provides details of personal guarantees provided by our Promoter

| Name of the Promoter | Name of the Lender | Type of Facility | Sanctioned and Guaranteed amount (in ₹ million) |
|----------------------|--------------------|--------------------------------|---|
| Kirit Vishanji Gala | HDFC Bank Limited | Working capital and Term loans | 753.72 |
| Smeet Kirit Gala | HDFC Bank Limited | Working capital and Term loans | 753.72 |
| Kirit Vishanji Gala | Yes Bank Limited | Working capital and Term loans | 167.90 |
| Smeet Kirit Gala | Yes Bank Limited | Working capital and Term loans | 167.90 |

For further details in relation to our borrowings, see “Financial Indebtedness” on page 388. Any default or failure by our Company to repay loans in a timely manner or at all could trigger repayment obligations on the part of our Promoters in respect of such loans. This, in turn, could have an impact on the Promoters’ ability to effectively service his obligations as the Promoters of our Company, thereby having an adverse effect on our business, results of operations and financial condition.

Further, in the event that our Promoters’ withdraw or terminate the guarantees, our lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our business, results of operations and financial condition.

17. Our manufacturing facilities are dependent on adequate and uninterrupted supplies of electricity, water and fuel; shortage or disruption in electricity or fuel supplies may lead to disruption in operations, higher operating cost and consequent decline in operating margins.

Adequate and cost effective supply of electrical power and fuel is critical to our manufacturing facilities. For the last 3 Fiscals 2024, 2023 and 2022, the power and fuel costs was ₹ 59.70 million, ₹ 53.47 million and ₹ 46.03 million for each respective period accounted for 2.95%, 3.23% and 3.17% of our total revenue from operations, respectively.

There may be power cuts in the supply provided by the respective state electricity boards from time to time and so we have stand-by captive generator sets for our operations to ensure that there is no stoppage in our production. We also have installed roof-top solar panels at both manufacturing facilities under the operating expenses model. Power costs represent

a significant portion of our operating costs. If the per unit cost of electricity is increased by the state electricity boards our power costs will increase. It may not be possible to pass on any increase in our power costs to our customers, which may adversely affect our profit margins. An interruption in or limited supply of electricity may result in suspension of our manufacturing operations. A prolonged suspension in production could materially and adversely affect our business, financial condition or results of operations. In addition to the production losses that we would incur during production shutdowns in the absence of supply of electrical power, we would not be able to immediately return to full production volumes following power interruptions, however brief. Any interruption of power, even if short, could give rise to inefficiencies when we resume production.

18. *The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares, market capitalization and price to earnings ratio based on the Offer Price of the Equity Shares, may not be indicative of the market price of the Company on listing or thereafter.*

Our market capitalisation to revenue from operations for Financial Year 2024 is 2.64 times at upper end of the Price Band and 2.51 times at lower end of the Price Band. Our price to earnings (P/E) ratio (based on our diluted EPS before exceptional items for the Financial Year 2024) multiple is 20.94 and 22.02 times at the lower and upper end of the Price Band, respectively. The average P/E of the listed peer group of our Company is 39.59. The Offer Price of the Equity Shares is determined by our Company in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through a book-building process, and certain quantitative and qualitative factors including as set out in the section titled “Basis for Offer Price” on page 137. The Offer Price, multiples and ratios may not be indicative of the market price of the Company on listing or thereafter. The relevant financial parameters based on which the Price Band would be determined, was disclosed in the advertisement that was issued for publication of the Price Band.

Prior to the Offer, there has been no public market for our Equity Shares. Pursuant to the Offer and upon listing of our Equity Shares, it is possible that an active trading market on the Stock Exchanges may not develop or be liquid. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Any valuation exercise undertaken for the purposes of the Offer by our Company in consultation with the BRLMs, is not based on a benchmark against our industry peers. The relevant financial parameters based on which the Price Band will be determined will be disclosed in the advertisement that will be issued for the publication of the Price Band.

The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India or globally, announcements by us or our competitors of significant acquisitions, strategic alliances, our competitors launching new products, COVID-19 related or similar situations, announcements by third parties or governmental entities of significant claims or proceedings against us, volatility in the securities markets in India and other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. The occurrence of one or more of these factors may cause the market price of our Equity Shares to decline below the Offer Price.

19. *Failure to obtain or renew approvals, licenses, registrations and permits to operate our business in a timely manner, or at all, may adversely affect our business, financial condition, cash flows and results of operations.*

We are required to obtain, renew and maintain certain approvals, registrations, permissions and licenses from regulatory authorities, to carry out / undertake our operations. These approvals, licenses, registrations and permissions may be subject to numerous conditions. If we fail to obtain and maintain some or all of these approvals or licenses, or renewals thereof, in a timely manner or at all, or if we fail to comply with applicable conditions or it is claimed that we have breached any such conditions, our license or permission for carrying on a particular activity may be suspended or cancelled and we may not be able to carry on such activity, which could adversely affect our business, results of operations, cash flows and financial condition. See “Government and Other Approvals” on page 397.

20. *We export our products to various countries including, Germany, Switzerland, Finland, Italy, Denmark, USA, China, Brazil. Any adverse events affecting these countries including any exchange rate fluctuations, depreciation in the India Rupee and compliance with a wide range of regulatory requirement and foreign laws could have an adverse impact on our business, financial condition and results from operations*

We generated ₹ 760.22 million, ₹ 612.08 million and ₹ 543.40 million export sales in Fiscals 2024, 2023 and 2022, respectively, which represented 37.53%, 36.99% and 37.40% of our revenue from operations for the respective periods. During such periods, we exported our products to over 25 countries across four continents. Although we closely follow our exposure to foreign currencies and selectively enter into hedging transactions in an attempt to reduce the risks of

currency fluctuations, these activities are not always sufficient to protect us against incurring potential losses if currencies fluctuate significantly. In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations and cash flows. These export destination countries impose varying duties on our products. There can be no assurance that the duties imposed by such countries will not increase. Any change or increase in such duties may adversely affect our business, financial condition and results of operations.

Additionally, export destination countries may also enter into free trade agreements or regional trade agreements with countries other than India. Such agreements and alteration of existing tax treaties may lead to increased competition or may even place us at a competitive disadvantage compared to manufacturers in other countries and could adversely affect our business, financial condition and results of operations. Further, changes in import policies or an economic slowdown in countries to which we export our products may have a significant adverse impact on our business, financial condition and result of operations. India is also a party to, and is currently negotiating, free trade agreements with several countries and if we export our products to such countries, any revocation or alteration of those bilateral agreements may also adversely affect our ability to export, and consequently, our business, financial condition and results of operations.

Additionally, we will be required to procure certifications in addition to other quality standards which could be necessary for the products to be accepted by customers and the markets in which we export our products. As such, we may need to obtain and maintain the relevant certifications so that our customers are able to sell their products, which include components that are manufactured by us, in these countries. Our inability to secure such license, or any other licenses, certification, registrations and permits in other jurisdictions in a timely manner or at all, could result in operational delays or suspensions and/or administrative fines and penalties, which could have a material adverse effect on the overall business, results of operations and financial condition.

21. We may face difficulties in executing our strategies including our expansion plans.

Our growth strategy includes expanding our existing business in our spring and fastener segment and moving up the value chain from niche markets to large addressable markets. We cannot assure you that our growth strategies will be successful in a timely manner or at all or that we will be able to continue to expand further or diversify our product portfolio.

We have experienced growth in the past three years. Our total income has grown at a CAGR of 17.53 % from ₹ 1479.63 million in Fiscal 2022 to ₹ 2,043.77 million in Fiscal 2024. Our operations have grown over the last few Fiscals. We may not be able to sustain our rates of growth, due to a variety of reasons including a decline in the demand for our products and services in the spring and fastener segment, increased price competition, non-availability of raw materials, lack of management availability or a general slowdown in the economy. A failure to sustain our growth may have an adverse effect on our business, results of operations and financial condition. Our growth strategy will place significant demands on our management as well as our financial, accounting and operating systems. If we are unable to increase our production capacity in line with our customer requirements, we may not be able to successfully execute our growth strategy. Further, as we scale-up and diversify our operations, we may not be able to execute our operations efficiently, which may result in delays, increased costs and lower quality products. We cannot assure you that our future performance or growth strategy will be successful. Any of our current or future horizontal and/or vertical integration related strategies may not be executed as planned on account of factors such as lack of adequate experience, increase in competition from peers, amongst others.

22. We have incurred significant capital expenditures in the past and there can be no assurance that our past or planned capital expenditures will result in growth and/or additional profitability for our Company.

We have already incurred significant capital expenditure in the past few years, including setting up an entire range of facilities such as circular saw machine, press, CNC machines and thread rolling machines, etc, for production of various types of anchor bolt, stud and springs for different applications for our customers, allowing us to offer a diverse product suite, reduce operating costs and drive our productivity. For the Fiscals 2024, 2023 and 2022, our capital expenditure was ₹ 127.15 million, ₹ 152.08 million and ₹ 62.86 million, respectively. The total estimated expenditure for setting up a new facility at Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu for manufacturing high tensile fasteners and hex bolts is ₹483.32 million. For further details see, “Objects of the Offer” on page 114.

To compete effectively, we must be able to develop and produce new products to meet our customers’ demand in a timely manner, which requires a significant capital expenditure. We may also be required to make substantial investments to adapt to the expansions plans made by our existing OEM customers to ensure continuity in business from such OEM customers, however there is no assurance that such investments will be as profitable as our existing business and investments, or at all. Further, we may incur significant costs in supplying OEM products from such locations to other customers. Further, we may not be able to take on new opportunities from our existing OEM customers if such opportunities do not offer attractive value proposition or commercial viability. We cannot assure you that we will be able

to successfully convert these capital expenditures profitable in the future. Our capital expenditures may also lead to unsuccessful projects which may cause loss to our business. Additionally, we incur certain bare minimum capital expenditure for maintenance irrespective of the business or revenue, such as for upgradation and modernization of our manufacturing facilities, infrastructure, machines, equipment and technology to allow us to offer a diverse product suite, reduce operating costs and drive productivity and in the event of any negative impact of the business, such capital expenditure may result in negative cash flows. Our failure to manage our growth effectively may have an adverse effect on our business, results of operations and financial condition. Further, expansion and acquisitions may require us to incur or assume new debt, expose us to future funding obligations or integration risks and we cannot assure you that such expansion or acquisition will contribute to our profitability.

23. Our failure to identify and understand evolving industry trends and preferences to develop new products to meet our customers' demands or our limitation including on account of knowledge of new segments into which we are expanding may adversely affect our business.

We expect to continue to dedicate significant financial and other resources to our product development efforts in order to maintain our competitive position. Investing in product development, including developing new products and enhancing existing products, is expensive and time consuming, and there is no assurance that such activities will result in significant new marketable products or enhancements to our products, design improvements, cost savings, revenues or other expected benefits. If we spend significant time and effort on design and development, and are unable to generate an adequate return on our investment, our business and results of operations may be materially and adversely affected.

In the past, as part of our growth and expansion plan, we have diversified into new segments. Any inability to do such diversification in the future to expand our business will cause adverse effect on business. Further, changes in consumer preferences, regulatory or industry requirements or in competitive technologies may render certain of our products obsolete or less attractive. Our ability to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced products on a timely basis is a significant factor in our ability to remain competitive. However, there can be no assurance that we will be able to develop or secure the necessary technological knowledge that will allow us to develop our product portfolio in this manner. If we are unable to obtain such knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business and results of operations may be adversely affected. Moreover, we cannot assure you that we will be able to achieve the technological advancements that may be necessary for us to remain competitive or that certain of our products will not become obsolete.

24. We depend on our senior management, Key Managerial Personnel, persons with technical expertise and other permanent employees for our business and future growth. If we are unable to attract or retain key executives, Key Managerial Personnel or permanent employees, our operations may be adversely affected.

Our future performance would depend on the continued service of our senior management, Key Managerial Personnel, persons with technical expertise, and the loss of any senior employee and the inability to find an adequate replacement may impair our relationship with key customers and our level of technical expertise, which may adversely affect our business, financial condition, results of operations and prospects. In particular, we rely on the experience and business relationships of our Chairman and Managing Director, our Directors, our Key Managerial Personnel, and other business heads, unit heads and functional heads. Should their involvement in our business reduce, or should our relationship with these persons deteriorate for any reason in the future, our business, financial condition, results of operations and prospects may be adversely affected. For details of our management and Key Managerial Personnel, see “*Management – Key Managerial Personnel*” on page 248.

Failure to hire or retain key managerial personnel could adversely affect our business and result of operations. The continued operations and growth of our business is also dependent upon our ability to attract and retain personnel who have the necessary and required experience and expertise. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. Our Company's performance depends largely on the efforts and abilities of these employees. The attrition rate for permanent employees was 2.03%, 7.61%, 11.72% and 12.21% for the nine months ended June 30, 2024 and Fiscals 2024, 2023 and 2022, respectively. We may require a long period of time to hire and train replacement personnel when skilled personnel terminate their employment with us. We may also be required to increase our levels of employee compensation and benefits more rapidly than in the past to remain competitive in attracting skilled personnel, or to address any breaches on parts of our respective contractors and subcontractors, where we have been the principal employers. Loss of the services of our permanent employees could adversely affect our business, financial condition and results of operations.

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

Although we closely follow our exposure to foreign currencies and selectively enter into hedging transactions in an attempt to reduce the risks of currency fluctuations, these activities are not always sufficient to protect us against incurring potential losses if currencies fluctuate significantly. In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations and cash flows. Although India remains our largest market, our sales to customers located outside India for the Fiscals 2024, 2023 and 2022, contributed to ₹ 760.22 million, ₹ 612.08 million and ₹ 543.40 million export sales as on and in Fiscals 2024, 2023 and 2022, respectively, which represented 37.53%, 36.99% and 37.40% of our total revenue from operations, respectively.

26. *We rely on the continued operations of our manufacturing facilities and any slowdown, shutdown or disruption in our manufacturing facilities may be caused by natural and other disasters causing unforeseen damages which may lead to disruptions in our business and operations could have an adverse effect on our business, results of operations, financial condition and cash flows.*

We derive the entire portion of our present revenue from operations from our facilities located in Wada, Palghar, Maharashtra. For further information, see “Our Business – Manufacturing Facilities” on page 197. Any disruptions, breakdown or shutdown of our manufacturing facilities, due to, inter alia, (i) breakdown or failure of equipment, (ii) disruption in power supply or processes, (iii) performance below expected levels of efficiency, (iv) obsolescence, (v) labour disputes, (vi) infectious diseases (such as the COVID-19 pandemic), and (vii) political instability, could result in the damage or destruction of a significant portion of our manufacturing abilities, significant delays in the transport of our products and raw materials and/or otherwise adversely affect our business, results of operations, financial condition, cash flows and future prospects.

There are no instances in the past linked to the location of the Company’s manufacturing facilities in Wada, Palghar, Maharashtra that have materially and adversely affected business and operations of the Company. However, our operations are susceptible to local and regional factors, such as accidents, political factors, system failures, economic and weather conditions, natural disasters, and demographic and population changes, the outbreak of infectious diseases such as COVID-19 and other unforeseen events and circumstances. Pursuant to the lockdown as a result of COVID-19, our manufacturing facilities remained closed from March 23, 2020 to April 21, 2020. Further, disruptions, damage or destruction of those facilities may severely affect our ability to meet our customers’ demand and the loss of our customers or a significant reduction in demand from such customers could have an adverse effect on our business, results of operations, financial condition, cash flows and future prospects.

Although we try to minimize the risk from any significant operational problems at our manufacturing facilities, there can be no assurance that we will not face such disruptions in the future. Interruptions in production may also increase our costs and reduce our sales and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our reputation, profitability, business, financial condition, results of operations, cash flows and prospects. In the event that our Company files a claim under the applicable insurance policy, there is no assurance that we will be able to recover all, or part of the losses incurred.

27. *There have been certain instances of delays in the payment of ESIC, PF, LWF and other statutory dues in the past by the issuer Company. We may be subject to regulatory actions and penalties for any such delays.*

There have been certain instances of delays in the payment of ESIC, PF, LWF and other statutory dues in the past by the issuer Company. Details of such delays along with reasons thereof are as follows:

| Year | Type | Reasons |
|------------|------------------|--|
| March 2023 | PF Payment | Short payment of ₹ 41,400 which was subsequently paid. |
| March 2021 | PF, ESIC and LWF | Delay of payment by one day due to logistical reasons. |

As on March 31, 2024, we had 283 employees for whom the Provident Fund is applicable. We cannot assure you that, in the future, we will not be subject to any liability on account of such delays in payment of PF or any other regulatory or statutory body in future in relation to this error. If we are subject to any such liability, it may have a material adverse effect on our reputation, financial condition and results of operations.

28. *We face competition from both domestic as well as international players and our inability to compete effectively may have a material adverse impact on our business and results of operations.*

We face competition globally in our business against other manufacturers of precision components and technical springs and high tensile fasteners, which is based on many factors, including product quality and reliability, product design and development, technology, manufacturing capabilities, price and brand recognition. We compete with competitors to retain our existing business as well as to acquire new business. Gala Precision Engineering has a significant presence in the disc

spring market for renewable energy industry with ~80% share in the Indian market as of FY23 and ~3% share in the global market as of CY22. The Company also has a 15% market share in the Indian SFS market for wind turbine as of FY23. (Source: *ILattice Report*)

Some of our competitors may have certain advantages, including greater financial, technical and/ or marketing resources, which could enhance their ability to finance, fund international growth, respond more quickly to technological changes and/ or operate in more diversified geographies and product portfolios. For further details of our competition, see “*Industry Overview*” and “*Our Business – Competition*” on pages 156 and 197, respectively.

Our success depends in part on our ability to provide technologically advanced manufacturing products, maintain strict quality standards, respond flexibly and rapidly to customers’ design and schedule changes, deliver products globally and on time and on a reliable basis at competitive prices and seek to create enhanced relationships with our customers with our advanced technology and engineering solutions. There can also be no assurance that we will be able to establish a compelling advantage over our competitors. Further, we may also not be able to utilize our available manufacturing capacity, which in turn could have material adverse effect on our business, results of operations, financial condition, cash flows and future prospects.

29. Our contingent liabilities could adversely affect our financial condition if they materialise.

As per our Restated Financial Information, as at March 31, 2024 our contingent liabilities, as per Ind AS 37 - provisions, contingent liabilities and contingent assets, that have not been provided for are as set out in the table below:

| (in ₹ million) | |
|-----------------------------|-----------------------------|
| Particulars | As of March 31, 2024 |
| Disputed Income Tax Demands | 32.97 |
| Patent | 20.00 |
| Bank guarantees | 7.96 |
| Letters of credit | 37.45 |
| Total | 98.38 |

If any of these contingent liabilities materialises, our results of operations and financial condition may be adversely affected. See “*Financial Information*” on page 283.

30. As a part of our Objects of the Offer, we intend to set up a new manufacturing facility at Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu. Presently, our utilisation from our SFS division is lower than our DSS and CSS divisions, and we cannot assure you that after setting up our new facility we will be able to improve our capacity utilization and improve our revenue of operations, cash flows and profits from our SFS division.

Our Company proposes to utilize ₹ 370.00 million of our Net Proceeds for setting up a new manufacturing facility at Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu. This manufacturing facility is for expanding our capacity of special fastening solutions for products like foundation studs, nascelle fasteners, hex bolts, nuts etc. As of March 31, 2024, the capacity utilisation of our DSS, CSS and SFS facility was 84.84%, 77.88% and 69.64% respectively. Presently, our utilisation from our SFS division is lower than our DSS and CSS divisions, and we cannot assure you after setting up our new facility we will be able to improve our capacity utilization and improve our revenue of operations, cash flows and profits from our SFS division.

Further, there can be no assurance that our budgeted costs may be sufficient to meet our proposed capital expenditure requirements. If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects which include improving our revenues from the SFS division, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects.

31. Any delays in the schedule of implementation of our proposed objects could have an adverse impact on our business, financial condition and results of operations.

We propose to utilize our Net Proceeds for setting up a new facility at Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu for manufacturing high tensile fasteners and hex bolts, to fund capital expenditure requirements towards purchase of equipment, plant and machinery at Wada, Palghar, Maharashtra and for repaying/prepaying, in full or part, certain borrowings availed by our Company. For further information, see “*Objects of the Offer*” on page 114. Further, the details of our proposed schedule of implementation and deployment of proceeds is as per “*Objects of the Offer - Proposed schedule of implementation and deployment of Net Proceeds*” on page 114. We are subject to risks associated with delays

in the schedule of implementation of our proposed objects. These include risks on account of market conditions, delay in procuring and operationalizing assets or necessary licenses and approvals, competition, price fluctuations, interest rate fluctuations and other external factors. In the event we are unable to adhere to our proposed schedule of implementation of our objects, we may be subject to cost escalations which in-turn could have a material adverse impact on our business, financial condition and results of operations.

32. Majority of the Directors on our board do not possess experience of being on the board of a listed company

Majority of the Directors of our Company do not have experience of holding a directorship in a listed company. Accordingly, they have limited exposure to management of affairs of the listed company which inter-alia entails several compliance requirements and scrutiny of affairs by shareholders, regulators and the public at large. As a listed company, the Company will require to adhere strict standards pertaining to accounting, corporate governance and reporting which is significantly higher than that of an unlisted company. The Company will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. The Company will also be subject to the SEBI Listing Regulations, which will require it to file audited annual and unaudited quarterly reports with respect to its business and financial condition. If the Company experiences any delays, we may fail to satisfy its reporting obligations and/or it may not be able to readily determine and accordingly report any changes in its results of operations as promptly as other listed companies.

As a result, the Board of Directors of the Company may have to provide increased attention to such procedures and their attention may be diverted from our business operations, which may adversely affect our results of operations and financial condition.

33. If we are unable to accurately forecast demand for our products and plan production schedules in advance, our business, cash flows, financial condition, results of operations, and prospects may be adversely affected.

Our inability to forecast the level of customer demand for our products and manufacturing costs as well as our inability to accurately schedule our raw material purchases and production and manage our inventory may adversely affect our business and cash flows from operations. In particular, our inability to accurately forecast demand for products in our emerging product segments such as storage solutions and material handling may hinder our planned growth in these segments.

For some of our customers, we have long term purchase agreements, which define the terms and conditions of purchases by the customers. These are supplemented by specific open purchase orders which do not have any validity in respect of time period and only specify the price at which the products are to be supplied with no mention of any specific quantity. The quantities supplied are typically based on monthly delivery schedules provided by the customers based on their own demand and supply situation. Further, for our long-term contracts, there is a term for product life cycle, which in turn may be phased out or halted. Although our customers provide us with forecasts of annual business volumes, which enable us to predict our income for a portion of our business, the actual orders are only placed by way of on-going purchase orders. Product quantities are typically based on delivery schedules received from the customers in short intervals.

In addition, in the event of significant cuts in production schedules announced by customers with little advance notice, we may be unable to respond with corresponding production and inventory reductions. Significant reduction in demand for our products from a major customer may have an adverse effect on our business, financial condition, results of operations, and prospects. While some of our customers share annual forecasts with us, we do not have any recourse against our customers in the event of a reduction in the forecasted volume.

Our customers have high and exacting standards for product quantity and quality as well as delivery schedules and any failure to meet our customers' expectations could result in the cancellation of orders. There are also a number of factors other than our performance that are beyond our control and that could cause the loss of a customer. Moreover, as many of our operating expenses are relatively fixed, an unanticipated change in customer demand may adversely affect our liquidity and financial condition. We typically commit to order raw materials and bought-out components from our own suppliers based on orders. Cancellation by customers or delay or reduction in their orders or instances where anticipated orders fail to materialize can result in mismatch between our inventories of raw materials and bought-out components and of manufactured products, thereby increasing our costs relating to maintaining our inventory and reduction of our margins, which may adversely affect our profitability and liquidity.

In addition, we may incur significant expense in preparing to meet anticipated customer requirements that may not be recovered. Further, in the event large OEM customers change their outsourcing strategy by moving more work in-house, or replace their existing products with alternative products, it may have an adverse effect on our business, results of operations and financial condition.

34. Any shortfall in the supply of our raw materials or an increase in our raw material costs, or other input costs for any of our segments, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.

We are dependent on third party suppliers for our raw materials. Discontinuation of production by these suppliers or a failure of these suppliers to adhere to any delivery schedule or the required quality or quantity could hamper our production schedule and therefore affect our business and results of operations. This dependence may also adversely affect the availability of key materials at reasonable prices thus affecting our margins and may have an adverse effect on our business, results of operations and financial condition. There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in shortages or delays in their supply of raw materials to us. If we were to experience a significant or prolonged shortage of raw materials from any of our suppliers, and we cannot procure similar raw materials from other sources at comparable costs and of comparable quality in a timely manner, we would be unable to meet our production schedules for some of our key products and to deliver such products to our customers in timely fashion, which would adversely affect our sales, margins, reputation and customer relations. We cannot assure you that a particular supplier will continue to supply the required components or raw materials to us in the future. Any change in the supplying pattern of our raw materials can adversely affect our business and profits. We also rely on transporters for transport and logistics. Our reliance on third parties for certain outsourced job works and on transporters for transport and logistics may affect our timelines for making delivery to our customers.

Our business, financial condition and results of operations are significantly impacted by the prices of raw materials purchased or imported by us, particularly steel and sheet metal parts. While we are not significantly dependent on any single raw material supplier, raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, transportation and labour costs, labour unrest, natural disasters, pandemic, competition, import duties, tariffs and currency exchange rates, and there are uncertainties inherent in estimating such variables, regardless of the methodologies and assumptions that we may use. This volatility in commodity prices can significantly affect our raw material costs. Further, volatility in fuel prices can also affect commodity prices worldwide which may significantly increase our raw material costs.

35. We extend significant credit terms to our customers and are subject to counterparty credit risk. As of March 31, 2024, our Company has high level of outstanding receivables and approx. 41.85% are pending beyond normal period. Any deterioration in such customers' financial position and their ability to pay or our inability to extend credit in line with market practice may adversely impact our profitability.

Due to the nature of agreements and arrangements that we enter into, we are subject to counterparty credit risk and any delay in receiving payments or non-receipt of payments may adversely impact our results of operations. Our operations involve extending credit, ranging typically upto 180 days, to our customers in respect of our products and services. Consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. There is no guarantee that we will accurately assess the creditworthiness of our customers. Macroeconomic conditions, such as a potential credit crisis in the global financial system, could also result in financial difficulties for our customers, including limited access to the credit markets. Such conditions could cause our customers to delay payment, request modifications of their payment terms, or default on their payment obligations to us, all of which could increase our receivables. Timely collection of dues from customers also depends on our ability to complete our contractual commitments and subsequently bill for and collect from our clients. If we are unable to meet our contractual obligations, we might experience delays in the collection of, or be unable to collect, our customer balances, and if this occurs, our results of operations and cash flows could be adversely affected. We have experienced delays in billing and collection for our products and services in the past and we cannot assure you that we will not experience any such delays in the future. If we experience delays in billing and collection for our products and services, our cash flows could be adversely affected.

Accordingly, we had and may continue to have high levels of outstanding receivables. As of Fiscals 2024, 2023 and 2022, our trade receivables were ₹ 469.68, ₹ 299.63 and ₹ 254.57, respectively, which constituted 23.19%, 18.11% and 17.52% of our revenue from operations for the respective periods. Our trade receivables as of March 31, 2024, as a percentage of the revenue from operations for the year ended March 31, 2024, were higher on account of increase in our sales during the months of January to March and the longer period of credit extended to our customers. The trade receivables that were pending beyond the normal period of credit aggregated to approximately 41.85% to the outstanding trade receivables as of March 31, 2024. Also, see “Financial Statements – Annexure VI-Note 28 Financial Instruments - Market Risk – Credit risk” on page 283. If our customers delay or default in making these payments, our profits margins and cash flows could be adversely affected.

36. We may be subject to liquidity risks, which may adversely impact our cash flows, financial condition and results of operations.

We may be subject to liquidity risks and cash flows mismatches due to repayment of borrowings and the interest thereon, payment towards our lease liabilities, payment to our creditors and outflows on our derivative liabilities.

The repayment of our borrowings in certain years may give rise to a temporary mismatch. This may potentially give rise to a liquidity risk and interest rate risk when we are required to refinance our loans and other borrowings. If we are unable to refinance our borrowings on favourable terms, it could adversely affect our business, financial condition and results of operations. Our cash flows may also be impacted by payment of our lease liabilities. The debt/ equity ratio of our Company is 0.53. While our Company has sufficient current assets to meet the obligations related to lease liabilities as and when they fall due, we cannot assure that such obligations will not impact our cash flows in the future. Further, our Company generates significant cash flows from our operating activities, however such cash flows are primarily used towards payment of purchase of property, plant and equipment and repayment of our borrowings, which may result in substantial decrease in our cash flows and may impact our operations.

Further, we extend defined benefit plan in the form of gratuity to our employees. The Company makes annual contribution to gratuity fund. The employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of such benefits. If some of such employees resign / retire from our Company, there can be strain on the cash flows. For further information, see “*Financial Statements - Financial Statements – Annexure VI-Note 28 Financial Instruments – Financial risk management - Liquidity Risk*” on page 283.

37. *We may not be able to improve our profit margins in the future.*

Our profit after tax margins before exceptional items in the Financial Year 2022, Financial Year 2023, Financial Year 2024 was 4.48%, 8.65% and 12.06% respectively and our profit after tax margins after exceptional items in the Financial year 2022, Financial Year 2023, Financial Year 2024 was 4.48%, 14.49% and 10.93% respectively. Although we have not recorded any losses and our profit margins are growing on a YoY basis, we cannot ensure that our net profit margins will continue to grow in the future. We also plan to make further capital expenditures in our factories which could further affect our profitability, for further details see Objects of the Offer. Any problems in implementing our expansion plans could affect our business operations and profit margins.

Further, there can be no assurance that our budgeted costs may be sufficient to meet our proposed capital expenditure requirements. If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects which include maintaining and improving our profit margins, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects.

38. *Information relating to the installed capacity, actual production and capacity utilization of our manufacturing facilities included in this Prospectus are based on various assumptions and estimates and future production and capacity may vary.*

Information relating to the installed capacity, actual production and capacity utilization of our manufacturing facilities included in this Prospectus are based on various assumptions and estimates of our management that have been taken into account by the chartered engineer M/S M.C Punjwani in his Report dated August 02, 2024, in the calculation of our installed capacity, actual production and capacity utilization. Actual production levels and future capacity utilization rates may vary significantly from the estimated production capacities of our manufacturing facilities and historical capacity utilization rates. In addition, capacity utilization is calculated differently in different countries, industries and for the different kinds of products we manufacture. Undue reliance should therefore not be placed on our historical installed capacity, actual production and capacity utilization for our existing manufacturing facilities included in this Prospectus. See “*Business – Installed capacity and capacity utilization*” on page 197.

39. *Changes in technology may render our current technologies obsolete or require us to make substantial capital investments. Further, our failure to keep our technical knowledge confidential could erode our competitive advantage.*

Our business is continually changing due to technological advances and scientific discoveries. These changes result in the frequent introduction of new products and services and significant price competition. If our products and technologies become obsolete for various factors, our business and results of operations could be adversely affected. Although we strive to maintain and upgrade our technologies, facilities and machinery consistent with current national and international standards, the technologies, facilities and machinery we currently use may become obsolete. The cost of implementing new technologies and upgrading our manufacturing facilities could be significant, which could adversely affect our business, results of operations and financial condition. Any failure on our part to effectively address such situations,

innovate and keep up with technological advancements or to successfully introduce new products and services in these areas, could adversely affect our business, results of operations, financial condition and cash flows.

40. Any failure to protect our intellectual property rights could adversely affect our competitive position, business, financial condition and results of operation.

We have applied for the registrations for a number of trademarks in India, including our corporate logo. See “*Business – Intellectual Property*” and “*Government and Other Approvals*” on pages 197 and 397, respectively. The use of our trademarks or logos by third parties could adversely affect our reputation, which could in turn adversely affect our business and results of operations. We may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection until such time that this registration is granted. If our trademarks or other intellectual property are improperly used, the value and reputation of our brands could be harmed. The measures we take to protect our intellectual property may not be adequate to prevent unauthorized use of our intellectual property by third parties. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe upon our rights, which may have an adverse effect on our business, results of operations and financial condition.

41. Failure or disruption of our IT systems may adversely affect our business, financial condition, results of operations and prospects.

We have implemented various IT systems which covers key areas of our operations, procurement, inventory, sales and dispatch and accounting. For instance, we implemented SAP software which encompasses all materials management, including procurement, bill of material, inventory finance and accounts and sales order and invoicing management. We significantly rely on our IT systems for the timely supply of our products to customers.

Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT systems may lead to inefficiency or disruption of IT systems thereby adversely affecting our ability to operate efficiently. Any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to plan, track, record and analyse work in progress and sales, process financial information, meet business objectives based on IT initiatives such as product life cycle management, manage our creditors, debtors, manage payables and inventory or otherwise conduct our normal business operations, which may increase our costs and otherwise materially adversely affect our business, financial condition, results of operations and prospects.

42. Compliance with, and changes in, safety, health and environmental laws and various labour, workplace and related laws and regulations including terms of approvals granted to us, may increase our compliance costs and as such adversely affect our business, results of operations and financial condition.

We are subject to a broad range of safety, health, environmental, labour, workplace and related laws and regulations in the jurisdictions in which we operate, which impose controls on the disposal and storage of raw materials, noise emissions, air and water discharges on the storage, handling, discharge and disposal of chemicals, employee exposure to hazardous substances and other aspects of our operations. For example, the laws in India limit the amount of hazardous and pollutant discharge that our manufacturing facilities may release into the air and water. The discharge of substances that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies and incur costs to remedy the damage caused by such discharges. Any of the foregoing could subject us to litigation, which may increase our expenses in the event we are found liable, and could adversely affect our reputation. The Draft Environment Impact Assessment 2020 (“EIA 2020”) has been issued by the Ministry of Forest, Environment and Climate Change, which when notified, will supersede the Environment Impact Assessment 2006. The EIA 2020, among other things, also aims to strengthen the monitoring mechanism for compliance of conditions for prior environment clearance. We may be subject to stricter compliance requirements under the EIA 2020 for the facilities that we may setup in future and any such increased compliance may lead to increase in compliance cost and may adversely affect our business and financial conditions.

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

We are also subject to the laws and regulations governing relationships with employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and

work permits. Our business is also subject to, among other things, the receipt of all required licenses, permits and authorizations including local land use permits, manufacturing permits, building and zoning permits, and environmental, health and safety permits. There is a risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products.

43. Any material deviation in the utilisation of Proceeds of the Offer shall be subject to applicable law.

The funding requirements and the deployment of the proceeds from this Offer are based on the current business plan and strategy of our Company. Our Company may have to revise this from time to time as a result of variations including changes in estimates and other external factors, which may not be within the control of the management of our Company. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirement and increasing or decreasing the deployment for a particular purpose from its planned expenditure at the discretion of the Board of Directors of our Company, in compliance with applicable law. Accordingly, we may not be able to utilise the proceeds from this Offer in the manner set out in this Prospectus in a timely manner or at all. As a consequence of any increased expenditure, the actual deployment of funds may be higher than estimated.

44. Our funding requirements and proposed deployment of the Net Proceeds have not been appraised by any bank or financial institution, and may be subject to change based on various factors, some of which are beyond our control.

The funding requirement and deployment of the Net Proceeds mentioned as a part of the “Objects of the Offer” at page 114 are based on current circumstances of our business, prevailing market conditions estimates received from the third party agencies, and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below. We have procured a detailed project report dated February 12, 2024, prepared for setting up a new facility at Vallam-Vadagal, SIPCOT, Sriperumbudur, Tamil Nadu for manufacturing high tensile fasteners and hex bolts and issued by RBSA Advisors LLP, an Independent Consultant (“DPR”) and an Architect Certificate dated August 10, 2024 from TSO Design Commune Private Limited, for the proposed object of the Offer, which is based on certain estimates and assumptions. Our Company has also relied on management estimates for purchase cost of equipment, plant and machinery at Wada, Palghar, Maharashtra. The estimates for the proposed expenditure are based on several variables, a significant variation in any one or a combination of which could have an adverse effect. Furthermore, the deployment of funds has not been appraised by any bank or financial institution.

We operate in a highly competitive and dynamic industry and we may have to revise our funding requirements and deployment from time to time on account of various factors beyond our control, such as consumer confidence, inflation, employment levels, demographic trends, technological changes, changing customer preferences, increasing regulations or changes in government policies, our Board’s analysis of economic trends and business requirements, competitive landscape, as well as general factors affecting our business, results of operations, financial condition and access to capital such as credit availability and interest rate levels. Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Furthermore, pending utilization of Net Proceeds towards the Objects of the Issue, our Company will have the flexibility to deploy the Net Proceeds and to deposit the Net Proceeds temporarily in deposits with one or more scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1939, as may be approved by our Board or IPO Committee.

Accordingly, prospective investors in the Offer will need to rely upon our management’s judgment with respect to the use of Net Proceeds and there can be no assurance that we will earn significant interest income on, or that we will not suffer unanticipated diminution in the value of, such temporary deposits. Furthermore, various risks and uncertainties, such as economic trends and business requirements, competitive landscape, as well as general factors affecting our results of operations, financial condition and access to capital and 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.

45. We are subject to stringent labour laws or other industry standards and any strike, work stoppage or increased wage demand by our employees or any other kind of disputes with our employees could adversely affect our business, financial condition, results of operations and cash flows.

We are subject to a number of stringent labour laws. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes financial obligations on employers upon retrenchment. We are also subject to international, federal, state and local laws and regulations, in all jurisdictions where we have operations, governing our relationships with our employees, including those relating to minimum wage, overtime, working conditions, hiring and firing, non-discrimination, work permits and employee benefits. Further, in order to retain flexibility and control costs, we appoint independent contractors who, in turn, engage on-site contract labour to perform certain operations. Although we do not

engage these labourers directly, in the event of default by any independent contractor, we may be held responsible for providing statutory benefits, including wages to these labourers if the independent contractors fail to do so. If we are required to pay the wages of the contracted employees, our results of operations and financial condition could be adversely affected. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

Further, the Occupational Safety, Health and Working Conditions Code, 2020 (enacted by the parliament of India and assented to by the President of India on September 28, 2020) will come into force on such date as may be notified in the official gazette. Once effective, it will subsume various legislations including the Factories Act, 1948 and the Contract Labour (Regulation and Abolition) Act, 1970. If there is any failure by us to comply with the new regime, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could affect our business.

46. We have incurred significant indebtedness which exposes us to various risks which may have an adverse effect on our business, results of operations and financial conditions. Conditions and restrictions imposed on us by the agreements governing our indebtedness could adversely affect our ability to operate our business.

As of June 30, 2024 our total sanctioned and outstanding indebtedness (fund and non-fund based) was ₹ 1,004.59 million and ₹ 585.61 million, respectively. Our Company has availed these loans for several purposes including purchase of machinery, payment of statutory dues, procurement of raw materials, payment of creditors, to meet working capital requirements. For details on the purpose of the loans availed by our Company, see ‘*Financial Indebtedness*’ on page 388. The level of our indebtedness could have several important consequences, including but not limited to the following:

- a significant portion of our cash flow may be used towards repayment of our existing debt, which will reduce the available cash flow to fund our capital expenditures and other general corporate requirements;
- defaults of payment and other obligations under our financing arrangements may result in an event of default, acceleration of our repayment obligations and enforcement of related security interests over our assets;
- Substantial portion of our long term indebtedness is subject to floating rates of interest. Fluctuations in market interest rates may require us to pay higher rates of interest and will also affect the cost of our borrowings; and
- Our ability to obtain additional financing in the future or renegotiate or refinance our existing indebtedness on terms favourable to us may be limited.

Additionally, our financing agreements contain certain conditions and restrictive covenants that require us to obtain consents from respective lenders prior to carrying out specified activities and entering into certain transactions. Our lenders require us to obtain their prior approval for certain actions, which, amongst other things, restrict our ability to undertake various actions including incur additional debt, declare dividends, amend our constitutional documents, change the ownership or control and management of our business. While our Company has received necessary approval from its lenders to undertake this Issue, we cannot assure you that we will be able to obtain approvals to undertake any other aforementioned activities as and when required or comply with such covenants or other covenants in the future. In addition, the charge on our assets created on some of the facilities which we have re-paid to our lenders’ is still subsisting. Such charge on our assets could impede or affect our ability to avail obtain additional financing in the future or renegotiate or refinance our existing indebtedness on terms favourable to us may be limited. For further details regarding our indebtedness, see “*Financial Information*” and “*Financial Indebtedness*” on pages 283 and 388, respectively.

47. Our failure to keep our technical knowledge confidential could erode our competitive advantage.

Our employees possess extensive knowledge about our commercial decisions and business development strategies. Such knowledge is a significant independent asset, which may not be adequately protected by employment agreements with our employees. As a result, we cannot be certain that such knowledge will remain confidential in the long run. Even if all reasonable precautions, whether contractual or otherwise, are taken to protect our confidential knowledge of our business, there is still a danger that certain proprietary knowledge may be leaked, either inadvertently or wilfully.

A significant number of our employees have access to confidential design and production information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our competitor. Although we may seek to enforce confidentiality obligation in terms of our staff rules, we cannot guarantee that we will be able to successfully enforce such rules. While no such instances have occurred in the last three Financial Years or in the current Fiscal until the date of this Prospectus, in the event that the confidential technical information in respect of our business becomes available to third parties or to the general public, any competitive advantage that we may have over other companies could be harmed. If our competitor is able to reproduce or otherwise

capitalize on our technology, it may be difficult and/ or expensive for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition and future prospects.

48. Our ability to pay dividends in the future will depend on our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.

Our ability to pay dividends in the future will depend on our future earnings, cash flows, financial condition, working capital requirements, capital expenditure, applicable Indian legal restrictions and other factors. Our Company does not have a formal dividend policy. The declaration and payment of dividends, if any, will be recommended by our Board and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act 2013. There can be no assurance that we will pay dividends. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders. See “*Dividend Policy*” and “*Financial Indebtedness*” on pages 282 and 388, respectively.

49. Our Promoters and Promoter Group will continue to retain control over our Company after completion of the Offer, which will allow them to influence the outcome of matters submitted for approval of our Shareholders.

The aggregate post-offer shareholding of our Promoters and Promoter Group, post listing of the Equity Shares will be 59.50% of the issued, subscribed and paid-up Equity Shares. Consequently, our Promoter and Promoter Group will continue to exercise significant control over us after completion of the Offer, including being able to control the composition of our Board of Directors and determine matters requiring Shareholders’ approval or approval of our Board of Directors. Our Promoter and Promoter Group may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority Shareholders. By exercising their control, our Promoter and Promoter Group could delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us, discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us even if such actions may be beneficial for the Company. See “*Capital Structure*” on page 83.

50. Our Promoters and directors hold Equity Shares in our Company and is therefore interested in our Company's performance in addition to their remuneration and reimbursement of expenses.

Our Promoters and directors are interested in our Company to the extent of their shareholding in our Company and the dividend entitlement received from our Company, in addition to the normal remuneration or benefits and reimbursement of expenses by our Company. We cannot assure you that our Promoters or any other interested Director in the future, would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, our Promoters or any other interested Director in the future will continue to exercise significant control over our Company, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such voting. Our Promoters or any other interested Director in the future may take or block actions with respect to our business, which may conflict with our best interests or the interests of other minority Shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that Our Promoters or any other interested Director in the future will always act to resolve any conflicts of interest in our favour, thereby adversely affecting our business and results of operations and prospects. See “*Capital Structure*” on page 83.

51. This Prospectus contains certain non-GAAP financial measures and certain other selected statistical information related to our operations and financial performance. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the manufacturing industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other manufacturing companies.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this Prospectus. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of manufacturing companies, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other manufacturing companies.

52. *This Prospectus contains information from industry sources including the industry report commissioned from Lattice Technologies Private Limited. Prospective investors are advised not to place undue reliance on such information.*

This Prospectus includes information derived from third party industry sources and from a report dated August, 2024, titled “Precision Engineering Industry Report” prepared by Lattice Technologies Private Limited (*the “1Lattice Report”*) pursuant to an engagement with our Company. We commissioned the 1 Lattice Report. Neither we, nor the Promoters, nor Directors, nor any of the BRLM, nor any other person connected with the Offer has verified the information in the 1Lattice Report and other information under “*Industry Overview*” on page 156, and we cannot guarantee the accuracy, adequacy or completeness of any such information. Moreover, the industry sources including the 1Lattice Report contains certain industry and market data, based on certain assumptions. Further, the reports use certain methodologies for market sizing and forecasting. There are no standard data gathering methodologies in the markets in which we operate, and methodologies and assumptions vary widely among different industry sources. Such assumptions may change based on various factors.

We cannot assure you that such assumptions are correct or will not change and, accordingly, our position in the market may differ from that presented in this Prospectus. Further, the 1Lattice Report or any other industry data or sources are not recommendations to invest in our Company. Prospective investors are advised not to place undue reliance on the 1Lattice Report or extracts thereof as included in this Prospectus, when making their investment decisions. See “*Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation*” and “*Industry Overview*” on pages 16 and 156, respectively.

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

The Offer includes an Offer for Sale of up to 616,000 Equity Shares, in the aggregate, by the Selling Shareholders. Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholders. The expenses of the Selling Shareholders will, at the outset, be borne by our Company and each Selling Shareholder will reimburse our Company for such expenses incurred by our Company on behalf of such Selling Shareholders, in relation to the Offer, upon successful completion of the Offer in the manner as prescribed under applicable law and agreed amongst the Company and the Selling Shareholders.

All Offer expenses, except (a) listing fees, which will be borne by the Company; and (b) fees and expenses in relation to the legal counsel to the Selling Shareholders which shall be borne by the respective Selling Shareholders, will be shared, between our Company and the Selling Shareholders on a pro-rata basis (including all applicable taxes, except STT and withholding taxes, if any, which shall be borne by the respective Selling Shareholder), in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Offered Shares sold by the Selling Shareholders in the Offer for Sale, respectively, as may be mutually agreed and in accordance with applicable law. Any expenses paid by our Company on behalf of the Selling Shareholders in the first instance will be reimbursed to our Company, on behalf of the Selling Shareholders to the extent of its respective proportion of Offer related expenses. The Offer expenses shall be payable in accordance with the arrangements or agreements entered into by our Company and selling shareholders with the respective Designated Intermediary, even if company fails to open its issue during the period of validity of SEBI's observations. See “*Objects of the Offer*” on page 114.

Risks Related to the Offer and the Equity Shares

54. *The Equity Shares have never been publicly traded and the Offer may not result in an active or liquid market for the Equity Shares. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Offer Price.*

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

The market price of the Equity Shares after the Offer can be volatile as a result of several factors beyond our Company's control, including volatility in the Indian and global securities markets, our results of operations, the performance of our competitors, developments in the Indian and global key precision engineering industry, changing perceptions in the market about investments in this sector in India, investor perceptions of our future performance, adverse media reports about us or our sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalisation and deregulation policies, and significant developments in India's fiscal

regulations. In addition, the Stock Exchanges may experience significant price and volume fluctuations, which may have a material adverse effect on the market price of the Equity Shares.

General or industry specific market conditions or stock performance or domestic or international macroeconomic and geopolitical factors unrelated to our performance may also affect the price of the Equity Shares. In particular, the stock market as a whole in the past has experienced extreme price and volume fluctuations that have affected the market price of many companies in ways that may have been unrelated to the companies' operating performances. For these reasons, investors should not rely on recent trends to predict future share prices, results of operations or cash flow and financial condition.

55. Any further issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding.

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

56. Sale of Equity Shares by our Promoters and Promoter Group in future may adversely affect the market price of the Equity Shares.

After the completion of the Offer, our Promoters and Promoter Group will own a significant percentage of our Company's issued Equity Shares. Sale of a large number of the Equity Shares by the Promoters could adversely affect the market price of the Equity Shares. Similarly, the perception that any such primary or secondary sale may occur, could adversely affect the market price of the Equity Shares. No assurance may be given that the Promoters will not dispose of, pledge or encumber their Equity Shares in the future.

57. There are restrictions on daily movements in the trading price of the Equity Shares, which may adversely affect a shareholder's ability to sell Equity Shares or the price at which Equity Shares can be sold at a particular point in time.

Following the listing of Equity Shares through the Offer, the Equity Shares will be subject to a daily "circuit breaker" imposed on listed companies by the Stock Exchanges, which does not allow transactions beyond certain volatility in the trading price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian Stock Exchanges. The percentage limit on the Equity Shares' circuit breaker will be set by the Stock Exchanges based on historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges are not required to inform our Company of the percentage limit of the circuit breaker, and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the trading price of the Equity Shares beyond the circuit breaker limit set by the Stock Exchanges. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

58. There is no guarantee that the Equity Shares will be listed on the BSE and the NSE in a timely manner or at all.

There is no guarantee that the Equity Shares will be listed on the BSE and the NSE in a timely manner or at all. In accordance with Indian law, permission for listing and trading of the Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until Allotment of Equity Shares pursuant to this Offer. In accordance with current regulations and circulars issued by SEBI, the Equity Shares are required to be listed on the BSE and the NSE within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in the Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares. Further, there can be no assurance that the Equity Shares once listed will continue to remain listed on the Stock Exchanges. Indian laws permit a company to delist its equity shares on compliance with prescribed procedures including the requirement to obtain the approval of its shareholders. Further, certain instances of non-compliance with applicable laws can result in the delisting of the Equity Shares. We cannot assure you, therefore, that the Equity Shares, once listed, will continue to remain listed.

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

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our 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. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in our Company may be reduced.

60. QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.

Pursuant to the regulations under the SEBI Act, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date. While our Company is required to complete Allotment pursuant to the Offer within 3 Working Days from the Bid/Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

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

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

62. Our Company may be subject to pre-emptive surveillance measures like Additional Surveillance Measure (ASM) and Graded Surveillance Measures (GSM) by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors, once the Equity Shares of our Company are listed.

The Equity Shares of our Company may be subject to general market conditions which may include significant price and volume fluctuations, once the Equity Shares of our Company are listed. The price of the Equity Shares may fluctuate after the Offer due to several factors such as volatility in the Indian and global securities market, our performance and profitability, or any other political or economic factor. The occurrence of these factors may lead to the surveillance measures stipulated by SEBI and the Stock Exchanges for placing securities under the GSM or ASM framework being triggered in relation to the Equity Shares. If the Equity Shares are covered under such surveillance measures implemented by SEBI and the Stock Exchanges, we may be subject to certain additional restrictions in relation to trading of the Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of the Equity Shares or may in general cause disruptions in the development of an active trading market for the Equity Shares.

External Risks

63. You may not be able to immediately sell any of the Equity Shares you subscribe to in this Offer on an Indian Stock Exchange.

The Equity Shares are proposed to be listed on the Stock Exchanges. Pursuant to Indian laws and regulations, certain actions must be completed before the Equity Shares can be listed and commence trading, including the crediting of Equity Shares in the investor's demat accounts within the timeline specified under applicable law. Further, in accordance with Indian law, permission for listing and trading of the Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until Allotment of Equity Shares pursuant to this Offer. The Allotment of Equity Shares in the Offer and the credit of Equity Shares to the investor's demat account with the relevant depository participant and listing is expected to be completed within the period as may be prescribed under applicable law. Any failure or delay in obtaining the approvals or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. Our Company cannot assure you that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the prescribed time periods or at all which could restrict your ability to dispose of the Equity Shares. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

64. A slowdown in economic growth in India could adversely affect our Company's business.

The structure of the Indian economy has undergone considerable changes in the last decade. These include increasing importance of external trade and of external capital flows. Any slowdown in the growth of the Indian economy or manufacturing sector or any future volatility in global process could adversely affect our Company's business, financial condition and results of operations. India's economy could be adversely affected by a general rise in interest rates, fluctuations in currency exchange rates, adverse conditions affecting commodity and electricity prices or various other factors.

Further, conditions outside India, such as slowdowns in the economic growth of other countries, could have an impact on the growth of the Indian economy and government policy may change in response to such conditions. The Indian economy and financial markets are also significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States, Europe or China or Asian emerging market countries, may have an impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss of investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets, and could have an adverse effect on our Company's business, financial condition and results of operations and the price of the Equity Shares.

Increasing employee compensation in India may erode some of our Company's competitive advantage and may reduce our Company's profit margins, which may have a material adverse effect on our Company's business, financial condition, cash flows and results of operations.

Employee compensation in India has historically been significantly lower than employee compensation in the United States and Western Europe for comparably skilled professionals. However, compensation increases in India may erode some of this competitive advantage and may negatively affect our Company's profit margins. Employee compensation in India is increasing at a faster rate than in the United States and Western Europe, which could result in increased costs relating to managers and other mid-level professionals. Our Company may need to continue to increase the levels of our Company's employee compensation to remain competitive and manage attrition. Compensation increases may have a material adverse effect on our Company's business, financial condition, cash flows and results of operations.

65. Adverse geopolitical conditions such as an increased tension between India and its neighbouring countries, conflict amongst some of the countries in Europe and the Middle East, 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 input materials, among others, and affect our ability to procure input 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 input material supply or reciprocal duties imposed on Indian products by China or other countries may adversely affect our results of operations and financial condition. Further, the ongoing war amongst some of the countries in Europe and the Middle East that is currently impacting, inter alia, global trade, prices of oil and gas and could have an inflationary impact on the Indian economy.

66. *Our Company may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our Company's business.*

The Competition Act, 2002, of India, as amended (the “**Competition Act**”) regulates practices having an Appreciable Adverse Effect on Competition (the “**AAEC**”) in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and results in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, shares the market by way of geographical area or number of guests in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC in the relevant market in India and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government issued and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (CCI). Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by our Company cannot be predicted with certainty at this stage. Our Company is currently not a party to an outstanding proceeding, nor has our Company received any notice in relation to non-compliance with the Competition Act and the agreements entered into by our Company. However, if our Company is affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect the business, results of operations and prospects of our Company.

67. *A downgrade in ratings of India, may affect the trading price of the Equity Shares.*

Our Company's borrowing costs and our Company's access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign rating is Baa3 with a “stable” outlook (Moody's), BBB– with a “stable” outlook (S&P) and BBB– with a “negative” outlook (Fitch). Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our Company's ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our Company's control. This could have an adverse effect on our Company's ability to fund our Company's growth on favourable terms or at all, and consequently adversely affect our Company's business and financial performance and the price of the Equity Shares.

Further, any future equity issuances by us, including to comply with minimum public shareholding norms applicable to listed companies in India or sales of our Equity Shares by our shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt.

In case there is any disposal, pledge or encumbrance of the Equity Shares (in accordance with applicable law including procuring regulatory approvals, as required) by any of our significant shareholders may affect the trading price of the Equity Shares.

68. *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, 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. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. 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.

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Therefore, any downturn in the macroeconomic environment in India could adversely affect our business, results of operations, financial condition, cash flows and future prospects. The Indian economy could be adversely affected by various factors, such as the impact of COVID-19 or other pandemics, epidemics, political and regulatory changes, including adverse changes in the Government's liberalisation policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war such as ongoing Ukraine-Russia conflict, natural calamities, volatility in interest rates, volatility in commodity and energy prices, a loss of investor confidence in other emerging market economies and any worldwide financial instability.

69. Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the Financial Statements prepared and presented in accordance with SEBI ICDR Regulations contained in this Prospectus.

We have not attempted to quantify the impact of U.S. GAAP or any other system of accounting principles on the financial data, prepared and presented in accordance with Ind AS for Fiscal 2024, Fiscal 2023 and Fiscal 2022, included in this Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or any other accounting principles. U.S. GAAP differs in significant respects from Ind AS. Accordingly, the degree to which the restated financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS and SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Prospectus should accordingly be limited. Additionally, Ind AS differs in certain respects from IFRS and therefore financial statements prepared under Ind AS may be substantially different from financial statements prepared under IFRS.

70. 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.

71. Financial difficulty and other problems in certain financial institutions in India could have a material adverse effect on the business, results of operations, future cash flows and financial condition of our Company.

Indian financial system may be affected by financial difficulties faced by all or some of the Indian financial institutions whose commercial soundness may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is sometimes referred to as "systemic risk", may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and adversely affect the business of our Company.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. The Income Tax Act levies taxes on such long-term capital gains exceeding ₹ 0.1 million arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such equity shares subject to specific conditions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of a securities transaction tax (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. Any gain realized on the sale of Equity Shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India.

Further, any gain realized on the sale of 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 will be exempted from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of

which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

73. Investors may have difficulty enforcing foreign judgments against our Company or the management of our Company.

Our Company is incorporated under the laws of India and all the Directors and Key Managerial Personnel of our Company reside in India. A majority of the assets, and the assets of the Directors and officers of our Company, are also located in India. Where investors wish to enforce foreign judgments in India, they may face difficulties in enforcing such judgments. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. In order to be enforceable, a judgment obtained in a jurisdiction which India recognises as a reciprocating territory must meet certain requirements of the Code of Civil Procedure, 1908, of India (Civil Code). Further, the Civil Code only permits enforcement of monetary decrees not being in the nature of any amounts payable in respect of taxes or, other charges of a like nature or in respect of a fine or other penalty and does not provide for the enforcement of arbitration awards. Judgments or decrees from jurisdictions not recognised as a reciprocating territory by India cannot be enforced or executed in India. Even if a party were to obtain a judgment in such a jurisdiction, it would be required to institute a fresh suit upon the judgment and would not be able to enforce such judgment by proceedings in execution. Further, the party which has obtained such judgment must institute the new proceedings within three years of obtaining the judgement.

As a result, you may be unable to: (i) effect service of process outside of India upon our Company and such other persons or entities; or (ii) enforce in courts outside of India judgments obtained in such courts against our Company and such other persons or entities. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to the execution of such foreign judgment, and any such amount may be subject to income tax in accordance with applicable laws.

74. Financial instability, economic developments and volatility in securities markets in other countries may also cause the price of the Equity Shares to decline.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. For instance, the economic downturn in the U.S. and several European countries during a part of Fiscals 2008 and 2009 adversely affected market prices in the global securities markets, including India. Following the United Kingdom's exit from the European Union (Brexit), there still remains significant uncertainty around the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. Further, the recent collapse of the Silicon Valley Bank also caused economic downturn. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of the Equity Shares.

75. Under Indian law, foreign investors are subject to investment restrictions that limit our Company's ability to attract foreign investors, which may adversely impact the trading price of the Equity Shares.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. In addition, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-

objection or a tax clearance certificate from the Indian income tax authorities. Our Company cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all. For further details, see “*Restrictions on Foreign Ownership of Indian Securities*” beginning on page 455.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT and the FEMA Rules, any investment, subscription, purchase or sale of equity instruments by entities, investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Our Company cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms, in a timely manner or at all.

76. Our Company’s ability to raise foreign capital may be constrained by Indian law.

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

77. If security or industry analysts do not publish research, or publish unfavourable or inaccurate research about the business of our Company, the price and trading volume of the Equity Shares may decline.

The trading market for the Equity Shares may depend, in part, on the research and reports that securities or industry analysts publish about us or our business. Our Company may be unable to sustain coverage by established and / or prominent securities and industry analysts. If either none or only a limited number of securities or industry analysts maintain coverage of our Company, or if these securities or industry analysts are not widely respected within the general investment community, the trading price for the Equity Shares would be negatively impacted. In the event our Company obtains securities or industry analyst coverage, if one or more of the analysts downgrade the Equity Shares of our Company or publish inaccurate or unfavourable research about our business, the price of the Equity Shares may decline. If one or more of these analysts cease coverage of our Company or fail to publish reports on our Company regularly, the demand for the Equity Shares of our Company could decrease, which might cause the price and trading volume of the Equity Shares of our Company to decline.

SECTION III – INTRODUCTION

THE OFFER

The following table summarizes details of the Offer:

| | |
|---|---|
| Offer of Equity Shares ⁽¹⁾ | 3,174,416 Equity Shares of ₹10 each, aggregating to ₹ 1,679.27 million |
| <i>of which:</i> | |
| Fresh Issue ⁽¹⁾ | 2,558,416 Equity Shares of ₹10 each, aggregating up to ₹ 1,353.40 million |
| Offer for Sale ⁽²⁾ | 616,000 Equity Shares of ₹10 each, aggregating up to ₹ 325.86 million by the Selling Shareholders |
| <i>Consisting of:</i> | |
| Employee Reservation Portion ⁽³⁾ | 5,796 Equity Shares of ₹10 each, aggregating up to ₹ 3.07 million |
| The Offer comprises of: | |
| A. QIB Portion ⁽⁴⁾ | 1,584,310 Equity Shares of ₹10 each aggregating to ₹ 838.10 million |
| <i>of which:</i> | |
| (i) Anchor Investor Portion | 950,586 Equity Shares of ₹10 each |
| (ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed) | 633,724 Equity Shares of ₹10 each |
| <i>of which:</i> | |
| a. Available for allocation to Mutual Funds only (5% of the Net QIB Portion) | 31,686 Equity Shares of ₹10 each |
| b. Balance for all QIBs including Mutual Funds | 633,724 Equity Shares of ₹10 each |
| B. Non-Institutional Portion | 475,293 Equity Shares of ₹10 each aggregating to ₹ 251.43 million |
| <i>of which:</i> | |
| One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 0.20 million to ₹ 1.00 million | 158,431 Equity Shares of ₹10 each |
| Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 1.00 million | 316,862 Equity Shares of ₹10 each |
| C. Retail Portion | 1,109,017 Equity Shares of ₹10 each aggregating to ₹ 586.67 million |
| Pre and post-Offer Equity Shares | |
| Equity Shares outstanding prior to the Offer (as at the date of this Prospectus) | 10,111,584 Equity Shares of ₹10 each |
| Equity Shares outstanding post the Offer | 12,670,000 Equity Shares of ₹10 each |
| Use of Net Proceeds | See “ <i>Objects of the Offer</i> ” on page 114 for information on the use of proceeds arising from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale. |

Notes:

1. The Offer has been authorized by a resolution of our Board dated November 30, 2023, and the Fresh Issue has been authorized by a special resolution of our Shareholders dated January 15, 2024.
2. Each of the Selling Shareholders, severally and not jointly, confirms that its respective portion of the Offered Shares have been held by it for a period of at least one year prior to the filing of this Prospectus with SEBI, and are accordingly eligible for being offered for sale in the Offer in terms of Regulation 8 of the SEBI ICDR Regulations.

| Name of the Selling Shareholder | Equity Shares offered in the Offer for Sale | Date of Consent letter |
|---------------------------------|---|------------------------|
| Taramati V Gala | 385,200 | August 12, 2024 |
| Kirit Vishanji Gala (HUF) | 79,200 | August 12, 2024 |
| Nayna Gala | 50,000 | January 31, 2024 |
| Satish Kotwani* | 40,000 | January 31, 2024 |
| Hemlata Dhiraj Shah* | 23,600 | August 12, 2024 |
| Dhiraj Nanchand Shah* | 28,000 | January 31, 2024 |
| Rupa Sunil Mehta | 10,000 | January 31, 2024 |

**Equity Shares held jointly with a second shareholder*

For details, see “Other Regulatory and Statutory Disclosures – Authority for the Offer” on page 401.

3. *An Eligible Employee Bidding in the Employee Reservation Portion could also Bid under the Net Offer and such Bids were not be treated as multiple Bids. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. For further details, see “Offer Structure” on page 423.*
4. *Our Company, in consultation with the Book Running Lead Manager, has allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion is accordingly reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds only, subject to valid Bids having been received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the Net QIB Portion was available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion was available for allocation on a proportionate basis to all QIB Bidders other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. For details, see “Offer Procedure” on page 429.*

Allocation to Bidders in all categories except the Anchor Investor Portion, Non-Institutional Portion and the Retail Portion, if any, was made on a proportionate basis subject to valid Bids having been at or above the Offer Price, as applicable.

The allocation to each of the RIBs was be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, were allocated on a proportionate basis. The allocation to each of the NIIs was be less than the minimum application size, subject to the availability of Equity Shares in Non-Institutional Portion, and the remaining Equity Shares, if any, were allocated on a proportionate basis in accordance with the SEBI ICDR Regulations. For further details, see “Terms of the Offer”, “Offer Structure” and “Offer Procedure” on pages 415, 423 and 429 respectively.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our Restated Financial Information. The summary financial information presented below should be read in conjunction with “*Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 283 and 358, respectively.

[The remainder of this page has intentionally been left blank]

SUMMARY OF RESTATED ASSETS AND LIABILITIES

(₹ in million)

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 412.71 | 381.54 | 383.52 |
| Right of use assets | 45.23 | 49.67 | 11.10 |
| Capital Work-in-Progress | 32.30 | 12.50 | 1.26 |
| Investment Property | - | - | - |
| Goodwill | - | 0.07 | - |
| Other Intangible Assets | 185.99 | 176.80 | 168.37 |
| Intangible assets under development | 33.34 | 34.55 | 29.33 |
| | | | |
| Financial Assets | | | |
| Investments | - | - | - |
| Other Financial Assets | 11.12 | 8.98 | 6.11 |
| Non-Current Tax assets (net) | 7.22 | 10.89 | 1.31 |
| Other non-current assets | 15.67 | 6.91 | 4.44 |
| | | | |
| Current Assets | | | |
| Inventories | 576.50 | 557.57 | 497.23 |
| Financial Assets | | | |
| Trade Receivables | 469.68 | 299.63 | 254.57 |
| Cash and Cash Equivalents | 13.83 | 5.34 | 5.29 |
| Bank Balances other than cash and cash equivalents | 27.17 | 114.69 | 21.42 |
| Loans | 1.22 | 6.26 | 2.99 |
| Other Financial Assets | 17.47 | 4.03 | 20.96 |
| Other Current Assets | 37.40 | 34.43 | 48.27 |
| Total Assets | 1886.85 | 1,703.86 | 1,456.17 |
| | | | |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 101.11 | 25.24 | 25.28 |
| Other Equity | 946.74 | 811.27 | 567.88 |
| Non-Controlling Interest | (3.37) | 0.03 | - |
| Total Equity | 1044.48 | 836.54 | 593.16 |
| | | | |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 92.06 | 204.99 | 237.74 |
| Lease Liabilities | 11.43 | 14.89 | - |
| Provisions | 52.56 | 45.99 | 39.64 |
| Deferred Tax Liabilities (Net) | 9.28 | 36.94 | 21.13 |
| | | | |
| Current Liabilities | | | |
| Financial Liabilities | | | |

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|-------------------------|
| Borrowings | 458.22 | 380.99 | 331.18 |
| Lease Liabilities | 3.45 | 2.90 | - |
| Trade and Other Payables Due to | | | |
| Micro and Small Enterprises | 3.28 | 6.75 | 3.14 |
| Other than Micro and Small Enterprises | 133.42 | 74.33 | 134.86 |
| Other Financial Liabilities | 63.67 | 84.33 | 56.91 |
| Other Current Liabilities | 10.02 | 8.99 | 11.51 |
| Provisions | 4.98 | 6.16 | 9.98 |
| Current Tax Liabilities (Net) | - | 0.05 | 16.92 |
| | | | |
| Total Liabilities | 842.37 | 867.31 | 863.01 |
| | | | |
| Total Equity and Liabilities | 1886.85 | 1,703.86 | 1,456.17 |

SUMMARY OF RESTATED STATEMENT OF PROFIT AND LOSS

(₹ in million)

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|-------------------------|
| Income | | | |
| Revenue from Operations | 2025.45 | 1,654.65 | 1,452.77 |
| Other Income | 18.32 | 16.17 | 26.86 |
| Total Income | 2043.77 | 1,670.82 | 1,479.63 |
| Expenses | | | |
| Cost of Materials Consumed | 900.32 | 713.64 | 600.81 |
| Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress | (72.83) | (45.75) | (8.88) |
| Employee Benefits Expenses | 247.75 | 232.30 | 215.12 |
| Finance Costs | 61.40 | 51.60 | 48.62 |
| Depreciation and Amortization Expense | 68.62 | 60.83 | 62.61 |
| Other Expenses | 562.66 | 481.22 | 449.07 |
| Total Expenses | 1767.90 | 1,493.84 | 1,367.35 |
| Profit Before Exceptional Items and Tax | 275.87 | 176.98 | 112.28 |
| Exceptional Items | (23.09) | 97.59 | - |
| Profit Before Tax and after Exceptional Items | 252.78 | 274.57 | 112.28 |
| Income Tax Expense | | | |
| Current Year | 54.09 | 30.00 | 32.50 |
| Deferred Tax Charge | (28.42) | (6.18) | 1.46 |
| Tax adjustments of earlier years | 7.19 | 8.63 | 12.01 |
| Total Tax Expense | 32.86 | 32.45 | 45.97 |
| Non-Controlling Interest | (3.40) | - | - |
| Profit for the Year | 223.32 | 242.12 | 66.31 |
| Profit before tax and after exceptional items for the year from continuing operations | 260.02 | 258.08 | 112.28 |
| Tax expense of continuing operations | 34.71 | 32.45 | 45.97 |
| Profit for the year from continuing operations | 225.32 | 225.63 | 66.31 |
| Profit/(Loss) before tax for the year from discontinuing operations | (3.85) | 16.49 | - |
| Tax expense of discontinuing operations | 1.85 | - | - |
| Profit for the year from discontinuing operations | (2.00) | 16.49 | - |
| Profit for the year from Continuing and Discontinuing Operations | 223.32 | 242.12 | 66.31 |
| Other Comprehensive Income | | | |
| Items that will not be reclassified to Profit or Loss | | | |
| Remeasurements of Defined benefit plans | 0.67 | 2.88 | (0.29) |
| Income Tax relating to items that will not be reclassified to Profit or Loss | (0.17) | (0.72) | 0.09 |
| Items that will be reclassified to Profit or Loss | | | |
| Exchange differences in translating the financial statements of foreign operations | 4.36 | 0.08 | (3.01) |
| Total Other Comprehensive Income for the Year, Net | 4.86 | 2.24 | (3.21) |

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|-------------------------|
| of Tax | | | |
| Total Comprehensive Income for the Year | 228.18 | 244.36 | 63.10 |
| Earnings per Equity Share for Continuing Operations | | | |
| Basic | 22.28* | 22.34* | 6.56 |
| Diluted | 21.97* | 21.96* | 6.44 |
| Earnings per Equity Share for Discontinuing Operations | | | |
| Basic | (0.20) | 1.63 | - |
| Diluted | (0.19) | 1.60 | - |
| Earnings per Equity Share for Continuing & Discontinuing Operations | | | |
| Basic | 22.09* | 23.98* | 6.56 |
| Diluted | 21.77* | 23.56* | 6.44 |

*EPS number including exceptional items

SUMMARY OF RESTATED CASH FLOW STATEMENT

(₹ in million)

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|-------------------------|
| A. Cash Flow from Operating Activities: | | | |
| Net Profit before tax | 252.78 | 274.57 | 112.28 |
| Adjusted for: | | | |
| Depreciation | 68.62 | 60.83 | 62.61 |
| Unrealised Exchange (Gain)/ Loss | (7.88) | 15.88 | 10.11 |
| Write Off Inventory | 23.65 | - | - |
| Finance Cost (including fair value change in financial instruments) | 61.40 | 51.60 | 48.62 |
| Interest Income | (6.00) | (4.98) | (1.09) |
| Bad Debts | 0.90 | 1.17 | 4.43 |
| Impairment of financial assets | 0.02 | 0.02 | - |
| Provision for doubtful debts | 2.30 | - | 0.23 |
| Profit on Sale on Property, Plant & Equipment | - | (67.59) | - |
| Loss/(Gain) on Sale/ Disposal of Fixed Assets | 2.52 | (0.31) | 4.40 |
| Intangible Assets written off | - | - | 19.05 |
| Fair Value changes in Financial Assets | (0.15) | (0.07) | - |
| Total | 145.38 | 56.54 | 148.36 |
| Operating Profit/(Loss) before working capital changes | 398.16 | 331.11 | 260.64 |
| Trade Receivables | (165.40) | (62.08) | (56.68) |
| Other Financial Assets | (15.33) | 14.52 | 3.93 |
| Other Non Current Assets | (0.43) | (0.61) | - |
| Other Current Assets | (2.97) | 13.84 | (14.39) |
| Inventories | (42.58) | (60.34) | (101.97) |
| Trade Payable | 55.62 | (56.92) | 33.46 |

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|-------------------------|
| Provisions | 6.06 | (0.35) | 4.29 |
| Other Current Financial Liabilities | (20.66) | 27.42 | 5.17 |
| Other Liabilities | 1.03 | (2.52) | 0.15 |
| Total | (184.66) | (127.04) | (126.05) |
| Cash Generated from Operations | 213.50 | 204.07 | 134.59 |
| Direct Taxes paid | (57.04) | (43.86) | (18.65) |
| Net Cash Flow from Operating Activities | 156.46 | 160.21 | 115.94 |
| B. Cash Flow from Investing Activities | | | |
| Purchase of Fixed Assets | (107.45) | (98.61) | (68.81) |
| Capital Work in Progress and Capital Advance | (22.49) | (18.39) | 3.04 |
| Proceeds from Sale of ROU Asset | | 78.59 | - |
| Proceeds from Sale of Fixed Assets | 1.57 | 6.49 | 1.03 |
| Loans (Financial Assets) | 5.04 | (3.27) | 1.49 |
| Deposits/Balances with Banks | 87.52 | (93.28) | (4.04) |
| Interest Income | 5.89 | 4.51 | 1.03 |
| Net Cash used in Investing Activities | (29.92) | (123.95) | (66.25) |
| C. Cash Flow from Financing Activities | | | |
| (Repayments)/ Proceeds from Working Capital Facilities (Net) | 61.52 | 49.31 | 46.69 |
| (Repayments) of Term Loans | (37.38) | (67.04) | (85.31) |
| Proceeds from Term Loans | 40.88 | 34.81 | 18.26 |
| Repayment of Unsecured Loan | (78.51) | - | - |
| Proceeds from Inter Corporate Deposit | (22.50) | - | - |
| Payment of Lease Liabilities | (2.91) | (1.32) | - |
| Change in share of Non Controlling interest | (1.36) | (0.96) | - |
| IPO expenses | 18.33 | - | - |
| Interest Paid | (59.46) | (51.01) | (48.89) |
| Net cash from Financing Activities | (118.05) | (36.21) | (69.25) |
| Net Increase/(Decrease) in Cash and Cash Equivalents | 8.49 | 0.04 | (19.56) |
| Cash and Cash Equivalents as at beginning of the Financial Year | 5.34 | 5.29 | 24.84 |
| Cash and Cash Equivalents | 5.34 | 5.29 | 24.84 |
| Cash and Cash Equivalents as at end of the Financial Year | 13.83 | 5.34 | 5.29 |
| Cash and Cash Equivalents | 13.83 | 5.34 | 5.29 |
| Opening Balance | 585.28 | 568.22 | 588.58 |
| Cash inflow/(outflow) of non-current borrowings | (97.51) | (32.23) | (67.05) |
| Cash inflow/(outflow) of current borrowings | 61.52 | 49.31 | 46.69 |
| Closing Balance | 549.30 | 585.28 | 568.22 |

GENERAL INFORMATION

Our Company was incorporated as ‘*Gala Precision Engineering Private Limited*’, as a private limited company under the Companies Act, 1956, pursuant to the certificate of incorporation issued by the RoC on February 23, 2009. The name of our Company was subsequently changed to ‘*Gala Precision Engineering Limited*’, upon conversion into a public company, pursuant to a board resolution dated September 5, 2023 and a shareholder resolution dated October 3, 2023 and a fresh certificate of change of name was issued on October 25, 2023 by the RoC.

Corporate Identity Number: U29268MH2009PLC190522

Company Registration Number: 190522

Registered and Corporate Office:

Gala Precision Engineering Limited

A-801, 8th Floor, Thane One DIL Complex,
Ghodbunder Road, Majiwade, Thane (West),
Maharashtra, India, 400610

For details in relation to the changes in the registered office of our Company, see “*History and Certain corporate Matters - Changes in our registered office*” on page 241.

Address of the Registrar of Companies

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

The Registrar of Companies, Mumbai at Maharashtra

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

Board of Directors

Our Board comprises the following Directors as on the date of filing of this Prospectus:

| Name | Designation | DIN | Address |
|---------------------|---|----------|---|
| Kirit Vishanji Gala | Chairman and Managing Director | 01540274 | Flat no 1700, 17 th Floor, Lodha Aristo, Majiwada, Near Rustomjee Complex, Thane West, Thane, Maharashtra – 400601. |
| Balkishan Jalan | Whole time Director, Executive Director | 02876873 | 1206, B Wing, Raj Grandeur, Ayyappa Temple lane, behind Hiranandani Hospital, Tirandaz village, Chandivali, Mumbai-400076, Maharashtra. |
| Satish Kotwani | Whole time Director, Executive Director | 03154231 | Flat No. 502, Mahesh Madhav Srishti, Khadak Pada, Godrej Hill Road, Kalyan West, Thane – 421301, Maharashtra. |
| Rajendra Gogri | Non-Executive Director | 00061003 | 2402 Richmond Cliff Avenue, Near Forest Club, Hiranandani Gardens, Powai, Mumbai – 400076, Maharashtra. |
| Snehal Shah | Independent Director | 00128595 | 1103, Radha Krishna, Radha Residency, Siddharth Nagar, Magathane, opposite Dheeraj Savera, Borivali East, Mumbai – 400066, Maharashtra. |
| Varsha Galvankar | Independent Director | 00124603 | C-28 Bhavani Bhavan, Bhavani Shankar, Road Opp. Shardashram School, Dadar West, Mumbai – 400028, Maharashtra |
| Neha Gada | Independent Director | 01642373 | 701, Krishna Kunj, Plot No. 49, Road No. 9, Near Vasupujya Jain Temple, Brahmanwada Matunga Central Railway, Mumbai – 400019, Maharashtra |

| Name | Designation | DIN | Address |
|--------------|----------------------|----------|--|
| Sudhir Gosar | Independent Director | 10460551 | 101-Oswal Apartment, P.K. Road, Near Raja Industrial Estate, Mulund-West, Mumbai-400080, Maharashtra |

For brief profiles and further details of our Directors, see “*Our Management*” on page 248.

Company Secretary and Compliance Officer

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

Gala Precision Engineering Limited

A-801, 8th Floor, Thane One DIL Complex,
Ghodbunder Road Majiwade, Thane (west),
Maharashtra, India – 400610
Telephone: +91-22 69309224
E-mail: investor.relations@galagroup.com

Investor Grievances

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

All Offer related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder’s DP ID, Client ID, UPI ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary(ies) where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than RIBs using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of RIBs using the UPI Mechanism.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

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

Book Running Lead Manager

PL Capital Markets Private Limited

3rd Floor, Sadhana House, 570, P. B. Marg,
Behind Mahindra Tower, Worli,
Mumbai - 400 018, India
Telephone: +91 22 6632 2222
E-mail: galaprecisionipo@plindia.com
Investor Grievance ID: grievance-mbd@plindia.com
Website: www.plindia.com
Contact Person: Wincy Nadar/ Ashwinikumar Chavan
SEBI Registration Number: INM000011237

PL Capital Markets Private Limited is the sole Book Running Lead Manager to the Offer, and accordingly, there is no inter se allocation of responsibilities in the Issue. The details of responsibilities of the Book Running Lead Manager are as follows:

| Sr. No. | Activity |
|---------|---|
| 1. | Capital structuring, positioning strategy and due diligence of the Company including the operations/management/business plans/legal etc. Drafting and design of the DRHP, RHP and Prospectus and of statutory advertisements and publicity material including media monitoring, corporate advertising, brochure, etc. and filing of media compliance report, application form and abridged prospectus. |
| 2. | Ensuring compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing. |
| 3. | Appointment of intermediaries – Bankers to the Offer, Registrar to the Offer, advertising agency, printers to the Offer including co-ordination for agreements. |
| 4. | Domestic institutional marketing including banks/ mutual funds, preparation of publicity budget, and allocation of investors for meetings and finalizing road show schedules. |
| 5. | Preparation of road show presentation and FAQs |
| 6. | <p>International institutional marketing of the Offer, which will cover, inter alia:</p> <ul style="list-style-type: none"> • Finalising media, marketing, public relations strategy and publicity budget including list of frequently asked questions at retail road shows • Finalising collection centres • Finalising application form • Finalising centres for holding conferences for brokers etc. • Follow - up on distribution of publicity; and • Issue material including form, RHP / Prospectus and deciding on the quantum of the Issue material |
| 7. | <p>Non-Institutional and Retail marketing of the Offer, which will cover, inter alia:</p> <ul style="list-style-type: none"> • Formulating marketing strategies, preparation of publicity budget; • Finalise media and public relation strategy; • Finalising centres for holding conferences for stock brokers, investors, etc; • Finalising collection centres as per Schedule III of the SEBI ICDR Regulations; and • Follow-up on distribution of publicity and Offer material including application form, red herring prospectus, prospectus and brochure and deciding on the quantum of the Offer material. |
| 8. | Managing anchor book related activities including anchor co-ordination, Anchor CAN, intimation of anchor allocation and submission of letters to regulators post completion of anchor allocation, and coordination with Stock Exchanges for anchor intimation, book building software, bidding terminals and mock trading, payment of 1% security deposit to the designated stock exchange. |
| 9. | Managing the book and finalization of pricing in consultation with Company and Selling Shareholders. |
| 10. | <p>Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Bankers to the Offer, intimation of allocation and dispatch of refund to Bidders, etc.</p> <p>Post-Offer activities, which shall involve essential follow-up steps including allocation to Institutional Investors including Anchor Investors, follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the Issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-Offer activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable.</p> |

| Sr. No. | Activity |
|---------|---|
| | Payment of the applicable securities transactions tax to the Government on sale of unlisted equity shares by the Selling Shareholders under the Offer for Sale and filing of the securities transactions tax return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004. Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Offer reports including the initial and final post Offer report to SEBI. |

Syndicate Member

Prabhudas Lilladher Private Limited

3rd Floor, Sadhana House, 570,
P. B. Marg, Worli, Mumbai - 400 018,
Maharashtra, India

Telephone: +91 22 6632 2293

Contact Person: Nilesh Shinde

E-mail: nileshshinde@plindia.com

Legal Counsel to our Company as to Indian law

M/s. Crawford Bayley & Co.

State Bank Building, 4th Floor
NGN Vaidya Marg

Fort, Mumbai – 400 023

Maharashtra, India.

Telephone: +91 22 2266 3353

Statutory Auditor to our Company

M M Nissim & Co LLP

Barodawala Mansion, B Wing,
3rd Floor, 81, Dr. Annie Besant Road,
Worli, Mumbai - 400 018

Telephone: +91 22 2496 9900

Email: dimple.haria@mmnissim.com, nkashinath@mmnissim.com

Firm Registration Number: 107122W/ W100672

Peer review number: 014093

Changes in Statutory Auditors

There has been no change in our statutory auditors in the three years preceding the date of this Prospectus:

Registrar to the Offer

Link Intime India Private Limited

C-101, 1st Floor, 247 Park,
LBS Marg, Vikhroli (West), Mumbai – 400083, Maharashtra

E-mail: galaprecision.ipo@linkintime.co.in

Investor Grievance E-mail: galaprecision.ipo@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Shanti Gopalkrishnan

SEBI Registration Number: INR000004058

Banker to the Offer

Escrow Collection Bank, Refund Bank, Public Offer Account Bank and Sponsor Bank

HDFC Bank Limited

FIG-OPS Department – Lodha, I Think Techno Campus,

O-3 Level, Next to Kanjurmarg Railway Station,
Kanjurmarg (East),
Mumbai – 400042,
Maharashtra, India

Telephone: +91 22 3075 2929 / 3075 2928 / 3075 2914

Contact Person: Eric Bacha/Sachin Gawade/Pravin Teli/Siddharth Jadhav/Tushar Gavankar

Website: www.hdfcbank.com

Email: siddharth.jadhav@hdfcbank.com, sachin.gawade@hdfcbank.com,
eric.bacha@hdfcbank.com, tushar.gavankar@hdfcbank.com, pravin.teli2@hdfcbank.com

SEBI Registration Number: INBI00000063

Corporate Identity Number (CIN): L65920MH1994PLC080618

Bankers to our Company

Yes Bank Limited

Yes Bank House,
Off Western Express Highway,
Santacruz East, Mumbai Suburban-400055

Telephone: 8369443480

Contact Person: Pravin Bhatia

Website: www.yesbank.in

Email: pravin.bhatia@yesbank.in

HDFC Bank Limited

A Wing 1st Floor, Trade Star
Andheri East, Mumbai,
Maharashtra-400059

Telephone: 7870509352

Contact Person: Prem Kumar Dubey

Website: www.hdfcbank.com

Email: prem.dubey@hdfcbank.com

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a UPI Bidders using the UPI Mechanism), not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>) respectively, as updated from time to time.

Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. This list is also available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 appearing in the "list of mobile applications for using UPI in public issues" displayed on the SEBI website as updated from time to time or any such other website as may be prescribed by SEBI from time to time. Details of nodal officers of SCSBs, identified for Bids made through the UPI Mechanism, are available at www.sebi.gov.in.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investor and RIBs) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits

of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>) and updated from time to time or any other website prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> as updated from time to time or any other website prescribed by SEBI from time to time.

Registered Brokers

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

RTAs

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10> and Stock Exchanges at <https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx> and <https://www.nseindia.com/products/consent/equities/ipos/asba-procedures.htm> or any such other websites as updated from time to time.

Collecting Depository Participants

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

Experts

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

Our Company has received written consent dated February 14, 2024 from the Statutory Auditor, namely, M.M Nissim, & Co., Chartered Accountants, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in the Red Herring Prospectus and Prospectus, and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report dated August 01, 2024 on the Restated Financial Information; and (ii) their report dated August 23, 2024, on the statement of possible special tax benefits in this Prospectus and such consent has not been withdrawn as on the date of the Red Herring Prospectus and Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

In addition, our Company has received written consents dated December 15, 2023 from M/s M.C. Punjwani, as Chartered Engineer to include its name as an “expert” as defined under Section 2(38) and other applicable provisions of the Companies Act, 2013 in respect of the report dated August 02, 2024, on installed capacity, actual production and capacity utilisation at our manufacturing facilities owned and/or controlled by the Company and estimated cost for the Proposed Project, and such consent has not been withdrawn as on the date of the Red Herring Prospectus and Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Our Company has received written consent dated December 22, 2023 from RBSA Advisors LLP, an Independent Consultant, issuing the detailed project report dated February 12, 2024, to include their name, as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in the Red Herring Prospectus and Prospectus and as an ‘expert’ under Section 2(38) of Companies Act, 2013 in respect of the DPR. Such consent shall not be withdrawn up to the time of delivery of the Red Herring Prospectus and Prospectus.

Our Company has received written consent dated August 02, 2024, from the independent architect, namely, TSO Design Commune Private Limited (registration number: 94/17056), to include their name as an “expert” as defined under Section

2(38) and other applicable provisions of the Companies Act, 2013 to the extent and in their capacity as an architect, in relation to their certificate dated August 10, 2024. The consent of the independent architect has not been withdrawn as on the date of the Red Herring Prospectus and Prospectus.

Monitoring Agency

Our Company has appointed CRISIL Ratings Limited as the monitoring agency to monitor utilization of the Issue Proceeds, in accordance with Regulation 41 of the SEBI ICDR Regulations. The details of the Monitoring Agency are as follows:

CRISIL Ratings Limited

CRISIL House, Central Avenue
Hiranandani Business Park, Powai
Mumbai-400076

Maharashtra, India

Tel.: +9122 3342 3000

Email: crisilratingdesk@crisil.com

Website: www.crisilratings.com

Contact person: Gautam Shahi

SEBI registration number: IN/CRA/001/1999

Appraising Entity

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

Credit Rating

As this is an offer of Equity Shares, there is no credit rating for the Offer.

IPO Grading

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

Debenture Trustees

As this is an offer of Equity Shares, no debenture trustee has been appointed for the Offer.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Filing of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus

A copy of the Draft Red Herring Prospectus has been filed electronically on the SEBI's online portal at <https://siportal.sebi.gov.in>, in accordance with SEBI master circular bearing reference no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023. It has also been filed with SEBI at:

Securities and Exchange Board of India

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

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms within the Price Band, was decided by our Company and Selling Shareholders, in consultation with the BRLM, and if not disclosed in the Red Herring Prospectus, was advertised all editions

of Financial Express, an English national daily newspaper and all editions of Jansatta, a Hindi national daily newspaper and regional editions of Navshakti, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and was made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price was determined by our Company and the Selling Shareholders, in consultation with the BRLM, after the Bid/Offer Closing Date. For further details, see “Offer Procedure” on page 429

All Bidders, except Anchor Investors, were mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount was blocked by SCSBs. In addition to this, the RIBs could participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount was blocked by the SCSBs; or (b) through the UPI Mechanism. Except for Allocation to RIBs, Non-Institutional Bidders and the QIBs in the Net QIB Portion, Allocation in the Offer was on a proportionate basis. Anchor Investors were not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Investors were not permitted to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion could revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, Anchor Investors could not withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors) and Non-Institutional Investors was on a proportionate basis while allocation to Anchor Investors will be on a discretionary basis. For further details, see “Terms of the Offer” and “Offer Procedure” on pages 415 and 429 respectively.

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

Bidders should note the Offer is also subject to: (i) obtaining final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment within three Working Days of the Bid/Offer Closing Date or such other time period as prescribed under applicable law, and (ii) acknowledgment of the RoC for filing of this Prospectus with the RoC.

For further details on the method and procedure for Bidding, see “Offer Structure”, “Offer Procedure” and “Terms of the Offer” on pages 423, 429 and 415, respectively.

Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see “Offer Procedure” on page 429.

Underwriting Agreement

Our Company and the Selling Shareholders have entered into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated September 5, 2024. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

| Name, Address, Telephone Number and Email Address of the Underwriters | Indicative Number of Equity Shares to be Underwritten[^] | Amount Underwritten (in ₹ million) |
|--|--|---|
| PL Capital Markets Private Limited 3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai - 400 018, Maharashtra, India. Telephone: +91 22 6632 2222 Email: galaprecisionipo@plindia.com | 31,74,316 | 1,679.21 |

| Name, Address, Telephone Number and Email Address of the Underwriters | Indicative Number of Equity Shares to be Underwritten[^] | Amount Underwritten (in ₹ million) |
|---|--|---|
| Prabhudas Lilladher Private Limited 3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai - 400 018, Maharashtra, India Telephone: +91 22 6632 2293 E-mail: nileshshinde@plindia.com | 100 | 0.05 |
| Total | 3,174,416 | 1,679.27 |

[^]*Subject to finalisation of the Basis of Allotment*

The above-mentioned is indicative underwriting amount and will be finalised after actual allocation in accordance with provisions of the SEBI ICDR Regulations.

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

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

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

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

(in ₹, except share data or indicated otherwise)

| | | Aggregate nominal value | Aggregate value at Offer Price ⁽¹⁾ |
|-----------|--|-------------------------|---|
| A. | AUTHORIZED SHARE CAPITAL | | |
| | 18,000,000 Equity Shares of face value ₹10 each | 180,000,000 | - |
| B. | ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER | | |
| | 10,111,584 Equity Shares of face value ₹10 each | 101,115,840 | - |
| C. | PRESENT OFFER | | |
| | Offer of up to 3,174,416 Equity Shares of face value ₹ 10 each ⁽²⁾ | 31,744,160 | 1,679,266,064 |
| | <i>Of which</i> | | |
| | Fresh Issue of up to 2,558,416 Equity Shares of face value ₹ 10 each aggregating up to ₹ 1,353.40 million ⁽²⁾ | 25,584,160 | 1,353,402,064 |
| | Offer for Sale of up to 616,000 Equity Shares of face value ₹10 each aggregating up to ₹ 325.86 million ⁽³⁾ | 6,160,000 | 325,864,000 |
| | <i>Which includes</i> | | |
| | Employee Reservation Portion of up to 5,796 Equity Shares aggregating up to ₹ 3.07 million ⁽⁴⁾ | 57,960 | 3,066,084 |
| | Net Offer to the public of up to 31,68,620 Equity Shares | 31,686,200 | 1,676,199,980 |
| D. | ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER⁽¹⁾ | | |
| | 1,26,70,000 Equity Shares of face value ₹10 each | 126,700,000 | 6,702,430,000 |
| E. | SECURITIES PREMIUM ACCOUNT | | |
| | Before the Offer | ₹277,839,197 | |
| | After the Offer ⁽¹⁾ | ₹1,605,657,101 | |

Notes:

1. Subject to finalization of the Basis of Allotment.
2. The Offer has been authorised by our Board pursuant to its resolution dated November 30, 2023 and the Fresh Issue has been authorised by our Shareholders pursuant to their resolution dated January 15, 2024. Further, our Board have taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated February 14, 2024.
3. Each of the Selling Shareholders, severally and not jointly, confirms that the Offered Shares held by them respectively, are eligible for being offered for sale in the Offer as required under Regulation 8 of the SEBI ICDR Regulations. For details on authorisation of the Selling Shareholders in relation to their respective portion of the Offered Shares, see "The Offer" and "Other Regulatory and Statutory Disclosures" on pages 66 and 401, respectively.
4. Eligible Employees Bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹0.50 million (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹0.20 million. Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹0.20 million, subject to the total Allotment to an Eligible Employee not exceeding ₹0.50 million (net of Employee Discount).

For details of changes to our Company's authorised share capital in the last 10 years, see "History and Certain Corporate Matters – Amendments to the Memorandum of Association" on page 241

Notes to the Capital Structure:

1. Share capital history of our Company:

(a) Equity share capital

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

| Date of allotment | No of Equity Shares | Face value (₹) | Issue price per equity share (₹) | Nature of considerations | Reasons / nature of allotment | Name of allottees | Cumulative no of equity shares | Cumulative paid-up equity share capital (in ₹) |
|-------------------|---------------------|----------------|----------------------------------|--------------------------|-------------------------------|---|--------------------------------|--|
| February 23, 2009 | 10,000 | 10 | 10 | Cash | Subscription to the MoA | Allotment of 6,000 Equity Shares to Taramati V Gala and 4,000 Equity Shares to Vikram Nirula | 10,000 | 100,000 |
| November 03, 2009 | 1,617,400 | 10 | 68 | Cash | Further Issue | Allotment of 411,200 Equity Shares to Vishanji Harshi Gala, 474,800 Equity Shares to Kirit Vishanji Gala, 50,000 Equity Shares to Vishanji H Gala (HUF), 251,000 Equity Shares to Taramati V Gala, 50,000 Equity Shares to Alpa Kiran Chheda, 50,000 Equity Shares to Nayna Gala, 183,200 Equity Shares to Rumie Kirit Gala, 53,400 Equity Shares to Kirit Gala (HUF), 77,800 Equity Shares to Vishanji H Gala (HUF), 8,000 Equity Shares to Smeet K Gala (Guardian Kirit Gala), 8,000 Equity Shares to Saloni Gala (Guardian Kirit Gala) | 1,627,400 | 16,274,000 |
| December 14, 2009 | 110,500 | 10 | 68 | Cash | Further Issue | Allotment of 2,000 Equity Shares to Bhavik B Mehta, 10,000 Equity Shares to Dhiraj N Shah jointly with Hemlata D Shah, 9,400 Equity Shares to Hemlata D Shah jointly with Dhiraj N Shah, 6,400 Equity Shares to Urmil D Shah jointly with Dhiraj N Shah, 4,500 Equity Shares to Kiran R Chheda jointly with Alpa K Chheda, 5,000 Equity Shares to Keshavlal G Soni jointly with Manjulaben K Soni, 1,000 Equity Shares to Rashmikant B | 1,737,900 | 17,379,000 |

| Date of allotment | No of Equity Shares | Face value (₹) | Issue price per equity share (₹) | Nature of considerations | Reasons / nature of allotment | Name of allottees | Cumulative no of equity shares | Cumulative paid-up equity share capital (in ₹) |
|-------------------|---------------------|----------------|----------------------------------|--------------------------|-------------------------------|---|--------------------------------|--|
| | | | | | | Shah jointly with Vandana Shah, 1,000 Equity Shares to Shailesh B Shah jointly with Priti S Shah, 4,000 Equity Shares to Vishanji Bhavanji Nagda, 5,000 Equity Shares to Rita Samir Shah, 5,000 Equity Shares to Samir Hirji Shah, 2,000 Equity Shares to Pradeep Vallabhji Gada jointly with Veena P Gala, 3,000 Equity Shares to Sakarben V Gada jointly with Mayur V. Gada, 21,200 Equity Shares to Madhu V Ashar jointly with Manisha Ashar, 1,000 Equity Shares to Nirmala Laxmichand Gada, 2,000 Equity Shares to Prabha T Gala jointly with Talakshi Hiraji Gala, 6,000 Equity Shares to Tokershi M Gosar jointly with Jayshree S Gosar & Sudhir T Gosar, 1,000 Equity Shares to Linesh Hirchand Gala, 2,000 Equity Shares to Panbal H Shah jointly with Ajit Shah, 2,000 Equity Shares to Tarachand R Gosar, 2,000 Equity Shares to Paresh D Gala, 1,000 Equity Shares to Varsha A Gosar, 1,000 Equity Shares to Usha M Gada, 2,000 Equity Shares to Gita P Nagda, 2,000 Equity Shares to Meeta K Nagda jointly with Kirit D Nagda, 2,000 Equity Shares to Nemchand D Nagda jointly with Rahul Nemchand Nagda, 5,000 Equity Shares to Uday P Pasad jointly with Vandana U Pasad, 2,000 Equity Shares to Dipen S Bheda jointly with Khushali D Bheda | | |

| Date of allotment | No of Equity Shares | Face value (₹) | Issue price per equity share (₹) | Nature of considerations | Reasons / nature of allotment | Name of allottees | Cumulative no of equity shares | Cumulative paid-up equity share capital (in ₹) |
|--------------------|---------------------|----------------|----------------------------------|--------------------------|---|---|--------------------------------|--|
| July 27, 2010 | 100 | 10 | 68 | Cash | Further Issue | Allotment of 100 Equity Shares to Vasanji Mamania | 1,738,000 | 17,380,000 |
| March 31, 2012 | 285,716 | 10 | 175 | Cash | Further Issue | Allotment of 14,286 Equity Shares to Smeet Kirit Gala (Guardian Kirit V Gala), 14,286 Equity Shares to Saloni Kirit Gala (Guardian Kirit V Gala), 128,572 Equity Shares to Rumie Kirit Gala, 128,572 Equity Shares to Kirit Vishanji Gala | 2,023,716 | 20,237,160 |
| December 01, 2015 | 66,000 | 10 | 303.03 | Cash | Preferential Issue | Allotment of 66,000 Equity Shares to Ulhas Gala | 2,089,716 | 20,897,160 |
| May 02, 2016 | 99,000 | 10 | 303.03 | Cash | Preferential Issue | Allotment of 99,000 Equity Shares to Ulhas Gala | 2,188,716 | 21,887,160 |
| August 23, 2018 | 165,000 | 10 | 303.03 | Cash | Preferential Issue | Allotment of 165,000 Equity Shares to M/S Pooja Unichem LLP | 2,353,716 | 23,537,160 |
| April 05, 2019 | 121,380 | 10 | 10 | Cash | Allotment of Equity Shares under ESOP Scheme 2014 | Allotment of 60,690 Equity Shares to Balkishan S Jalan and 60,690 Equity Shares to Satish D Kotwani | 2,475,096 | 24,750,960 |
| April 24, 2019 | 52,800 | 10 | 330 | Cash | Preferential Issue | Allotment of 10,100 Equity Shares to Himanshu Sheth, 20,200 Equity Shares to Hiren Shah, 7,500 Equity Shares to Damji Ravji Maru, 7,500 Equity Shares to Chandrakant Vallabhaji Karani, 7,500 Equity Shares to Snehal B Shah | 2,527,896 | 25,278,960 |
| September 27, 2023 | 7,583,688 | 10 | Not Applicable | Other than cash | Bonus issue in the ratio of 3:1 | Allotment of 1,718,616 Equity Shares to Kirit Vishanji Gala, 1,155,600 Equity Shares to Vishanji Harshi Gala, 937,116 Equity Shares to Rumie Kirit Gala, 781,200 Equity Shares to Taramati V Gala, 163,200 Equity Shares to Vishanji Harshi Gala (HUF), 160,200 Equity Shares | 10,111,584 | 101,115,840 |

| Date of allotment | No of Equity Shares | Face value (₹) | Issue price per equity share (₹) | Nature of considerations | Reasons / nature of allotment | Name of allottees | Cumulative no of equity shares | Cumulative paid-up equity share capital (in ₹) |
|-------------------|---------------------|----------------|----------------------------------|--------------------------|-------------------------------|---|--------------------------------|--|
| | | | | | | to Kirit Vishanji Gala (HUF), 150,000 Equity Shares to Nayna Gala, 66,858 Equity Shares to Saloni Kirit Gala, 66,858 Equity Shares to Smeet Kirit Gala, 150,000 Equity Shares to Alpa Kiran Chheda, 150,000 Equity Shares to Vaibhavi Gala, 495,000 Equity Shares to Pooja Unichem LLP, 200,070 Equity Shares to Satish D Kotwani, 80,400 Equity Shares to Rajiv and Anupa Ashar Family Trust, 63,000 Equity Shares to Madhu V Ashar / Manisha Ashar, 60,600 Equity Shares to Hiren Sheth, 47,070 Equity Shares to Balkishan S Jalan, 30,300 Equity Shares to Himanshu Sheth, 247,500 Equity Shares to Ankit Ulhas Gala, 247,500 Equity Shares to Mayank Ulhas Gala, 180,300 Equity Shares to Jalan Balkishan Shyamsunder HUF, 42,000 Equity Shares to Rupa Sunil Mehta, 37,500 Equity Shares to Chandrakant Vallabahi Karani, 30,000 Equity Shares to Dhiraj Nanchand Shah, 28,200 Equity Shares to Hemlata Dhiraj Shah, 22,500 Equity Shares to Damji Ravji Maru, 22,500 Equity Shares to Snehal B Shah, 19,200 Equity Shares to Urmil Dhiraj Shah, 17,400 Equity Shares to Jayshree S Gosar, 15,000 Equity Shares to Keshavlal G Soni, 15,000 Equity Shares to Rita Samir Shah, 15,000 Equity Shares to Samir Hirji Shah, 15,000 Equity Shares to Sonal K Shah, 15,000 Equity Shares to Uday P Prasad, 13,500 Equity | | |

| Date of allotment | No of Equity Shares | Face value (₹) | Issue price per equity share (₹) | Nature of considerations | Reasons / nature of allotment | Name of allottees | Cumulative no of equity shares | Cumulative paid-up equity share capital (in ₹) |
|-------------------|---------------------|----------------|----------------------------------|--------------------------|-------------------------------|---|--------------------------------|--|
| | | | | | | Shares to Dr Bhupen Mamnia, 13,200 Equity Shares to Kiran R Chheda, 12,000 Equity Shares to Vishanji Bhavanji Nagda, 10,500 Equity Shares to Gala Springs LLP, 9,000 Equity Shares to Sakarben Vallabhji Gada, 6,000 Equity Shares to Ajit H Shah, 6,000 Equity Shares to Bhavik B Mehta, 6,000 Equity Shares to Dipen S Bheda, 6,000 Equity Shares to Gita Padamshi Nagda, 6,000 Equity Shares to Meeta K Nagda, 6,000 Equity Shares to Nemchand Devraj Nagda, 6,000 Equity Shares to Paresb Dhiraj Gala, 6,000 Equity Shares to Prabha Talakshi Gala, 6,000 Equity Shares to Pradeep Vallabhji Gada, 6,000 Equity Shares to Tarachand R Gosar, 3,000 Equity Shares to Linesh Hirachand Gala, 1,500 Equity Shares to Nirmala Laxmichand Gada, 3,000 Equity Shares to Rashmikant B Shah, 3,000 Equity Shares to Shailesh B Shah, 3,000 Equity Shares to Usha Mahindra Gada, 3,000 Equity Shares to Varsha Ashok Gosar, 600 Equity Shares to Manisha Ashar, 300 Equity Shares to Chandan Bhailal Savla, 300 Equity Shares to Hansraj Shivji Gada, 300 Equity Shares to Hansraj Shivji Gada HUF, 300 Equity Shares to Kiran R Chheda HUF, 300 Equity Shares to Manoj Hansraj Gada, 300 Equity Shares to Manoj Hansraj Gada HUF, 300 Equity Shares to Priti D Patil, 300 Equity Shares to Pushpa | | |

| Date of allotment | No of Equity Shares | Face value (₹) | Issue price per equity share (₹) | Nature of considerations | Reasons / nature of allotment | Name of allottees | Cumulative no of equity shares | Cumulative paid-up equity share capital (in ₹) |
|-------------------|---------------------|----------------|----------------------------------|--------------------------|-------------------------------|---|--------------------------------|--|
| | | | | | | Damji Maru, 300 Equity Shares to Sudhir T Gosar | | |

Our Company is in compliance with Companies Act, 1956 and Companies Act, 2013 with respect to issuance of securities since incorporation till the date of filing of the DRHP and this RHP.

(b) History of Preference share capital

| Date of allotment | No of Preference Shares | Face value (₹) | Issue price per preference share (₹) | Nature of consideration | Name of allottees | Reasons/nature of allotment |
|-------------------|-------------------------|----------------|--------------------------------------|-------------------------|--|-----------------------------|
| December 14, 2009 | 1,500,000* | 10 | 44.67 | Cash | Allotment of 1,500,000 Preference Shares to India Value Fund Trustee Company Private Limited | Issue |

*1,500,000 Preference Shares were bought back on December 07, 2016 for ₹10 per Preference Share

2. Equity shares issued for consideration other than cash or out of revaluation of reserves

Our Company has not issued any Equity Shares out of revaluation reserves since its incorporation. Except as disclosed below, our Company has not issued any equity shares for consideration other than cash or any bonus issues since its incorporation:

| Date of allotment | No of Equity Shares | Face value (₹) | Issue price per equity share (₹) | Nature of considerations | Name of allottees | Reasons/nature of allotment |
|--------------------|---------------------|----------------|----------------------------------|--------------------------|--|---------------------------------|
| September 27, 2023 | 7,583,688 | 10 | Not Applicable | Other than cash | Allotment of 1,718,616 Equity Shares to Kirit Vishanji Gala, 1,155,600 Equity Shares to Vishanji Harshi Gala, 937,116 Equity Shares to Rumie Kirit Gala, 781,200 Equity Shares to Taramati V Gala, 163,200 Equity Shares to Vishanji Harshi Gala (HUF), 160,200 Equity Shares to Kirit Vishanji Gala (HUF), 150,000 Equity Shares to Nayna Gala, 66,858 Equity Shares to Saloni Kirit Gala, 66,858 Equity Shares to Smeet Kirit Gala, 150,000 Equity Shares to Alpa Kiran Chheda, 150,000 Equity Shares to Vaibhavi Gala, 495,000 Equity Shares to Pooja Unichem LLP, 200,070 Equity Shares to Satish D Kotwani, 80,400 Equity Shares to Rajiv and Anupa Ashar Family Trust, 63,000 Equity Shares to Madhu V Ashar / Manisha Ashar, 60,600 Equity Shares to Hiren Sheth, 47,070 Equity Shares to Balkishan S Jalan, 30,300 Equity Shares to Himanshu Sheth, 247,500 Equity Shares to Ankit Ulhas Gala, 247,500 Equity Shares to Mayank Ulhas Gala, 180,300 Equity Shares to Jalan Balkishan Shyamsunder HUF, 42,000 Equity Shares to Rupa Sunil Mehta, 37,500 Equity Shares to Chandrakant Vallabhaji Karani, 30,000 Equity Shares to Dhiraj Nanchand Shah, 28,200 Equity Shares to Hemlata Dhiraj Shah, 22,500 Equity Shares to | Bonus issue in the ratio of 3:1 |

| Date of allotment | No of Equity Shares | Face value (₹) | Issue price per equity share (₹) | Nature of considerations | Name of allottees | Reasons/nature of allotment |
|-------------------|---------------------|----------------|----------------------------------|--------------------------|---|-----------------------------|
| | | | | | Damji Ravji Maru, 22,500 Equity Shares to Snehal B Shah, 19,200 Equity Shares to Urmil Dhiraj Shah, 17,400 Equity Shares to Jayshree S Gosar, 15,000 Equity Shares to Keshavlal G Soni, 15,000 Equity Shares to Rita Samir Shah, 15,000 Equity Shares to Samir Hirji Shah, 15,000 Equity Shares to Sonal K Shah, 15,000 Equity Shares to Uday P Prasad, 13,500 Equity Shares to Dr Bhupen Mamnia, 13,200 Equity Shares to Kiran R Chheda, 12,000 Equity Shares to Vishanji Bhavanji Nagda, 10,500 Equity Shares to Gala Springs LLP, 9,000 Equity Shares to Sakarben Vallabhji Gada, 6,000 Equity Shares to Ajit H Shah, 6,000 Equity Shares to Bhavik B Mehta, 6,000 Equity Shares to Dipen S Bheda, 6,000 Equity Shares to Gita Padamshi Nagda, 6,000 Equity Shares to Meeta K Nagda, 6,000 Equity Shares to Nemchand Devraj Nagda, 6,000 Equity Shares to Paresh Dhiraj Gala, 6,000 Equity Shares to Prabha Talakshi Gala, 6,000 Equity Shares to Pradeep Vallabhji Gada, 6,000 Equity Shares to Tarachand R Gosar, 3,000 Equity Shares to Linesh Hirachand Gala, 1,500 Equity Shares to Nirmala Laxmichand Gada, 3,000 Equity Shares to Rashmikant B Shah, 3,000 Equity Shares to Shailesh B Shah, 3,000 Equity Shares to Usha Mahindra Gada, 3,000 Equity Shares to Varsha Ashok Gosar, 600 Equity Shares to Manisha Ashar, 300 Equity Shares to Chandan Bhailal Savla, 300 Equity Shares to Hansraj Shivji Gada, 300 Equity Shares to Hansraj Shivji Gada HUF, 300 Equity Shares to Kiran R Chheda HUF, 300 Equity Shares to Manoj Hansraj Gada, 300 Equity Shares to Manoj Hansraj Gada HUF, 300 Equity Shares to Priti D Patil, 300 Equity Shares to Pushpa Damji Maru, 300 Equity Shares to Sudhir T Gosar | |

3. Allotment of equity shares pursuant to schemes of arrangement

Our Company has not issued or allotted any equity shares pursuant to any schemes of arrangement approved under sections 391-394 of the Companies Act, 1956 or sections 230 - 234 of the Companies Act, 2013.

4. Issue of equity shares at a price lower than the Offer Price in the last one year

Except for issue of Bonus Shares and as mentioned above under “*Capital Structure – Notes to Capital Structure*” on page 83, our Company has not issued any Equity Shares at a price which may be lower than the Offer Price during a period of one year preceding the date of this Prospectus.

5. Issue of Equity Shares under employee stock option schemes

In order to motivate the employees and to enable them to participate in the long-term growth and financial success of the Company, with a common objective of maximizing the shareholder value, our Company has adopted the following Employee Stock Option Schemes:

1. ESOP 2014

Our Company, pursuant to the resolution passed by our Board on September 12, 2013 and resolution passed by our Shareholders on September 29, 2013, adopted ESOP 2014 to create, offer, issue and allot in one or more tranches, stock options, not exceeding 121,380 equity shares. ESOP 2014 was modified pursuant to resolution passed by the Board to resolution passed by our Board on February 15, 2019 and resolution passed by our Shareholders on April 4, 2019. The ESOP Scheme is in compliance with the SEBI SBEB Regulations. Pursuant to the resolution passed by our Board on April 5, 2019 the following shares were allotted to our employees:

| Sr. No. | Name of Allottees | No. of Equity Shares Allotted |
|--------------|-------------------|-------------------------------|
| 1. | Balkishan Jalan | 60,690 |
| 2. | Satish Kotwani | 60,690 |
| Total | | 121,380 |

2. ESOP 2021

Our Company, pursuant to the resolution passed by our Board on December 24, 2021 and resolution passed by our Shareholders January 14, 2022 adopted ESOP 2021 with a maximum options pool of 50,000 equity shares.

Details of the options granted under the ESOP 2021, as certified by our Statutory Auditors, pursuant to their certificate dated August 23, 2024 are as follows:

| Particulars | Details | | | |
|--|--|-------------|-------------|-------------|
| | For the period commencing from April 1, 2024 until the date of the RHP | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
| Options outstanding at the beginning of the year | 146,200 | 178,400 | 178,400 | |
| Options granted | | 1500 | | 44,600 |
| Add: Bonus Issue | | 4500 | | 133,800 |
| Less: Forfeited/Expired/Lapsed during the year | - | 38,200 | | |
| Total Options | 146,200 | 146,200 | 178,400 | 178,400 |
| Options vested | - | - | - | - |
| Options exercised | - | - | - | - |
| Exercise price in ₹ | 87.5 | 87.5 | 87.5 | 87.5 |
| Total number of shares arising as a result of exercise of option | - | - | - | - |
| Options lapsed | - | - | - | - |
| Variation of terms of options | | | | |

| Particulars | Details | | | | | |
|---|--|----------------------------------|--------------------------------------|---|----------------------------------|--------------------------------------|
| | For the period commencing from April 1, 2024 until the date of the RHP | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 |
| Money realised by exercise of options | - | - | | - | | - |
| Total number of options in force | | | | | | |
| Employee-wise details of options granted to: | 146200 | 146200 | | 178400 | | 178400 |
| (i) Key managerial personnel | Employee wise details of options granted to Key Management Personnel and Senior Management Personnel | | | | | |
| | Number of options granted | | | Number of options outstanding | | |
| | Balkishan Jalan | | | 25,000 | | |
| | Satish Kotwani | | | 25,000 | | |
| | Total | | | 50,000 | | 50,000 |
| (ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of options granted during that year | List of Employees who received a grant in any one year of options amounting to 5% or more of the options granted during the year ended March 31, 2024 | Number of options granted | Number of options outstanding | List of Employees who received a grant in any one year of options amounting to 5% or more of the options granted | Number of options granted | Number of options outstanding |
| | Mahesh Patil | 12,000 | 12,000 | Rajendra Deshpande | 14,400 | 14,400 |
| | Rajesh Charjan | 11,500 | 11,500 | Mahesh Patil | 12,000 | 12,000 |
| | Agadh Chukewar | 11,500 | 11,500 | Rajesh Charjan | 11,500 | 11,500 |
| | Krishna Bharadwaj | 11,000 | 11,000 | Agadh Chukewar | 11,500 | 11,500 |
| | Avadhut Panshikar | 13,200 | 13,200 | Anand Kaundanya | 13,800 | 13,800 |
| | Tukaram Behere | 11,000 | 11,000 | Krishna Bharadwaj | 11,000 | 11,000 |
| | Prasad Gore | 10,000 | 10,000 | Avadhut Panshikar | 13,200 | 13,200 |
| | Sunilkumar Pathak | 10,000 | 10,000 | Tukaram Behere | 11,000 | 11,000 |
| | S. Giridhar | 6,000 | 6,000 | Prasad Gore | 10,000 | 10,000 |
| | Total | 96,200 | 96,200 | Sunilkumar Pathak | 10,000 | 10,000 |
| | | | | Kapil Budhdev | 10,000 | 10,000 |
| | | | | Total | 128,400 | 128,400 |
| | (iii) Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and | - | - | | - | |

| Particulars | Details | | | |
|---|--|-------------|-------------|-------------|
| | For the period commencing from April 1, 2024 until the date of the RHP | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
| conversions) of the Company at the time of grant | | | | |
| Diluted Earnings Per Share pursuant to the issue of equity shares on exercise of options calculated in accordance with applicable accounting standard on 'Earnings Per Share' | Nil | 21.77 | 23.56 | 6.44 |
| Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options and the impact of this difference on profits and on the Earnings Per Share of the issuer. | Yes | Yes | Yes | Yes |
| Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected dividends, and the price of the underlying share in market at the time of grant of the option. | The fair value estimated at ₹350 per option on the grant date, using the Income Approach Method. This method discounts 44,600 options were granted on January 14, 2022. | | | |
| | The risk-free interest rate was set at 6.70% | | | |
| | The expected life of the options is 5 years. | | | |
| | Expected volatility was assumed to be 0.001%. | | | |
| | The expected dividend yield was nil. | | | |
| | The fair market value of underlying share at the grant date was ₹350. The exercise price of the options was also ₹350. | | | |
| | The board of director as its meeting held on August 17, 2023, approved the bonus issue of 3:1. As per the scheme, in case of Bonus Issue, number of options granted shall be adjusted in the same proportion as the bonus being declared. Accordingly number of options granted is revised to 146,200, fair value of options – ₹87.50 stands updated to give the above effect. | | | |
| | | | | |
| Impact on the profits and on the Earnings Per Share of the last years if the issuer had followed the accounting policies specified in Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, in respect of options | Nil | Nil | Nil | Nil |

| Particulars | Details | | | |
|--|--|-------------|-------------|-------------|
| | For the period commencing from April 1, 2024 until the date of the RHP | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
| granted in the last three years | | | | |
| Intention of the key managerial personnel and whole-time directors who are holders of equity shares allotted on exercise of options granted under an employee stock option scheme or allotted under an employee stock purchase scheme, to sell their equity shares within three months after the date of listing of the equity shares in the initial public offer (aggregate number of equity shares intended to be sold by the holders of options), if any. In case of an employee stock option scheme, this information same shall be disclosed regardless of whether the equity shares arise out of options exercised before or after the initial public offer. | Nil | Nil | Nil | Nil |
| Specific disclosures about the intention to sell equity shares arising out of an employee stock option scheme or allotted under an employee stock purchase scheme within three months after the date of listing, by directors, senior managerial personnel and employees having equity shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions). | Nil | Nil | Nil | Nil |

3. ESOP 2024

Our Company, pursuant to the resolution passed by our Board on July 08, 2024 and resolution passed by our Shareholders August 06, 2024 adopted ESOP 2024 with a maximum options pool of 300,000 equity shares.

Details of the options granted under the ESOP 2024, as certified by our Statutory Auditors, pursuant to their certificate dated August 23, 2024 are as follows:

| Particulars | For the period commencing from April 1, 2024 until the date of the RHP | |
|---|---|-----------------|
| Options outstanding at the beginning of the year | - | |
| Options granted | 3,00,000 | |
| Add: Bonus Issue | - | |
| less: Forfeited/Expired/Lapsed during the year | - | |
| Total Options | 3,00,000 | |
| Options vested | - | |
| Options exercised | - | |
| Exercise price in ₹ | 530 | |
| Total number of shares arising as a result of exercise of option | - | |
| Options lapsed | - | |
| Variation of terms of options | | |
| Money realised by exercise of options | - | |
| Total number of options in force | | |
| Employee-wise details of options granted to: | 3,00,000 | |
| (i) Key managerial personnel | Employee wise details of options granted to Key Management Personnel and Senior Management Personnel | |
| | Balkishan Jalan | 1,50,000 |
| | Satish Kotwani | 1,50,000 |
| | Total | 3,00,000 |
| (ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of options granted during that year | - | |
| (iii) Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant | - | |
| Diluted Earnings Per Share pursuant to the issue of equity shares on exercise of options calculated in accordance with applicable accounting standard on 'Earnings Per Share' | - | |

| Particulars | For the period commencing from April 1, 2024 until the date of the RHP |
|---|---|
| Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options and the impact of this difference on profits and on the Earnings Per Share of the issuer. | Yes |
| Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected dividends, and the price of the underlying share in market at the time of grant of the option. | The fair value was estimated at Rs. 501.98 per option on the grant date, using the Income Approach Method. This method discounts expected future cash flows of the options based on the following weighted-average assumptions: |
| | 3,00,000 options were granted on 6th August, 2024 |
| | The risk-free interest rate was set at 7.20%. |
| | The expected life of the options is 5 years. |
| | Expected volatility was assumed to be 0.001%. |
| | The expected dividend yield was nil. |
| | The fair market value of the underlying share at the grant date is Rs. 501.98. The exercise price of the options is Rs. 530. |
| Impact on the profits and on the Earnings Per Share of the last years if the issuer had followed the accounting policies specified in Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, in respect of options granted in the last three years | Nil |

| Particulars | For the period commencing from April 1, 2024 until the date of the RHP |
|--|--|
| Intention of the key managerial personnel and whole-time directors who are holders of equity shares allotted on exercise of options granted under an employee stock option scheme or allotted under an employee stock purchase scheme, to sell their equity shares within three months after the date of listing of the equity shares in the initial public offer (aggregate number of equity shares intended to be sold by the holders of options), if any. In case of an employee stock option scheme, this information same shall be disclosed regardless of whether the equity shares arise out of options exercised before or after the initial public offer. | Nil |
| Specific disclosures about the intention to sell equity shares arising out of an employee stock option scheme or allotted under an employee stock purchase scheme within three months after the date of listing, by directors, senior managerial personnel and employees having equity shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions). | Nil |

For further details of Equity Shares issued by our Company pursuant to the exercise of options which have been granted under the ESOP Scheme, see “*Notes to Capital Structure- Share capital history of our Company*” on page 83.

6. Shareholding pattern of our Company

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

| Category (I) | Category of shareholder (II) | Number of shareholders (III)* | Number of fully paid up Equity Shares held (IV) | Number of partly paid-up Equity Shares held (V) | Number of shares underlying Depository Receipts (VI) | Total number of Equity Shares held (VII) =(IV)+(V)+(VI) | Shareholding as a % of total number of Equity Shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | | Number of Equity shares underlying outstanding convertible securities (including warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted Equity Share capital) (XI)=(VII)+(X) As a % of (A+B+C2) | Number of locked in Equity Shares (XII) | | Number of Equity Shares pledged or otherwise encumbered (XIII) | | Number of Equity Shares held in dematerialized form (XIV) |
|--------------|--------------------------------|-------------------------------|---|---|--|---|---|---|------------------|------------|-------------------------|--|---|---|--|--|--|---|
| | | | | | | | | Number of Voting Rights | | | Total as a % of (A+B+C) | | | Number (a) | As a % of total Equity Shares held (b) | Number (a) | As a % of total Equity Shares held (b) | |
| | | | | | | | | Class (Equity Shares) | Classes (Others) | Total | | | | | | | | |
| (A) | Promoter and Promoter Group | 12 | 7,538,864 | - | - | 7,538,864 | 74.56 | 7,538,864 | | 7,538,864 | 74.56 | - | - | - | - | - | - | 7,538,864 |
| (B) | Public | 48 | 2,572,720 | | - | 2,572,720 | 25.44 | 2,572,720 | | 2,572,720 | 25.44 | - | - | - | - | - | - | 2,572,720 |
| (C) | Non Promoter-Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C1) | Shares underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C2) | Shares held by Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total | 60 | 10,111,584 | | - | 10,111,584 | 100.00 | 10,111,584 | | 10,111,584 | 100.00 | | - | - | - | - | - | 10,111,584 |

* This reflects the total number of folios, including Shareholders holding Equity Shares under more than one folio

7. Details of shareholding of the major Shareholders of our Company

As on the date of this Prospectus, our Company has 60 Shareholders.

- a) Set forth below are details of Shareholders holding 1% or more of the paid-up equity share capital of our Company as on the date of this Prospectus.

| Sr. No. | Shareholder | Category | Number of Equity Shares of face value of ₹ 10 each | Percentage of pre-Offer Equity Share capital (%) [*] |
|---------|------------------------------------|----------------|--|---|
| 1. | Kirit Vishanji Gala | Promoter | 2,791,488 | 27.61 |
| 2. | Rumie Kirit Gala | Promoter Group | 1,249,488 | 12.36 |
| 3. | Taramati V Gala | Promoter Group | 1,582,400 | 15.65 |
| 4. | Pooja Unichem LLP | Public | 660,000 | 6.53 |
| 5. | Smeet Kirit Gala | Promoter | 589,144 | 5.83 |
| 6. | Ankit Ulhas Gala | Public | 330,000 | 3.26 |
| 7. | Mayank Ulhas Gala | Public | 330,000 | 3.26 |
| 8. | Satish D. Kotwani [#] | Public | 266,760 | 2.64 |
| 9. | Jalan Balkishan Shyamsunder HUF | Public | 240,400 | 2.38 |
| 10. | Kirit Vishanji Gala(HUF) | Promoter Group | 213,600 | 2.11 |
| 11. | Nayna Gala | Promoter Group | 254,400 | 2.52 |
| 12. | Alpa Kiran Chheda | Promoter Group | 254,400 | 2.52 |
| 13. | Vaibhavi Gala | Promoter Group | 254,400 | 2.52 |
| 14. | Saloni Gala | Promoter Group | 143,544 | 1.42 |
| 15. | Rajiv and Anupa Ashar Family Trust | Promoter Group | 107,200 | 1.06 |

^{*}The percentage is calculated against the total share capital of our Company, excluding options vested under the ESOP Scheme 2021 and ESOP Scheme 2024.

[#] Held as first shareholder with second shareholder being Anjali Kotwani.

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

| Sr. No. | Shareholder | Category | Number of Equity Shares of face value of ₹ 10 each | Percentage of pre-Offer Equity Share capital (%) [*] |
|---------|---------------------------------|----------------|--|---|
| 1. | Kirit Vishanji Gala | Promoter | 2,791,488 | 27.61 |
| 2. | Rumie Kirit Gala | Promoter Group | 1,249,488 | 12.36 |
| 3. | Taramati V Gala | Promoter Group | 1,107,200 | 11.84 |
| 4. | Pooja Unichem LLP | Public | 660,000 | 6.53 |
| 5. | Smeet Kirit Gala | Promoter | 589,144 | 5.83 |
| 6. | Ankit Ulhas Gala | Public | 330,000 | 3.26 |
| 7. | Vishanji Harshi Gala | Promoter Group | 385,200 | 3.81 |
| 7. | Mayank Ulhas Gala | Public | 330,000 | 3.26 |
| 8. | Satish D. Kotwani [#] | Public | 266,760 | 2.64 |
| 9. | Jalan Balkishan Shyamsunder HUF | Public | 240,400 | 2.38 |
| 10. | Kirit Vishanji Gala(HUF) | Promoter Group | 213,600 | 2.11 |
| 11. | Nayna Gala | Promoter Group | 254,400 | 2.52 |
| 12. | Alpa Kiran Chheda | Promoter Group | 254,400 | 2.52 |
| 13. | Vaibhavi Gala | Promoter Group | 254,400 | 2.52 |

| Sr. No. | Shareholder | Category | Number of Equity Shares of face value of ₹ 10 each | Percentage of pre-Offer Equity Share capital (%) [*] |
|---------|------------------------------------|----------------|--|---|
| 14. | Saloni Gala | Promoter Group | 143,544 | 1.42 |
| 15. | Rajiv and Anupa Ashar Family Trust | Promoter Group | 107,200 | 1.06 |

^{*}The percentage is calculated against the total share capital of our Company, excluding options vested under the ESOP Scheme 2021 and ESOP Scheme 2024.

[#] Held as first shareholder with second shareholder being Anjali Kotwani.

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

| Sr. No. | Shareholder | Category | Number of Equity Shares of face value of ₹ 10 each | Percentage of pre-Offer Equity Share capital (%) [*] |
|---------|------------------------------------|----------------|--|---|
| 1. | Kirit Vishanji Gala | Promoter | 572,872 | 22.66 |
| 2. | Vishanji Harshi Gala | Promoter Group | 385,200 | 15.24 |
| 3. | Rumie Kirit Gala | Promoter Group | 312,272 | 12.35 |
| 4. | Taramati V Gala | Promoter Group | 260,400 | 10.30 |
| 5. | Pooja Unichem LLP | Public | 165,000 | 6.53 |
| 6. | Ankit Ulhas Gala | Public | 82,500 | 3.26 |
| 7. | Mayank Ulhas Gala | Public | 82,500 | 3.26 |
| 8. | Satish D. Kotwani [#] | Public | 66,690 | 2.64 |
| 9. | Jalan Balkishan Shyamsunder HUF | Public | 60,100 | 2.38 |
| 10. | Vishanji Harshi Gala(HUF) | Promoter Group | 54,400 | 2.15 |
| 11. | Kirit Vishanji Gala(HUF) | Promoter Group | 53,400 | 2.11 |
| 12. | Nayna Gala | Promoter Group | 50,000 | 1.98 |
| 13. | Alpa Kiran Chheda | Promoter Group | 50,000 | 1.98 |
| 14. | Vaibhavi Gala | Promoter Group | 50,000 | 1.98 |
| 15. | Rajiv and Anupa Ashar Family Trust | Promoter Group | 26,800 | 1.06 |

^{*} The percentage is calculated against the total share capital of our Company, excluding options vested under the ESOP Scheme 2021 and ESOP Scheme 2024.

[#] Held as first-shareholder with second shareholder being Anjali Kotwani.

- d) Set forth below are details of Shareholders holding 1% or more of the paid-up equity share capital of our Company as of two years prior to the date of this Prospectus.

| Sr. No. | Shareholder | Category | Number of Equity Shares of face value of ₹ 10 each | Percentage of pre-Offer Equity Share capital (%) [*] |
|---------|----------------------|----------------|--|---|
| 1. | Kirit Vishanji Gala | Promoter | 572,872 | 22.66 |
| 2. | Vishanji Harshi Gala | Promoter Group | 385,200 | 15.24 |
| 3. | Rumie Kirit Gala | Promoter Group | 311,772 | 12.33 |
| 4. | Taramati V Gala | Promoter Group | 260,400 | 10.30 |
| 5. | Ankit Ulhas Gala | Public | 82,500 | 3.26 |

| Sr. No. | Shareholder | Category | Number of Equity Shares of face value of ₹ 10 each | Percentage of pre- Offer Equity Share capital (%)* |
|---------|------------------------------------|----------------|--|--|
| 6. | Mayank Ulhas Gala | Public | 82,500 | 3.26 |
| 7. | Pooja Unichem LLP | Public | 165,000 | 6.53 |
| 8. | Satish D. Kotwani [#] | Public | 66,690 | 2.64 |
| 9. | Balkishan S. Jalan [@] | Public | 60,690 | 2.40 |
| 10. | Vishanji Harshi Gala(HUF) | Promoter Group | 54,400 | 2.15 |
| 11. | Kirit Vishanji Gala(HUF) | Promoter Group | 53,400 | 2.11 |
| 12. | Nayna Gala | Promoter Group | 50,000 | 1.98 |
| 13. | Alpa Kiran Chheda | Promoter Group | 50,000 | 1.98 |
| 14. | Vaibhavi Gala | Promoter Group | 50,000 | 1.98 |
| 15. | Rajiv and Anupa Ashar Family Trust | Promoter Group | 26,800 | 1.06 |

* The percentage is calculated against the total share capital of our Company, excluding options vested under the ESOP Scheme 2021 and ESOP Scheme 2024

[#] Held as first-shareholder with second shareholder being Anjali Kotwani.

[@] Held as first shareholder with second shareholder being Vela Jalan.

8. Details of Shareholding of Selling Shareholders in our Company:

| Pre-offer | | | | | | | Post- offer |
|---|---------------------|----------------|---|--------------------------|---|---|--|
| Date of allotment/ transfer/ acquisition of equity shares | No of Equity Shares | Face value (₹) | Issue/ Transfer/ Acquisition price per equity share (₹) | Nature of considerations | Nature of transaction | Percentage of Equity Share capital of the Company (%) | Percentage of Equity Share capital of the Company (%)# |
| Taramati Gala | | | | | | | |
| February 23, 2009 | 6,000 | 10 | 10 | Cash | Initial subscription to the MoA | 60.00 | 0.05 |
| May 04, 2009 | (100) | 10 | 10 | Cash | Transfer of 100 Equity Shares to Vishanji Harshi Gala (HUF) | 1.00 | Negligible |
| November 03, 2009 | 251,000 | 10 | 68 | Cash | Further issue | 15.42 | 1.98 |
| February 18, 2011 | 4,000 | 10 | 10 | Cash | Transfer of 4,000 Equity Shares from Vikram Narula | 0.25 | 0.03 |
| July 25, 2017 | (100) | 10 | 10 | Cash | Transfer of 100 Equity Shares to Hansraj Shivji Gada | Negligible | Negligible |
| July 25, 2017 | (100) | 10 | 10 | Cash | Transfer of 100 Equity Shares to Hansraj Shivji Gada (HUF) | Negligible | Negligible |

| Pre-offer | | | | | | | Post-offer |
|---|---------------------|----------------|---|--------------------------|--|---|--|
| Date of allotment/transfer/acquisition of equity shares | No of Equity Shares | Face value (₹) | Issue/ Transfer/ Acquisition price per equity share (₹) | Nature of considerations | Nature of transaction | Percentage of Equity Share capital of the Company (%) | Percentage of Equity Share capital of the Company (%)# |
| July 25, 2017 | (100) | 10 | 10 | Cash | Transfer of 100 Equity Shares to Manoj Hansraj Gada | Negligible | Negligible |
| July 25, 2017 | (100) | 10 | 10 | Cash | Transfer of 100 Equity Shares to Manoj Hansraj Gada (HUF) | Negligible | Negligible |
| October 06, 2017 | (100) | 10 | 10 | Cash | Transfer of 100 Equity Shares to Dinesh Devchand Ghalla | Negligible | Negligible |
| May 14, 2018 | (100) | 10 | 10 | Cash | Transfer of 100 Equity Shares Dhara Nayan Gada | Negligible | Negligible |
| June 07, 2018 | (100) | 10 | 10 | Cash | Transfer of 100 Equity Shares to Premkumari Devchand Ghalla | Negligible | Negligible |
| December 25, 2018 | (100) | 10 | 10 | Cash | Transfer of 100 Equity Shares to Balkishan Jalan | Negligible | Negligible |
| December 25, 2018 | (100) | 10 | 10 | Cash | Transfer of 100 Equity Shares to Jalan Balkishan Shyamsunder HUF | Negligible | Negligible |
| May 05, 2019 | 100 | 10 | 350 | Cash | Transfer of 350 Equity Shares from Dhara Nayan Gada | Negligible | Negligible |
| July 29, 2019 | 100 | 10 | 153 | Cash | Transfer of 153 Equity Shares from Balkishan Jalan | Negligible | Negligible |
| January 07, 2020 | 100 | 10 | 350 | Cash | Transfer of 350 Equity Shares to | Negligible | Negligible |

| Pre-offer | | | | | | | Post- offer |
|---|---------------------|----------------|---|--------------------------|--|---|--|
| Date of allotment/ transfer/ acquisition of equity shares | No of Equity Shares | Face value (₹) | Issue/ Transfer/ Acquisition price per equity share (₹) | Nature of considerations | Nature of transaction | Percentage of Equity Share capital of the Company (%) | Percentage of Equity Share capital of the Company (%)# |
| | | | | | Dinesh Devchand Ghalla | | |
| October 15, 2020 | 100 | 10 | 350 | Cash | Transfer of 350 Equity Shares from Premkumari Devchand Ghalla | Negligible | Negligible |
| September 27, 2023 | 781,200 | 10 | Not applicable | Other than cash | Bonus issuance in the ratio of 3 Equity Shares for every 1 Equity Share | 7.73 | 6.17 |
| June 21, 2024^^ | 155,600 | 10 | Not applicable | Not applicable | Transfer of 155,600 Equity Shares from Kirit Vishanji Harshi Gala | 1.54 | 1.23 |
| August 21, 2024 | 385,200 | 10 | Not applicable | Not applicable | Transmission of 385,200 Equity share from Vishanji H Gala | 3.81 | 3.04 |
| Total | 1,582,400 | - | - | - | - | 15.65 | 12.49 |
| Nayna Gala | | | | | | | |
| November 03, 2009 | 50,000 | 10 | 68 | Cash | Further Issue | 3.07 | 0.39 |
| September 27, 2023 | 1,50,000 | 10 | Not Applicable | Other than Cash | Bonus issuance in the ratio of 3 Equity Shares for every 1 Equity Share | 1.98 | 1.18 |
| March 15, 2024 | 54,400 | 10 | Not applicable | Not applicable | Transfer of 54,400 Equity Shares from Vishanji Harshi Gala HUF pursuant to dissolution of Vishanji Harshi Gala HUF | 0.54 | 0.43 |

| Pre-offer | | | | | | | Post-offer |
|---|---------------------|----------------|---|--------------------------|---|---|--|
| Date of allotment/transfer/acquisition of equity shares | No of Equity Shares | Face value (₹) | Issue/Transfer/Acquisition price per equity share (₹) | Nature of considerations | Nature of transaction | Percentage of Equity Share capital of the Company (%) | Percentage of Equity Share capital of the Company (%)# |
| Total | 254,400 | - | - | - | - | 2.52 | 2.01 |
| Satish Kotwani | | | | | | | |
| May 05, 2019 | 60,690 | 10 | 10 | Cash | Allotment of Equity Shares under ESOP Scheme 2014 | 2.45 | 0.48 |
| September 17, 2021 | 6,000 | 10 | 320 | Cash | Transfer of 6,000 Equity Shares from Vishanji Harshi Gala | 2.64 | 0.05 |
| September 27, 2023 | 200,070 | 10 | Not Applicable | Other than cash | Bonus issuance in the ratio of 3 Equity Shares for every 1 Equity Share | 2.64 | 1.58 |
| Total | 266,760 | - | - | - | - | 2.64 | 2.11 |
| Hemlata Dhiraj Shah | | | | | | | |
| December 14, 2009 | 9,400 | 10 | 68 | Cash | Further Issue | 0.54 | 0.07 |
| September 27, 2023 | 28,200 | 10 | Not Applicable | Other than cash | Bonus issuance in the ratio of 3 Equity Shares for every 1 Equity Share | 0.37 | 0.22 |
| Total | 37,600 | - | - | - | - | 0.37 | 0.30 |
| Dhiraj Nanchand Shah | | | | | | | |
| December 14, 2009 | 10,000 | 10 | 68 | Cash | Further Issue | 0.58 | 0.08 |
| September 27, 2023 | 30,000 | 10 | Not Applicable | Other than cash | Bonus issuance in the ratio of 3 Equity Shares for every 1 Equity Share | 0.40 | 0.24 |
| Total | 40,000 | - | - | - | - | 0.40 | 0.32 |
| Rupa Sunil Mehta | | | | | | | |
| May 13, 2021 | 14,000 | 10 | 321.43 | Cash | Transfer of 14,000 Equity Shares from Vishanji Harshi Gala (HUF) | 0.55 | 0.11 |

| Pre-offer | | | | | | | Post- offer |
|---|---------------------|----------------|---|--------------------------|---|---|--|
| Date of allotment/ transfer/ acquisition of equity shares | No of Equity Shares | Face value (₹) | Issue/ Transfer/ Acquisition price per equity share (₹) | Nature of considerations | Nature of transaction | Percentage of Equity Share capital of the Company (%) | Percentage of Equity Share capital of the Company (%)# |
| September 27, 2023 | 42,000 | 10 | Not Applicable | Other than cash | Bonus issuance in the ratio of 3 Equity Shares for every 1 Equity Share | 0.55 | 0.33 |
| Total | 56,000 | - | - | - | - | 0.55 | 0.44 |
| Kirit Vishanji Gala (HUF) | | | | | | | |
| November 03, 2009 | 53,400 | 10 | 68 | Cash | Preferential Allotment | 3.30 | 0.42 |
| September 27, 2023 | 1,60,200 | 10 | Not Applicable | Other than cash | Bonus issuance in the ratio of 3 Equity Shares for every 1 Equity Share | 1.59 | 1.26 |
| Total | 2,13,600 | - | - | - | - | 2.11 | 1.69 |

^^Transfer pursuant to demise of Vishanji Harshi Gala. Taramati V Gala being the beneficiary of the Equity Shares as per the testamentary will of Vishanji Harshi Gala

#Subject to finalisation of Basis of Allotment

9. Details of Shareholding of our Directors, Key Managerial Personnel and Senior Management in our Company

| Sr No | Name | Number of Equity Shares | Percentage of the pre- Offer Equity Share capital* (%) | Percentage of the post- Offer Equity Share capital* (%) |
|-----------------------------------|------------------------------|-------------------------|--|---|
| Director | | | | |
| 1. | Kirit Vishanji Gala | 2,791,488 | 27.61 | 22.03 |
| 2. | Satish Kotwani ^{\$} | 226,760 | 2.64 | 1.79 |
| 3. | Balkishan Jalan [#] | 62,760 | 0.62 | 0.50 |
| 4. | Snehal Shah | 30,000 | 0.30 | 0.24 |
| Key Managerial Personal | | | | |
| 1. | Kirit Vishanji Gala | 2,791,488 | 27.61 | 22.03 |
| 2. | Satish Kotwani | 226,760 | 2.64 | 1.79 |
| 3. | Balkishan Jalan | 62,760 | 0.62 | 0.50 |
| Senior Managerial Personal | | | | |
| 1. | Smeet Kirit Gala | 589,144 | 5.83 | 4.65 |

Held as first shareholder with second shareholder being Vela Jalan.

\$ Held as first shareholder with second shareholder being Anjali Kotwani.

10. Details of Shareholding of our Promoter, members of Promoter Group in our Company

As on the date of this Prospectus, our Promoters, Kirit Vishanji Gala and Smeet Kirit Gala collectively hold 3,380,632 Equity Shares aggregating to approximately 26.68% of the issued, subscribed and paid-up Equity Share capital of our Company.

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

| Pre-Offer | | | | | | | Post - Offer | |
|---|---------------------|----------------|--|--------------------------|---|---|----------------------|---|
| Date of allotment/ transfer/ acquisition of equity shares | No of Equity Shares | Face value (₹) | Issue/ Transfer/ Acquisition price per equity share(₹) | Nature of considerations | Nature of transaction | Percentage of Equity Share capital of the Company (%) | No. of Equity Shares | Percentage of Equity Share capital of the Company (%)*# |
| Kirit Vishanji Gala | | | | | | | | |
| November 03, 2009 | 474,800 | 10 | 68 | Cash | Further Issue | 27.32 | 474,800 | 3.75 |
| March 31, 2012 | 128,572 | 10 | 175 | Cash | Further Issue | 29.82 | 603,372 | 1.01 |
| April 18, 2018 | (26,800) | 10 | 354.07 | Cash | Transfer of 26,800 Equity Shares to Rajiv and Anupa Ashar Family Trust | 26.34 | 576,572 | 0.21 |
| December 27, 2018 | (3,500) | 10 | 350 | Cash | Transfer of 3,500 Equity Shares to Gala Springs LLP | 24.35 | 573,072 | 0.03 |
| January 15, 2019 | (100) | 10 | 350 | Cash | Transfer of 100 Equity Shares to Pushpa Damji Maru jointly held with Damji Ravji Maru | 24.34 | 572,972 | Negligible |
| March 25, 2019 | (100) | 10 | 350 | Cash | Transfer of 100 Equity Shares to Chandan Bhailal Savla held with Bhailal Hirji Savla | 22.66 | 572,872 | Negligible |
| September 27, 2023 | 1,718,616 | 10 | Not Applicable | Other than Cash | Bonus issuance in the ratio of 3 Equity Shares for every 1 Equity Share | 22.66 | 2,291,488 | 13.56 |
| January 10, 2024 | 500,000 | 10 | Nil | Gift | Gift of 500,000 Equity Shares from Vishanji Harshi Gala | 27.61 | 2,791,488 | 3.95 |
| June 8, 2024 | 155,600 | 10 | Nil | Other than Cash | Transmission to Nominee Kirit Gala | 29.17 | 2,947,088 | 1.23 |
| June 21, 2024 | (155,600) | 10 | Nil | Other than Cash | Transfer by Nominee to beneficiary Taramati Gala | 27.61 | 2,791,488 | 1.23 |
| Sub-total (A) | 2,791,488 | - | - | - | - | 27.61 | 2,791,488 | 22.03 |
| Smeet Kirit Gala | | | | | | | | |
| November 03, 2009 | 8,000 | 10 | 68 | Cash | Further Issue | 0.46 | 8,000 | 0.06 |
| March 31, 2012 | 14,286 | 10 | 175 | Cash | Further Issue | 1.10 | 22,286 | 0.11 |
| September 27, 2023 | 66,858 | 10 | Not Applicable | Other than Cash | Bonus issuance in the ratio of 3 Equity Shares for every 1 Equity Share | 0.88 | 89,144 | 0.53 |

| Pre-Offer | | | | | | | Post - Offer | |
|---|---------------------|----------------|--|--------------------------|---|---|----------------------|---|
| Date of allotment/ transfer/ acquisition of equity shares | No of Equity Shares | Face value (₹) | Issue/ Transfer/ Acquisition price per equity share(₹) | Nature of considerations | Nature of transaction | Percentage of Equity Share capital of the Company (%) | No. of Equity Shares | Percentage of Equity Share capital of the Company (%) ^{##} |
| January 10, 2024 | 500,000 | 10 | Nil | Gift | Gift of 500,000 Equity Shares from Vishanji Harshi Gala | 5.83 | 5,89,144 | 3.95 |
| Sub-total (B) | 589,144 | - | - | - | - | 5.83 | 589,144 | 4.65 |
| Total (A+B) | 3,380,632 | - | - | - | - | 33.44^{**} | 3,380,632 | 26.68 |

[#] Subject to finalisation of Basis of Allotment.

^{*}Assuming exercise of vested stock options

^{**}Rounded-off

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. Further, none of the Equity Shares held by our Promoters are pledged as of the date of this Prospectus.

The entire shareholding of our Promoters is in dematerialised form as of the date of this Prospectus.

Except as disclosed below, the members of the Promoter Group (other than our Promoters) do not hold any Equity Shares as on the date of this Prospectus:

| Sr. No. | Shareholder | Pre - Offer | | Post – Offer | |
|---------|------------------------------------|--|--|----------------------|--|
| | | Number of Equity Shares of face value of ₹ 10 each | Percentage of Equity Share capital (%) | No. of Equity Shares | Percentage of Equity Share capital (%)*# |
| 1. | Rumie Kirit Gala | 1,249,488 | 12.36 | 1,249,488 | 9.86 |
| 2. | Taramati V Gala | 1,582,400 | 15.65 | 1,197,200 | 9.45 |
| 3. | Kirit Vishanji Gala (HUF) | 213,600 | 2.11 | 134,400 | 1.06 |
| 4. | Alpa Kiran Chheda | 254,400 | 2.52 | 254,400 | 2.01 |
| 5. | Vaibhavi Gala | 254,400 | 2.52 | 254,400 | 2.01 |
| 6. | Nayna Gala | 254,400 | 2.52 | 204,400 | 1.61 |
| 7. | Rajiv and Anupa Ashar Family Trust | 107,200 | 1.06 | 107,200 | 0.85 |
| 8. | Saloni Kirit Gala | 143,544 | 1.42 | 143,544 | 1.13 |
| 9. | Madhu V Ashar** | 84,000 | 0.83 | 84,000 | 0.66 |
| 10. | Manisha Ashar | 14,800 | 0.15 | 14,800 | 0.12 |

Subject to finalisation of Basis of Allotment

*Assuming exercise of vested stock options

** Held as first shareholder with second shareholder being Manisha Ashar

(a) Details of Promoters' contribution and lock-in for three years

Pursuant to Regulations 14 and 16 (1) of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by the Promoters, except for the Equity Shares offered pursuant to the Offer for Sale, shall be locked in for a period of three years as minimum Promoter's contribution ("Minimum Promoter's Contribution") from the date of Allotment and the shareholding of the Promoters in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of one year from the date of Allotment as a majority of the Net Proceeds are proposed to be utilized for capital expenditure such as civil work, miscellaneous fixed assets, building and plant and machinery, etc. For details of objects of the Offer, see "Objects of the Offer" at page 114.

(b) Details of the Equity Shares to be locked-in for three years from the date of Allotment as Minimum Promoter's Contribution are set forth in the table below:

| Name of the Promoters | Number of Equity Shares locked-in | Date of allotment of Equity Shares and when made fully paid-up | Nature of transaction | Face Value per Equity Share (₹) | Issue/ Acquisition price per Equity Share (₹) | Percentage of the pre- Offer paid-up capital (%) | Percentage of the post- Offer paid-up capital (%) | Date up to which the Equity Shares are subject to lock-in |
|-----------------------|-----------------------------------|--|------------------------|---------------------------------|---|--|---|---|
| Kirit Vishanji Gala | 444,300 | November, 03, 2009 | Preferential Allotment | 10 | 68 | 4.39 | 3.51 | September, 06, 2027 |
| Kirit Vishanji Gala | 128,572 | March, 31, 2012 | Preferential Allotment | 10 | 175 | 1.27 | 1.01 | September, 06, 2027 |
| Kirit Vishanji Gala | 1,519,527 | September, 27, 2023 | Bonus Issue | 10 | Nil | 15.03 | 11.99 | September, 06, 2027 |
| Kirit Vishanji Gala | 199,089 | September, 27, 2023 | Bonus Issue | 10 | Nil | 1.97 | 1.57 | September, 06, 2025 |
| Kirit Vishanji Gala | 500,000 | January, 10, 2024 | Gift of shares | 10 | Nil | 4.94 | 3.95 | September, 06, 2025 |
| Smeet Kirit Gala | 8,000 | November, 03, 2009 | Preferential Allotment | 10 | 68 | 0.08 | 0.06 | September, 06, 2027 |
| Smeet Kirit Gala | 14,286 | March, 31, 2012 | Preferential Allotment | 10 | 175 | 0.14 | 0.11 | September, 06, 2027 |

| Name of the Promoters | Number of Equity Shares locked-in | Date of allotment of Equity Shares and when made fully paid-up | Nature of transaction | Face Value per Equity Share (₹) | Issue/ Acquisition price per Equity Share (₹) | Percentage of the pre- Offer paid-up capital (%) | Percentage of the post- Offer paid-up capital (%) | Date up to which the Equity Shares are subject to lock-in |
|-----------------------|-----------------------------------|--|-----------------------|---------------------------------|---|--|---|---|
| Smeet Kirit Gala | 66,858 | September, 27, 2023 | Bonus Issue | 10 | Nil | 0.66 | 0.53 | September, 06, 2027 |
| Smeet Kirit Gala | 352,457 | January, 10, 2024 | Gift of shares | 10 | Nil | 3.49 | 2.78 | September, 06, 2027 |
| Smeet Kirit Gala | 147,543 | January, 10, 2024 | Gift of shares | 10 | Nil | 1.46 | 1.16 | September, 06, 2025 |
| Total | 3,380,632 | - | - | - | - | 33.41 | 26.66 | - |

- (c) Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as the Minimum Promoters' Contribution. Our Promoters have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoter's Contribution from the date of filing of this Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations. The Minimum Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as "promoter" under the SEBI ICDR Regulations.
- (d) Our Company confirms that the Equity Shares that are being locked-in are not and will not be, ineligible for computation of Minimum Promoter's contribution in terms of Regulation 15 of the SEBI ICDR Regulations.

In this connection, please note that:

- The Equity Shares offered for Minimum Promoter's Contribution do not include (a) Equity Shares acquired in the three immediately preceding years for consideration other than cash except for Bonus Issue of Equity Shares and involving any revaluation of assets or capitalisation of intangible assets in such transaction, (b) Equity Shares resulting from bonus issue by utilization of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares, which are otherwise ineligible for computation of Minimum Promoter's Contribution.
- The Minimum Promoter's Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer except for Bonus Issue of Equity Shares.
- Our Company has not been formed by the conversion of one or more partnership firms or of a limited liability partnership firm into a Company.
- The equity shares held by the Promoters and offered for Minimum Promoters' Contribution are not subject to any pledge; and
- All the equity shares held by the Promoters are held in dematerialised form.

11. Details of equity share capital locked-in for six months

In terms of Regulation 17 to the SEBI ICDR Regulations, the entire pre-Offer equity share capital of our Company will be locked-in for a period of six months from the date of Allotment in the Offer, except: (a) the Promoters' Contribution which shall be locked in as above as stated in para 9 (a); and b) Offered Shares, which are successfully sold and transferred as part of the Offer for Sale.

12. There has been no acquisition of equity shares with any special rights including any right to nominate Directors on our Board, in the immediately preceding three years (including the immediately preceding one year) by our Promoters, the Selling Shareholders, members of the Promoter Group and Shareholders.

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

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

14. Recording on non-transferability of Equity Shares locked-in

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

15. Other requirements in respect of lock-in

Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, as mentioned above, may be pledged as collateral security for a loan granted by a scheduled commercial bank, a public financial institution, NBFC-SI or a deposit taking housing finance company, subject to the following:

- (i) With respect to the Equity Shares locked-in for one year from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan; and
- (ii) With respect to the Equity Shares locked-in as Minimum Promoter's Contribution for three years from the date of Allotment, the loan must have been granted to our Company or our Subsidiaries for the purpose of financing one or more of the objects of the Offer and such pledge of the Equity Shares must be one of the terms of the sanction of the loan, which is not applicable in the context of this Offer.

However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, terms of Regulation 16 of the SEBI ICDR Regulations, may be transferred to and amongst the members of our Promoter Group or a new promoter, subject to continuation of lock-in, in the hands of such transferee, for the remaining period and compliance with provisions of the Takeover Regulations, as applicable and such transferees shall not be eligible to transfer them till the lock-in period stipulated under the SEBI ICDR Regulations has expired.

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons (other than our Promoters) prior to the Offer and locked-in for a period of six months from the date of Allotment in the Offer, may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in in the hands of such transferee and compliance with the applicable provisions of the Takeover Regulations. However, it should be noted that the Offered Shares which will be transferred by the respective Selling Shareholders in the Offer for Sale shall not be subject to lock-in.

16. Except for any Equity Shares to be issued pursuant to the Fresh Issue, there is no proposal or intention, negotiations and consideration of our Company to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly into Equity Shares), whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as consideration for acquisitions or participation in such joint ventures or other arrangements.
17. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or refund of application monies other than in connection with: (i) the Fresh Issue in the Offer, or (ii) any issue of Equity Shares pursuant to exercise of options vested under the ESOP Scheme.
18. Except as disclosed above, none of our Promoters, members of the Promoter Group and / or our Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Prospectus. For details of acquisitions by our Promoters and members of the Promoter Group during the period, please see "*Capital Structure - Details of price at which specified securities were acquired in the three years preceding the date of this Prospectus*" on page 83.

19. There have been no financing arrangements whereby our Promoters, members of the Promoter Group or our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of this Prospectus.
20. All Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Prospectus.
21. As on the date of this Prospectus, the Book Running Lead Manager, its associates, as defined under the SEBI Merchant Bankers Regulations, do not hold any Equity Shares and none of our investors are directly/indirectly related with the Book Running Lead Manager and their associates. The Book Running Lead Manager, its associates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
22. **Details of price at which specified securities were acquired in the three years preceding the date of this Prospectus**

The details of the price at which specified securities were acquired in the three years preceding the date of this Prospectus, by our Promoters, Promoter Group and Shareholders with the right to nominate a director or with other rights, are disclosed below:

| Sr. No. | Name of the acquirer/shareholder | Date of acquisition of equity shares | Number of Equity Shares acquired | Acquisition price per equity share [^] (in ₹) |
|-----------------------|------------------------------------|--------------------------------------|----------------------------------|--|
| Promoters | | | | |
| 1. | Kirit Vishanji Gala | September 27, 2023 | 1,718,616 | Not Applicable [#] |
| 2. | Smeet Kirit Gala | September 27, 2023 | 66,858 | Not Applicable [#] |
| 3. | Kirit Vishanji Gala | January 10, 2024 | 500,000 | Nil* |
| 4. | Smeet Kirit Gala | January 10, 2024 | 500,000 | Nil* |
| 5. | Kirit Vishanji Gala | June 07, 2024 | 155,600 | Not applicable [^] |
| Promoter Group | | | | |
| 6. | Rumie Kirit Gala | May 18, 2023 | 500 | 600 |
| 7. | Rumie Kirit Gala | September 05, 2023 | 100 | 650 |
| 8. | Vishanji Harshi Gala | September 27, 2023 | 1,155,600 | Not Applicable [#] |
| 9. | Taramati V Gala | September 27, 2023 | 781,200 | Not Applicable [#] |
| 10. | Rumie Kirit Gala | September 27, 2023 | 937,116 | Not Applicable [#] |
| 11. | Vishanji Harshi Gala (HUF) | September 27, 2023 | 163,200 | Not Applicable [#] |
| 12. | Kirit Vishanji Gala (HUF) | September 27, 2023 | 160,200 | Not Applicable [#] |
| 13. | Nayna Gala | September 27, 2023 | 150,000 | Not Applicable [#] |
| 14. | Saloni Kirit Gala | September 27, 2023 | 66,858 | Not Applicable [#] |
| 15. | Alpa Kiran Chheda | September 27, 2023 | 150,000 | Not Applicable [#] |
| 16. | Vaibhavi Gala | September 27, 2023 | 150,000 | Not Applicable [#] |
| 17. | Madhu V Ashar** | September 27, 2023 | 63,000 | Not Applicable [#] |
| 18. | Manisha Ashar | September 27, 2023 | 600 | Not Applicable [#] |
| 19. | Rajiv and Anupa Ashar Family Trust | September 27, 2023 | 80,400 | Not Applicable [#] |
| 20. | Manisha Ashar | October 17, 2023 | 14,000 | 190 |
| 21. | Rumie Kirit Gala | March 11, 2024 | 54,400 | Not applicable ^{##} |
| 22. | Nayna Gala | March 15, 2024 | 54,400 | Not applicable ^{##} |
| 23. | Alpa Kiran Chheda | March 18, 2024 | 54,400 | Not applicable ^{##} |
| 24. | Saloni Kirit Gala | April 10, 2024 | 54,400 | Not applicable ^{###} |
| 25. | Vaibhavi Gala | June 13, 2024 | 54,400 | Not applicable ^{##} |
| 26. | Taramati V Gala | June 21, 2024 | 155,600 | Not applicable [^] |
| 27. | Taramati V Gala | August 21, 2024 | 385,200 | Not applicable |

[^] As certified by the Statutory Auditor by way of their certificate dated August 23, 2024.

^^Transfer pursuant to demise of Vishanji Harshi Gala from nominee being Kirit Vishanji Gala to Taramati V Gala being the beneficiary of the Equity Shares as per the testamentary will of Vishanji Harshi Gala

The Board of Directors pursuant to a resolution dated August 17, 2023 and the special resolution dated September 05, 2023 passed by our Shareholders, have approved the issuance of 7,583,688 bonus Equity Shares in the ratio of 3:1 which were issued and allotted on September 27, 2023.

Transfer of 54,400 Equity Shares each to Rumie Kirit Gala, Nayana Gala, Alpa Kiran Chheda and Vaibhavi Gala pursuant to dissolution of Vishanji Harshi Gala HUF

Pursuant to gift from Rumie Kirit Gala

**Pursuant to gift from Vishanji Harshi Gala*

*** Held as first shareholder with second shareholder being Manisha Ashar*

As on the date of this Prospectus, the Company does not have any shareholders entitled with right to nominate Directors or any other rights.

23. Our Company has ensured that any transaction in the Equity Shares by our Promoters and the members of the Promoter Group during the period between the date of the Red Herring Prospectus with SEBI and the date of closure of the Offer was reported to the Stock Exchanges within 24 hours of such transaction.
24. Our Company, the Promoters, our Directors and the Book Running Lead Manager have no existing buyback arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.
25. Except as mentioned in “Notes to Capital Structure – ESOP”, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into Equity Shares as on the date of this Prospectus.
26. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
27. Except to the extent of the Offer for Sale by the Selling Shareholders our Promoter Group will not participate in the Offer.
28. No person connected with the Offer, including, but not limited to, the Book Running Lead Manager, the members of the Syndicate, our Company, our Directors, our Promoters, members of our Promoter Group or Group Companies, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.
29. Except as disclosed in this section, our Company has not undertaken any public issue of securities or any rights issue of any kind or class of securities in terms of SEBI ICDR Regulations, since its incorporation.

OBJECTS OF THE OFFER

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

Offer for Sale

The Selling Shareholders will be entitled to their respective portion of the proceeds of the Offer for Sale after deducting their proportion of the Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale. Further, the proceeds received from the Offer for Sale will not form part of the net proceeds, i.e., gross proceeds of the Fresh Issue less the Offer related expenses applicable to the Fresh Issue (“**Net Proceeds**”). For details of the Selling Shareholders, see “*Other Regulatory and Statutory Disclosures – Authority for the Offer*” on page 401.

For further details, see “- *Offer Expenses*” on page 133.

Net Proceeds

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

| (₹ in million) | |
|--|----------|
| Particulars | Amount |
| Gross proceeds from the Fresh Issue | 1,353.40 |
| (Less) Offer related expenses in relation to the Fresh Issue ⁽¹⁾⁽²⁾ | 139.27 |
| Net Proceeds | 1,214.13 |

1. For details with respect to sharing of fees and expenses amongst our Company and the Selling Shareholders, please refer to the heading “*Offer Expenses*” at page 133.

Objects of the Fresh Issue

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

1. Setting up a new facility at Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu for manufacturing high tensile fasteners and hex bolts;
2. Funding capital expenditure requirements towards purchase of equipment, plant and machinery at Wada, Palghar, Maharashtra;
3. Repayment/ prepayment, in full or part, of certain borrowings availed by our Company; and
4. General corporate purposes.

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

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

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

Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in the following manner:

| (In ₹ million) | |
|--|---|
| Particulars | Amount which will be financed from Net Proceeds |
| Setting up a new facility at Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu for manufacturing high tensile fasteners and hex bolts | 370.00 |
| Funding capital expenditure requirements towards purchase of equipment, plant and machinery at Wada, Palghar, Maharashtra | 110.69 |

| Particulars | Amount which will be financed from Net Proceeds |
|--|---|
| Repayment/ prepayment, in full or part, of certain borrowings availed by our Company | 454.30 |
| General corporate purposes | 279.14 |
| Total | 1,214.13 |

Proposed schedule of implementation and deployment of Net Proceeds

The following table sets forth the details of the schedule of the expected deployment of the Net Proceeds:

(₹ in million)

| Sr. No. | Particulars | Total estimated cost | Amount already deployed as on June 30, 2024 | Amount to be funded from the Net Proceeds | Estimated deployment | |
|---------|--|-----------------------|---|---|----------------------|---------------|
| | | | | | Fiscal 2025 | Fiscal 2026 |
| 1. | Setting up a new facility at Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu for manufacturing high tensile fasteners and hex bolts | 483.32 ⁽²⁾ | 100.19 ⁽³⁾ | 370.00 | 250.00 | 120.00 |
| 2. | Funding capital expenditure requirements towards purchase of equipment, plant and machinery at Wada, Palghar, Maharashtra | 110.69 | - | 110.69 | 110.69 | - |
| 3. | Repayment/ prepayment, in full or part, of certain borrowings availed by our Company | 454.30 | - | 454.30 | 454.30 | - |
| 4. | General corporate purposes ⁽¹⁾ | 279.14 | - | 279.14 | 100.00 | 179.14 |
| | Total | 1,327.45 | 100.19 | 1,214.13 | 914.99 | 299.14 |

1. Total estimated cost as certified by Independent Architect vide their certificate dated August 10, 2024 in respect of funding capital expenditure requirements for setting up a new facility at Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu.

2. As certified by our Statutory Auditors, by way of their certificates dated August 23, 2024 in respect of amounts deployed towards the funding capital expenditure requirements for setting up a new facility at Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu.

The fund requirements, proposed deployment of funds and the intended use of the Net Proceeds set out above is based on our current business plan, internal management estimates, valid quotations received from third parties, certificate from an independent project consultant, current circumstances of our business, prevailing market conditions and other commercial considerations. However, these fund requirements and proposed deployment of Net Proceeds have not been appraised by any bank or financial institution. We may have to revise our funding requirement on account of various factors, such as financial and market conditions, delay in procuring and operationalizing assets or necessary licenses and approvals, competition, price fluctuations, interest rate fluctuations and other external factors, which may not be within the control of our management. This may also entail rescheduling of the proposed deployment of the Net Proceeds at the discretion of our management, subject to compliance with applicable laws. Further, in the event, the Net Proceeds are not utilized (in full or in part) for the objects of the Offer during the period stated above due to any reason, including (i) the timing of completion of the Offer; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized in subsequent periods for the years 2024-2025, 2025-2026 and if not in these years then by year 2026-2027 as may be determined by our Company, in accordance with applicable laws. This may also entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable law. For details, see “Risk Factors –Our funding requirements and proposed deployment of the Net Proceeds have not been appraised by any bank or financial institution, and may be subject to change based on various factors, some of which are beyond our control” on page 36.

Subject to compliance with applicable laws, if the actual utilisation towards any of the Objects, as set out above, is lower than the proposed deployment, such balance will be used towards any other Object including general corporate purposes, provided 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 towards meeting the Objects of the Offer, we may explore a range of options including utilising our internal accruals, any additional equity or debt arrangements or both. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of any 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, including from internal accruals, if any, available in respect of the other purposes for which funds are being raised in the Offer. To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned Objects, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in subsequent Fiscals for the years 2024-2025, 2025-2026 and if not in these fiscal then by fiscal 2026-2027 towards the aforementioned Objects as may be determined by our Company, in accordance with applicable law. Our Company may also utilise any portion of the Net Proceeds, towards the aforementioned Objects of the Offer, ahead of the estimated schedule of deployment specified above.

Details of the Objects of the Fresh Issue

1. Setting up a new facility at Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu for manufacturing high tensile fasteners and hex bolts

As part of our growth strategy and with a view to expanding our capacity of special fastening solutions for products like foundation studs, nascelle fasteners, hex bolts, nuts etc. we are setting up a new manufacturing facility at Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu ("**Proposed Project**"). This will allow us to better serve our existing customers and also assist us in better addressing the business requirements of large customers. For further details of the aforesaid strategy, see, "*Our Business –Our Strategies*" on page 197. The total estimated cost of the Proposed Project is ₹483.32 million of which our Company proposes to utilise ₹370.00 million from the Net Proceeds for the capital expenditure requirements for setting up the Proposed Project.

Estimated Proposed Project Cost

1. The total estimated cost of the Proposed Project is ₹ 483.32 million as certified by Independent Architect vide their certificate dated August 10, 2024. The fund requirements, the deployment of funds and the intended use of the Net Proceeds for the Proposed Project as described herein are based on our current business plan, management estimates, current and valid quotations from suppliers or purchase orders issued to suppliers/vendors, and other commercial and technical factors. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution.
2. In relation to the purchase of machinery as set out below, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the machinery or at the same costs. The quantity of machinery to be purchased will be based on management estimates and our business requirements. Our Company shall have the flexibility to deploy such machinery according to the business requirements of our Company and based on estimates of our management. The list of machinery items provided is based on the current estimates & there can be variations in the cost at the actual ordering of the machines. Apart from this there can be variations in the nature of machines depending upon the business requirements at the time of actual procurement. As a result the list of machines will undergo change. Hence there can be addition of new machines or deletion from existing list.

The total estimated cost for setting up the Proposed Project comprises the following:

(₹ in million)

| Sr. No. | Particulars | Total estimated cost ⁽¹⁾ | Amount deployed as on June 30, 2024 ⁽²⁾ | Amount proposed to be funded from the Net Proceeds |
|---------|--|-------------------------------------|--|--|
| 1. | Land and Land Development Cost | 49.93 | 33.99 | 15.94 |
| 2. | Buildings | 74.96 | 32.34 | 42.62 |
| 3. | Plant and machinery | 271.89 | 15.67 | 256.22 |
| 4. | Electrical Installation | 22.77 | 6.03 | 16.74 |
| 5. | Furniture and miscellaneous | 10.97 | 0.00 | 10.97 |
| 6. | Government approvals, permissions and clearances | 10.20 | 5.17 | 5.03 |

| Sr. No. | Particulars | Total estimated cost ⁽¹⁾ | Amount deployed as on June 30, 2024 ⁽²⁾ | Amount proposed to be funded from the Net Proceeds |
|---------|------------------------|-------------------------------------|--|--|
| 7. | Pre-Operative Expenses | 21.92 | 6.99 | 1.8 |
| 8. | Contingency | 20.68 | - | 20.68 |
| | Total | 483.32 | 100.19 | 370.00 |

1. Total estimated cost as certified by Independent Architect vide their certificate dated August 10, 2024.

2. As of June 30, 2024, the amount deployed towards the Proposed Project was ₹ 100.19 million, as certified by our Statutory Auditors, by way of their certificate dated August 23, 2024. For sources of funds for the amounts deployed, please see “-Means of Finance” below.

The current estimates and specifications in relation to the capital expenditure requirements of the Proposed Project are based on the current status of implementation, project design and layout. Further, we may continue to place new orders, amend existing orders as per project requirements or pursuant to any design or technical changes or make scheduled payments in relation to the orders which have been placed with vendors for various plant, machinery and equipment, materials, civil work and any other requirements (including services) in relation to the Proposed Project. Such payments or any subsequent initial expenditure in relation to the Proposed Project will be funded through internal accruals of our Company, until the Net Proceeds are available to our Company.

We will be placing the orders with vendors based on the competitive cost and proposed delivery schedule of the equipment. The vendors for supply of such other equipment have been shortlisted on the basis of the reputation of the vendors, the historical performance of the equipment supplied by them and other factors such as electrical energy consumption, maintenance cost during operation stages, after sales services and support capability of the supplier to assist us during installation and provision of post-sale services.

We will place orders for the assets and services for which orders are yet to be placed as per the schedule of implementation for the Proposed Project. For further details see “Risk Factors – We intend to utilise the Net Proceeds for funding our capital expenditure requirements and we are yet to place orders for some of our capital expenditure requirements. There is no assurance that we would be able to source such capital expenditure requirements in a timely manner or at commercially acceptable prices” on page 36.

Means of finance for Proposed Project

The total estimated cost for setting up of the Proposed Project is approximately ₹ 483.32 million. We intend to fund the estimated cost of setting up the Proposed Project as follows:

(₹ in million)

| Particulars | Amount |
|--|-----------------------|
| Total estimated project cost (A) | 483.32 ⁽¹⁾ |
| (less) Amount deployed as of June 30, 2024 (B) | 100.19 ⁽²⁾ |
| Balance amount to be incurred (C) = (A-B) | 383.13 |
| Amount to be funded by infusion of Net Proceeds (D) | 370.00 |
| Existing internal accruals proposed to be utilized (E) | 13.13 |
| Funding required excluding the Net Proceeds (F) = (C– D – E) | Nil |

1. Total estimated cost as certified by Independent Architect vide their certificate dated August 10, 2024

2. As certified by our Statutory Auditors, by way of their certificate dated August 23, 2024. The funds deployed towards the Proposed Project, as on June 30, 2024, were from internal accruals of our Company (₹ 100.19 million).

Based on the aforementioned, we confirm that firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be used from the Net Proceeds and internal accrual have been made by us.

Break-up of the estimated cost

Land and Land development

The land on which the new facility will be set up is located at Plot no G-18/2, Vallam-Vadagal Industrial Park, SIPCOT, Sriperumbudur, Kancheepuram, Tamil Nadu, India admeasuring 6718 sq. mt. The land was leased at a cost of ₹29.22 million for a period of 99 years from the date of allotment i.e. November 14, 2022 vide Lease Deed dated December 28, 2022 which was executed between State Industries Promotion Corporation of Tamil

Nadu Limited (“SIPCOT”) and our Company. The land acquired by us is free from all encumbrances and has a clear title. Further we have received all approvals pertaining to the land.

Land development

Land development cost includes construction of compound walls, roads, RCC culverts, land development works such as earth filling, tree & bushes cutting and setting up underground sump with fire pump house. The total estimated cost for land development cost for the Proposed Project is ₹ 20.71 million a break up of which is set forth below:

| Description of Structure | Technical Specification | Estimated cost (in ₹ million)* |
|--|--|--------------------------------|
| Retaining and Compound Wall on Front (South) side – 42.0 m | Pile Foundations with RCC Frame, Superstructure and MS Fencing on top and 2nos. of Main Gates. Total Height above FGL. is 3.15m. | 3.08 |
| Retaining and Compound Wall on Back (North) side – 97.0 m, RCC Culverts & other works | Pile Foundations with RCC Frame Superstructure and MS Fencing on top. Total Height above FGL. is 4.15m | 1.71 |
| Roads | RCC Roads with kerbing | 7.40 |
| Retaining and Compound Wall on the west side – adjoining to the westside plot of Shivpad | RCC Frame structure with Blocks | 1.08 |
| Foundations for Machines | Heat treatment Forging Press 630 Ton Forging Press 400 Ton | 3.48 |
| Retaining and Compound Wall on the east side – adjoining to the eastside plot of Aum Dacro | RCC Frame structure with Blocks | 1.49 |
| Total | | 18.24 |
| Total inclusive of 18% of GST (in ₹ million) | | 20.71 |

* Total estimated cost as certified by Independent Architect vide their certificate dated August 10, 2024

Buildings

The total estimated cost for building works for the Proposed Project is ₹74.96 million. Our Company proposes to utilise upto ₹74.96 million towards constructing main factory with pre-engineered building, mezzanine floors, plumbing and sanitation work, electrical and waiting rooms, security buildings, pump room etc. A break up of the same is set forth below:

| Name of building | Total Built up Area (in sq. mtrs) | Estimated Cost (₹ in millions)* |
|---|-----------------------------------|---------------------------------|
| Main Factory with Pre-Engineered Building | 2887.92 | 39.87 |
| Mezzanine Floors | 1207.73 | 13.15 |
| Plumbing and Sanitation Work | Lump Sum | 3.78 |
| Civil Work for Office on Ground Floor | Lump Sum | 2.60 |
| Civil Work for Office on First Floor | Lump Sum | 4.40 |
| Electrical / Waiting Room | 48.92 | 1.74 |
| Security Building– 2nos. | 12.50 | 0.90 |
| Pump room for Fire Hydrant | 45.63 | 0.85 |
| DG Platform/Transformer Yard | 72 | 0.95 |
| Total | | 68.23 |
| Total inclusive of 18% of GST (in ₹ million) | | 74.96 |

*Total estimated cost as certified by Independent Architect vide their certificate dated August 10, 2024

Plant and machinery

Out of the total estimated cost of the Proposed Project, the estimated cost towards the plants and machineries are ₹271.89 million which includes, *inter alia*, machineries for manufacturing of studs, hex bolt, nuts and other machineries like hot dip galvanizing, QA/QC equipment, utility, store equipment and material handling equipment.

A detailed break-up of such estimated cost is set forth below:

| Name of Machinery | Technical Specification | Quantity | Estimated Cost* (₹ in millions) |
|--|--|----------|---------------------------------|
| Plant and Machinery for Stud | | | |
| Bandsaw Machine | Model: ACS-220 DFA | 3 | 2.06 |
| Facing & Chamfering | Model: FCM 80 SC 800 Max/Min Dia of Shaft: 20/80 Max/Min Length of Shaft: 150/800 | 2 | 6.80 |
| Dot Pin Marking | Model: PPLL-120Marking window: 120 X 30 mm | 3 | 0.38 |
| CNC Polygon Machine | Model: TPT-2s-60H | 1 | 1.75 |
| Thread Rolling Machine | Model: UM-50A Main Motor: 15 HP | 3 | 9.89 |
| Thread Rolling Machine | Model: UM-75A Main Motor: 30 HP | 2 | 11.98 |
| Thread Rolling Machine | Model: UM-100 Main Motor: 40 HP | 2 | 22.77 |
| Thread Rolling Machine | Model: UM-120 Main Motor: 50 HP | 1 | 11.57 |
| Lathe Machine | Model: Panther GLEH/2 Bed Length: 9' Centre Height: 400 Admit Betn. Centres: 1370 | 3 | 2.16 |
| Thread rolling dies, tools & accessories | Thread Size: M30X3.5, M36X4, M64X6 | 80 pairs | 8.38 |
| Total (A) | | | 77.73 |
| Plant and Machinery for Hex Bolt | | | |
| Circular cutting machine | Model: Sonic FANC 80Cutting Capacity: 15 -80 mm 20-65 mm | 1 | 3.34 |
| Bandsaw Machine | Model: ACS-220 DFA | 1 | 0.69 |
| Drilling machine | Model: MAG-3 Capacity: 50 mm | 1 | 0.86 |
| Induction Heating furnace | Capacity: 100KW/6KHz | 1 | 1.63 |
| Induction Heating furnace | Capacity: 200KW/3KHz | 1 | 2.83 |
| CNC Screw Press Hot Forging | Capacity: 630 Ton Model: EP-630 Min. Tool Height: 800 mm Max Bolt Length: 450 mm | 1 | 16.17 |
| CNC Screw Press Hot Forging | Capacity: 400 Ton Model: EP-400 (Customized) Min. Tool Height: 700 mm Max Bolt Length: 400 mm | 1 | 12.13 |
| Shot Blasting | 1W Single Manual Door 36" turn table Load Capacity: 500 Kgs Size: W 900 mm X L 900 mm X H 500 mm | 1 | 1.47 |
| Trimming machine | Model: N30 GMP | 1 | 0.84 |
| CNC Turning Machine | Model: LR30TL7 -Fanuc45 Degree slant bed | 2 | 8.45 |
| Heat Treatment (Hardening/tempering) | Chamber Size: 4/2M - 70/85/130 Capacity: Max. gross charge weight-1000 KG | 1 | 20.80 |

| Name of Machinery | Technical Specification | Quantity | Estimated Cost* (₹ in millions) |
|--|---|----------|---------------------------------|
| Thread Rolling machine TRM100 | Model: UM-100 Main Motor: 40 HP | 1 | 11.38 |
| Thread Rolling machine TRM120 | Model: UM-120 Main Motor: 50 HP | 1 | 12.46 |
| Sleeve Cutting machine | - | 1 | 0.15 |
| Thread rolling dies, tools & acc. | Thread Size: M30X3.5, M36X4, M64X6 | 16 pairs | 1.68 |
| Lathe Machine | Model: Panther GLEH/2 Bed Length: 9' Centre Height: 400 Admit Betn. Centres: 1370 | 3 | 2.16 |
| CNC EMD Wire Cut Machine | Model: Job Master DZIRE Main Table Travel: 400 X 300 mm Z Axis Travel: 250 mm Max. Job Weight: 250 mm | 1 | 3.35 |
| Total (B) | | | 100.37 |
| Plant and Machinery for Nut | | | |
| Automatic robot hand to move the products | - | 1 | 2.47 |
| Automatic feeding machine | - | 1 | 0.58 |
| Induction furnace | Capacity: 250 Kw | 1 | 1.42 |
| Cooling tower | Capacity: 30 Tons | 1 | 0.54 |
| Press machine including one set of mould | - | 1 | 3.45 |
| Moulds for press machine | - | 1 set | 0.45 |
| SPM for threading | Model: LR30TL7 -Fanuc 45 Degree slant bed | 1 | 4.23 |
| Total (C) | | | 13.14 |
| Plant and Machinery – Hot Dip Galvanizing | | | |
| Hot Dip Galvanizing | Process: Fastener Galvanizing Plant for 3.24 mtr. long item with production capacity of 0.5 MT/Hr. Galvanizing Bolts size: M16 to M56 Length: 150 mm to 3240 mm | 1 | 49.16 |
| Total (D) | | | 49.16 |
| Plant and Machinery – QA/QC Equipment | | | |
| Post MPI machine | Model: MF 5000 S Current Out-put: 5000 Amps | 2 | 2.30 |
| Salt Spray Chamber | Capacity: 1000 Lit. Size: 2300 mm L X 600 mm W X 700 mm D | 1 | 0.59 |
| Contour Tracer Machine | Model: Contourecord1600G-14Max Loading Capaticy: 50 KG | 1 | 1.84 |
| Belt Grinder Machine | Model: BAINLINE –GP Working Space: 100 mm X 190 mm | 1 | 0.03 |
| Abrasive Cutting Machine | Model: BAINCUT -L Motor: 7.5 HP, 3 Phase Spindle Speed: 1850 RPM Cut-off wheel Dia 14" | 1 | 0.52 |
| Automatic Specimen Mounting Machine | Model: BAINMOUNT -P AUTO With interchangeable 1.5, 30 mm & 40 mm mould sizes Size: L 530 X B 600 X H 470 mm | 1 | 0.21 |
| Double Disc Polishing machine | Model: BAINPOL -VTD 8" Double Disc Polisher Variable speed from 50-1000 RPM | 1 | 0.07 |

| Name of Machinery | Technical Specification | Quantity | Estimated Cost* (₹ in millions) |
|--|--|----------|---------------------------------|
| Microscope with system | Model: Metagraph I (Special) | 1 | 0.51 |
| Vicker Hardness testing machine (Computerised) | Model: VM50-TSHV 5 KG to 50 KG | 1 | 0.59 |
| Digital Rockwell Hardness Tester | Model: RESNET-3 Test Load: 15 KG to 150 KG | 1 | 0.24 |
| Surface Table | Size: 1000 X 1000 X 150 | 2 | 0.09 |
| Ring gauges | Size: M24-M72 | 1 set | 0.15 |
| Plug gauges | Size: M24-M72 | 1 set | 0.07 |
| WCP Master gauges | Size: M24-M72 | 1 set | 0.11 |
| WCR Master gauges | Size: M24-M72 | 1 set | 0.25 |
| Digital Vernier Caliper | Make: Baker Size: 0-150MM, 0-300MM, 0-600MM & 0-1000MM | 1 set | 0.13 |
| Digital Micrometer | Make: Baker Size: 0-25MM, 25-50MM, 50-75MM, 75-100MM & 100-125MM | 1 set | 0.06 |
| Digital Pitch Micrometer | Make: Mitutoyo Size: 0-25MM, 25-50MM, 50-75MM, 75-100MM & 100-125MM | 1 set | 0.15 |
| Digital Height gauge | Make: Baker Size: 0-600MM & 0-1000MM | 1 set | 0.17 |
| Bench Center | Size: 1000 mm X 200 mm | 1 | 0.09 |
| Total (E) | | | 8.17 |
| Plant and Machinery for Utility | | | |
| Racks for dies and tools | Model: Mighty K-roller 600 X 300 No. of Bays/Pillars: 4 No. of Trays: 8 + 1 Total Loading Capacity: 30 + 2 Tons Length of Material: 6 Mtr. | 1 | 0.70 |
| Diesel Generator | Make: Cummins Model: QSB6.7-G23Capacity: 250 KVA306.9 BHP at 1500 RPM | 1 | 2.25 |
| Diesel Generator | Make: Cummins Model: QSM15-G1Capacity: 380 KVA594 BHP at 1500 RPM | 1 | 3.40 |
| Compressor | Model: CSD 85 SC -8.5 barg Capacity: 292 CFM/7.5 Bar | 2 | 1.30 |
| Effluent Treatment Plant (ETP) | Plant Design: 500 Liters Per Hr. Plant Design: 2,500 Liters Per Day | 1 each | 2.85 |
| Sewage Treatment Plant (STP) | Plant Design: 5,000 Liters Per Day | | |
| Fire Hydrant System | - | 1 | 3.50 |
| Total (F) | | | 14.01 |
| Plant and Machinery for Store Equipment | | | |
| Racks for material storage | Model: Mighty K-roller 600 X 300 No. of Bays/Pillars: 4 No. of Trays: 8 + 1 Total Loading Capacity: 30 + 2 Tons Length of Material: 6 Mtr. | 1 | 0.70 |
| Sleeve Cutting machine | - | 1 | 0.15 |
| Auto Strapping machine | - | 1 | 0.21 |
| Total (G) | | | 1.06 |
| Plant & Machinery for Material Handling Equipment | | | |
| Mono Crane | Manual Portable Single Girder Gantry Crane Capacity: 2.5 Ton Rail Span: 3 Mtrs. Height of Lift: 3.5 Mtrs | 2 | 2.73 |

| Name of Machinery | Technical Specification | Quantity | Estimated Cost* (₹ in millions) |
|---|---|----------|---------------------------------|
| Forklift | OM Brand Model: EVX30MAXACHVT2100-72V Capacity: 3 Ton | 1 | 1.33 |
| Battery operated Stackers | OM Brand Model: VVECB15 HVT4500 Capacity: 1.5 Ton | 2 | 1.44 |
| Jib Crane | Capacity: 3 Ton Lift Height: 4.5 Mtr. Boom: 4 Mtr | 2 | 2.76 |
| Total (H) | | | 8.26 |
| Total (A+B+C+D+E+F+G+H) (in ₹ million) | | | 271.89 |

*Total estimated cost as certified by Independent Architect vide their certificate dated August 10, 2024

Electrical Installation

Out of the total estimated cost of the Proposed Project, the estimated cost towards the electrical installations are ₹ 22.77 million which includes, *inter alia*, panels, cables and transformers. A detailed break-up of such estimated cost is set forth below:

| Name of Machinery/Equipment | Estimated Cost* (₹ in millions) |
|--|---------------------------------|
| HT Panel Works | 1.32 |
| Transformer | 3.29 |
| LT Panels | 4.56 |
| Distribution Boards | 0.27 |
| Cables/Terminations/Cable Tray | 4.31 |
| Point Wiring | 0.17 |
| Earth & Earth Connection | 0.70 |
| External Lighting | 0.38 |
| Luminaries | 0.45 |
| Lightning Conductor | 0.21 |
| Design and consulting fees | 0.63 |
| Electrical Work of office – Ground Floor | 2.10 |
| Electrical Work of office – First Floor | 4.37 |
| Total (in ₹ million) | 22.77 |

* Total estimated cost as certified by Independent Architect vide their certificate dated August 10, 2024

Furniture and miscellaneous

The total estimated cost for furniture and miscellaneous works for the Proposed Project is ₹10.97 million. Our Company proposes to utilise which includes, *inter alia*, furniture of office, IT Equipment and Vehicles. A detailed break-up of such estimated cost is set forth below:

| Name of Machinery/Equipment | Estimated Cost* (₹ in millions) |
|--|---------------------------------|
| Furniture of Office | |
| Ground floor furniture | 2.55 |
| First floor furniture | 1.70 |
| Sub-total – A | 4.24 |
| IT Equipment | |
| Cabling and Switches + 5 AP's + rack + UPS 6KVA: | 1.08 |
| File Server + 4 TB SAN box. | 0.95 |
| 6 TB NAS drive | 0.19 |
| 20 Laptops with Windows 11 pro (Regular configuration) | 1.10 |
| Fortigate 60F firewall + 3 years bundle | 0.15 |
| MS office License - 20 Nos | 0.68 |
| Trend Micro Antivirus: 25 Nos | 0.05 |
| Barcode printer. 1 Nos | 0.02 |
| Laser Printer black and White (All in One Duplex) | 0.04 |
| Sub- total-B | 4.25 |
| Vehicles | |

| Name of Machinery/Equipment | Estimated Cost* (₹ in millions) |
|--|----------------------------------|
| Maruti Suzuki Brezza Car Model: Brezza VXI | 1.24 |
| Maruti Suzuki Brezza Car Model: Brezza VXI | 1.24 |
| Sub-total – C | 2.48 |
| Total (A+B+C) (in ₹ million) | 10.97 |

* Total estimated cost as certified by Independent Architect vide their certificate dated August 10,2024

Government approvals, permissions and clearances

The total estimated cost for obtaining government approvals, permissions and clearances for the Proposed Project is ₹10.20 million. Our Company will utilise from the proceeds, which includes, *inter alia*, pre-establishment approvals/permissions/clearances and post-establishment approvals/permissions/clearances. A detailed break-up of such estimated cost is set forth below alongwith actual cost incurred & to be incurred clubbed together:

| Particular | Estimated Cost* (₹ in millions) |
|---|----------------------------------|
| Pre-Establishment approvals/permissions/clearances: | |
| (i) Directorate of Town and Country Planning | 2.86 |
| (ii) Block Development Office (BDO) | |
| Guidance Tamil Nadu | 0.62 |
| Tamil Nadu Pollution Control Board (TNPCB) | 1.91 |
| Fire and Rescue Services | 0.18 |
| District Public Health department | 0.18 |
| Directorate of Industrial Safety and Health (DISH) | 0.64 |
| Sub-total A | 6.37 |
| Post-Establishment approvals/permissions/clearances: | |
| Tamil Nadu Pollution Control Board (TNPCB) CTO | 1.68 |
| Tamil Nadu Pollution Control Board (TNPCB) Hazardous Waste Auth | 0.45 |
| Fire and Rescue Services Fire License | 0.18 |
| Directorate of Industrial Safety and Health (DISH) As build drawing approval | 0.28 |
| Directorate of Industrial Safety and Health (DISH) BLDG Stability Certificate | 0.03 |
| Directorate of Industrial Safety and Health Factory License | 0.22 |
| Directorate of Industrial Safety and Health | 0.18 |
| Health & Preventive medicine | 0.18 |
| Miscellaneous | 0.65 |
| Sub-total B | 3.83 |
| Total (in ₹ million) | 10.20 |

* Total estimated cost as certified by Independent Architect vide their certificate dated August 10, 2024

Pre-Operative Expenses

The total estimated cost towards pre-operative expenses for the Proposed Project is ₹21.92 million, which includes, *inter alia*, manufacturing cost, personnel cost and interest on borrowing.

| Particular | (in ₹ million) |
|--------------------------------|----------------|
| Raw Material Cost | 2.65 |
| Manufacturing Cost | 3.50 |
| Personnel Cost | 3.00 |
| Depreciation on Building & P&M | 4.21 |
| Interest on Borrowings | 8.56 |
| Total | 21.92 |

Contingencies

The Company envisages that there might be price fluctuations and the currently estimated project cost may increase on account of factors beyond our control, including increase in cost of machinery and associated transportation or other charges or taxes. The total estimated cost for contingencies is ₹ 20.68 million.

We do not intend to purchase any second-hand equipment in relation to this Object.

Proposed schedule of implementation of the Proposed Project

The proposed schedule of activities as per architect certificate dated August 10, 2024 issued by the Independent Architect, in respect of the Proposed Project are as follows:

| Particulars | Phase I | | Phase II | |
|--|--|--------------------------|--------------------------------------|--------------------------|
| | Actual / Estimated Commencement Date | Expected completion date | Actual / Estimated Commencement Date | Expected completion date |
| Land acquisition | License Agreement executed as on December 28, 2022 | Completed | --- | --- |
| Land Development Cost | September, 2023 | October, 2024 | --- | --- |
| Buildings | December, 2023 | August, 2024 | --- | --- |
| Buildings-Mezzanine floor | July 2024 | September 2024 | | |
| Plant and machinery | February, 2024 | September, 2024 | January, 2025 | June, 2025 |
| Electrical Installation | January, 2024 | August, 2024 | --- | --- |
| Furniture and miscellaneous | April, 2024 | October, 2024 | June, 2025 | September, 2025 |
| Government approvals, permissions and clearances | October, 2023 | September, 2024 | February, 2025 | September, 2025 |
| Plant Commissioning & Trial run | August, 2024 | October, 2024 | September, 2025 | November, 2025 |
| Commercial Production | October, 2024 | --- | November, 2025 | --- |

Other than the lease agreement, as on the date of this Prospectus, the work in respect of the Proposed Project has commenced. The installed capacity for stud, hex bolt, nut of the Proposed Project is proposed to be an aggregate of 10.07 million units per annum or say 4600 MT per annum.

Government approvals

In relation to the Proposed Project, we are required to obtain approvals, which are routine in nature, from certain governmental or local authorities as provided in the table below and as certified by RB SA Advisors LLP, Independent Consultant, pursuant to DPR dated February 12, 2024:

| Sr. No. | Approval for | Authority | Approval date | Stage at which approvals are required | Status |
|---------|--------------------------|---|--------------------|---------------------------------------|----------|
| 1. | Consent to establish | Tamil Nadu Pollution Control Board | September 25, 2023 | Before commissioning | Received |
| 2. | No Objection Certificate | Tamil Nadu Fire & Rescue Service Department | September 22, 2023 | Before commissioning | Received |
| 3. | Industrial Safety | Directorate of Occupational Safety and Health | August 8, 2023 | Before commissioning | Received |
| 4. | Public Health and | Department of Public Health and | August 18, 2023 | Before commissioning | Received |

| Sr. No. | Approval for | Authority | Approval date | Stage at which approvals are required | Status |
|---------|--------------------------|--|------------------|---------------------------------------|----------|
| | Preventive Medicine | Preventive Medicine | | | |
| 5. | Building Plan Permission | Directorate of Town and Country Planning | February 2, 2024 | Before commissioning | Received |

Further, the Promoters, Directors, Key Managerial Personnel and the Group Company do not have any interest in the proposed acquisition of the machinery or in the entity from whom we have obtained quotations in relation to purchase of the machinery as mentioned above and our Company has confirmed that such entities do not form part of our Promoter Group or Group Company.

2. Funding capital expenditure requirements towards purchase of equipment, plant and machinery at Wada, Palghar, Maharashtra

As a part of our strategy to enhance market position with focus on additional capacity for manufacturing of hex bolts, operational efficiency, improve safety, IT set up and quality capabilities. Accordingly, in furtherance of the aforesaid, we intend to utilize up to ₹ 110.69 million towards purchase of machinery for additional capacity for manufacturing of hex bolts at our existing production facilities in Wada, Palghar, Maharashtra in order to increase the automated processes available at such facilities as well as for the replacement of existing machinery, for facility improvisations.

An indicative list of such machinery that we intend to purchase for deployment at our principal production facilities at Wada, Palghar, Maharashtra, based on management estimates, along with details of the quotations, have been set forth:

| Machine / System | Description / Technical Specification | Quantity | Cost per unit (in ₹) | Total Cost (in ₹ in millions) | Name of vendor | Date of quotation | Validity |
|--|---|----------|----------------------|-------------------------------|--|-------------------|------------------------|
| Fire hydrant system | - | 1 | 2,313,264 | 2.31 [^] | Mrityunjay Fire Services | - | - |
| Fire hydrant system | - | 1 | 2,561,736 | 2.56 ^{^^} | Mrityunjay Fire Services | - | - |
| Pump room & 1lac ltr water tank under ground - pump room & 1lac ltr water tank | Under ground - pump room & 1lac ltr water tank | 2 | 1,662,500 | 3.33 ^{^^} | Tab & Co | - | - |
| Hydraulic thru feed thread rolling machine | Model – UM-100 Capacity – 100 ton | 1 | 9,587,550 | 9.59 | Kim Union Industrial Co., limited | July 19, 2024 | December 30, 2024 |
| Sealed quench furnace | Model – HTF-DOWA TKM-80-X-ERT | 1 | 24,618,000 | 24.62 | Hightemp Furnaces Limited | July 02, 2024 | Upto February 15, 2025 |
| Hydraulic press | 50 Tonnes – Four pillar type hydraulic press | 1 | 1,480,000 | 1.48 | VMD Systems | July 11, 2024 | March 31, 2025 |
| Zoho CRM Plus (2900*12*10) | With one time implementation cost | 1 | 398,000 | 0.40 | Square HT | June 21, 2024 | 06 months |
| Rockwell cum brinell cum superficial hardness tester | Model – TRSNC-D | 1 | 164,900 | 0.16 | Fine Manufacturing Industries | July 12, 2024 | Feb 15, 2025 |
| CNC spring coiling machine | HERDON HCS-80T 6 - AXES High Speed Range: 3.00mm-8.00mm With Min Spring Index 3 | 1 | 19,175,100 | 19.18 | Herdon Machinery Ent. Co. Ltd. | July 26, 2024 | December 31, 2024 |
| Double plate CNC spring end grinding machine | Model – GA12-2E | 1 | 3,668,280 | 3.67 | Zhejiang Juncture Import And Export Co., Ltd | July 02, 2024 | December 31, 2024 |

| Machine / System | Description / Technical Specification | Quantity | Cost per unit (in ₹) | Total Cost (in ₹ in millions) | Name of vendor | Date of quotation | Validity |
|--|---|----------|----------------------|-------------------------------|--|-------------------|-------------------|
| Laptops | With windows 11 pro Model – Dell 3420 | 30 | 55,000 | 1.65 | Datasoft Network Solutions Private Limited | June 26, 2024 | 06 months |
| Servers | Model - Lenovo SR650 Server | 2 | 530,000 | 1.06 | Datasoft Network Solutions Private Limited | June 26, 2024 | 06 months |
| Table surface grinding machine | Model - SGC-50100 PLC2 | 1 | 3,780,000 | 3.78 | Synergy Machine Tools | July 02, 2024 | February 15, 2025 |
| Bolt torque tension testing system | Model – BTM-102 | 1 | 3,550,000 | 3.55 | Sushma Industries Private Limited | July 02, 2024 | February 15, 2025 |
| Diesel generating set | 256 kW / 320 kVA | 2 | 3,170,000 | 6.34 | Powerica Limited | July 09, 2024 | February 15, 2025 |
| Junker fastener vibration test | Model- TCH-100Z | 1 | 3,001,320 | 3.00 | Shanghai Tiancheng Industrial Co., | July 03, 2024 | February 15, 2025 |
| Shot blasting machine | Model- HR1B, Dust collector PF-2 | 1 | 2,000,000 | 2.00 | Gostol TST India Private Limited | July 02, 2024 | February 15, 2025 |
| Single variable frequency eddy current test system | Model – Technofour ‘Multifect-ECX’ test system with matched pair of rectangular test coil of sizes 60mm X 40mm (Nominal), 80mm X 45mm (Nominal), 100mm X 50mm (Nominal), 110mm X 70mm (Nominal) | 1 | 1,874,500 | 1.87 | Technofour | July 06, 2024 | 06 months |
| Compressed air piping | - | 1 | 1,060,100 | 1.06 | Airflow Enterprises | July 03, 2024 | February 15, 2025 |

| Machine / System | Description / Technical Specification | Quantity | Cost per unit (in ₹) | Total Cost (in ₹ in millions) | Name of vendor | Date of quotation | Validity |
|--|--|----------|----------------------|-------------------------------|--|--------------------------------|------------------------|
| 3 ton diesel forklift | Model – AF30D, 4.5m FFL NEO AT | 1 | 1,090,900 | 1.09 | Action Construction Equipment Limited | July 15, 2024 | Upto February 15, 2025 |
| 1.5 T Counter balance electric stacker | Model - CBES15,3m | 1 | 870,000 | 0.87 | Action Construction Equipment Limited | July 15, 2024 | Upto February 15, 2025 |
| Smart industrial IOT device with software | With integrated barcode scanner and NFC reader and SMPS and annual service | 70 | 51,900 | 3.63 | Bar Code India Limited | June 20, 2024 | 180 days |
| Variable stroke press machine | Model - JL21-45 Ton | 1 | 1,975,869 | 1.98 | Yangzhou Metalforming Machine Tool Co., LTD. | July 16, 2024 January 29, 2024 | February 15, 2025 |
| Chamfering machine | SANLI Spring OD Model - JD-160 | 1 | 500,000 | 0.50 | Machine Tools Associates | July 02, 2024 | December 31, 2024 |
| Solar street light | 30W and 24 hours battery back up | 30 | 11,900 | 0.36 | Nessa Illumination Private Limited | December 01, 2023 | 01 year |
| Surface roughness tester | SJ210 Surface Roughness Tester - Mitutoyo Make 178-561-12E | 1 | 1,32,500 | 0.13 | DFT TECH | July 11, 2024 | 06 months |
| Auto dip spin coating machine with gas fired heating furnace | Model - DSTM 300 | 1 | 3,525,000 | 3.53 | ARC Finishers | August 01, 2024 | 06 months |
| Oil type distribution transformer | 800KVA & 630KVA, 22/0.433 KV Oil Filled | 1 | 3,375,000 | 3.38 | Voltamp Transformers Limited | August 06, 2024 | 06 months |
| Plating plant | Automatic barrel type acid zinc | 1 | 3,627,800 | 3.63 | Welkin Engineering Works | August 01, 2024 | 180 days |
| Total (in ₹ million) | | | | 110.69 | | | |

*Exchange rate of 1 USD = ₹ 83.37 (www.fbil.org.in), March 31, 2024

^The purchase order for this system has been placed on May 24, 2024

^^The purchase order for this system has been placed on June 26, 2024

In relation to the purchase of machinery as set out above, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the machinery or at the same costs. The quantity of machinery to be purchased will be based on management estimates and our business requirements. Our Company shall have the flexibility to deploy such machinery according to the business requirements of our Company and based on estimates of our management.

The list of machinery items provided is based on the current estimates & there can be variations in the cost at the actual ordering of the machines. Apart from this there can be variations in the nature of machines depending upon the business requirements at the time actual procurement. As a result the list of machines may undergo change. Hence there can addition of new machines or deletion from existing list.

No second-hand or used machinery is proposed to be purchased out of the Net Proceeds. Each of the units of machinery mentioned above is proposed to be acquired in a ready-to-use condition, post installation and commissioning requirement. Further, the Promoters, Directors, Key Managerial Personnel and the Group Company do not have any interest in the proposed acquisition of the machinery or in the entity from which we have obtained quotations in relation to such proposed acquisition of the machinery and our Company has confirmed that such entities do not form part of our Promoter Group or Group Company.

Means of finance for purchase of equipment, plant and machinery

The fund requirements for purchase of equipment, plant and machinery for our manufacturing facilities at Wada, Palghar, Maharashtra are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue or through existing identifiable internal accruals.

3. Repayment/ prepayment, in full or part, of certain borrowings availed by our Company

Our Company has entered into various financial arrangements from time to time, with banks and financial institutions. The loan facilities availed by our Company include borrowings in the form of, *inter alia*, term loans and working capital facilities including fund based and non-fund-based borrowings. As at June 30, 2024, our total outstanding borrowings (fund based) amounted to ₹ 513.54 million. For further details on our borrowings, see “*Financial Indebtedness*” on page 388. Our Company proposes to utilise an estimated amount of ₹454.30 million from the Net Proceeds towards full or partial repayment or pre-payment of certain borrowings availed by our Company. Our Company may avail further loans and/or draw down further funds under existing loans from time to time.

The selection of borrowings proposed to be repaid/pre-paid amongst our borrowing arrangements availed is based on various factors including (i) cost of borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil or obtain waiver for such requirements, and (iii) other commercial considerations including, among others, the amount of the loans outstanding and the remaining tenor of the loan. However, the aggregate amount to be utilised from the Net Proceeds towards repayment or prepayment of borrowings (including refinanced or additional facilities availed, if any), in part or full, would not exceed ₹ 454.30 million.

Given the nature of these borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under these borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of the existing borrowings prior to Allotment. Accordingly, our Company may utilise the Net Proceeds for part prepayment of any such refinanced facilities or repayment of any additional facilities obtained by our Company. However, the aggregate amount to be utilised from the Net Proceeds towards repayment and/or prepayment, in part or full, of certain borrowings (including refinanced or additional facilities availed, if any), would not exceed ₹454.30 million.

We believe that such repayment and/or pre-payment will help reduce our outstanding indebtedness on a consolidated basis, debt servicing costs improve our debt to equity ratio and enable utilisation of our accruals for further investment in our business growth and expansion. Additionally, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

The following table provides the details of borrowings availed by our Company as of June 30, 2024, which we have identified to repay or prepay, in full or in part aggregating upto ₹454.30 million, from the Net Proceeds:

| Name of the Lender | Nature of borrowings | Purpose* | Amount sanctioned as on June 30, 2024* (₹ in million) | Principal amount outstanding as on June 30, 2024 (₹ in million)* | Repayment Date / Schedule/Tenor | Interest Rate (% p.a.) | Pre- payment conditions/ penalty |
|--------------------|--|---------------------|---|--|---|--------------------------------|----------------------------------|
| HDFC Bank Limited | Fund Based Working capital facilities | Working capital | 340.00 | 287.90 | Upto 365 days | From 2.00% p.a. to 10.25% p.a. | Nil if paid from own funds |
| | Term Loan | Capital Expenditure | 298.60 | 59.75 | 66 months (with 6 months moratorium from drawdown) | From 11.08% p.a. | Nil if paid from own funds |
| | Guaranteed Emergency Credit Line (GECL)- Working Capital Term Loan | Working Capital | 51.14 | 21.04 | 48 months and 60 Months in equated monthly installments | From 9.25% p.a. | Nil if paid from own funds |
| YES Bank Limited | Fund Based Working capital facilities | Working capital | 110.00 | 103.09 | Upto 365 days | From 2.00% p.a. to 10.25% p.a. | Nil if paid from own funds |
| | Term Loan | Capital Expenditure | 32.90 | 23.37 | 60 months in equated monthly installments | From 9.75% p.a. | Nil if paid from own funds |
| | Guaranteed Emergency Credit Line (GECL)- Working Capital Term Loan | Working Capital | 26.50 | 18.38 | 48 months and 60 Months in equated monthly installments | 8.64% p.a. to 9.25% p.a. | Nil if paid from own funds |
| Total | | | 859.14 | 513.54 | | | |

* In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations which requires a certificate from the statutory auditor certifying the utilization of loan for the purposed availed, our Company has obtained a certificate dated August 23, 2024 from the Statutory Auditor.

We may, from time to time, repay, refinance, enter into further financing arrangements or draw down funds from any such existing borrowing facilities. In such event, we may utilise the Net Proceeds towards repayment/prepayment of any existing or additional indebtedness which will be selected based on various commercial considerations including, among others, the interest on the borrowing facility, the amount of the borrowing outstanding and the remaining tenor of the borrowing, levy of prepayment penalty and quantum, any conditions attached to the borrowings restricting the ability to pre-pay/repay/redeem the borrowings, receipt of consents for repayment/prepayment from the respective lenders on agreed terms and conditions, presence of onerous terms and conditions under the facility, other commercial considerations and applicable law governing such borrowings.

For the purposes of the Offer, our Company has obtained consents and notified the relevant lenders, as is respectively required under the relevant facility documentation for undertaking the Offer. Further, to the extent our Company may be subject to the levy of prepayment penalties or premiums, depending on the facility being repaid/prepaid, the conditions specified in the relevant documents governing such credit facility and the amount outstanding/being pre-paid/repaid, as applicable, payment of such penalty or premium shall be made from the Net Proceeds. If the Net Proceeds are insufficient to the extent required for making payments for such prepayment penalties or premiums, such excessive amount shall be met from our internal accruals.

No portion of the Net Proceeds, that will be utilised for repayment/ prepayment, in full or part, of certain borrowings availed by our Company, will be directly or indirectly routed to our Promoter, members of the Promoter Group, Group Companies or associates

4. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds, aggregating to ₹ 279.14 million, towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise Net Proceeds include, without limitation, business development initiatives, design and development, meeting any expense including salaries and wages, rent, administration costs, insurance premiums, repairs and maintenance, payment of taxes and duties, inorganic opportunities and similar other expenses incurred in the ordinary course of our business any of the other Objects, payment of liabilities, capital expenditure or towards any exigencies. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

Interim use of Gross Proceeds

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

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities, including through secured or unsecured loans or any short-term instrument like non-convertible debentures, commercial papers etc. pending receipt of the Net Proceeds. If any bridge financing is availed to fund any of the objects mentioned above, then

the same would be repaid out of the IPO proceeds and such utilization (towards repayment of Bridge Loan) shall be construed to be done for the specific object itself.

Offer Expenses

The total Offer related expenses are estimated to be approximately ₹172.79 million. The Offer related expenses primarily include fees payable to the BRLM and legal counsels, fees payable to the Auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs, CDPs, SCSBs' fees, Sponsor Banks' fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

All Offer expenses, except (a) listing fees, which will be borne by the Company; and (b) fees and expenses in relation to the legal counsel to the Selling Shareholders which shall be borne by the respective Selling Shareholders, will be shared, between our Company and the Selling Shareholders on a pro-rata basis (including all applicable taxes, except STT and withholding taxes, if any, which shall be borne by the respective Selling Shareholder), in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Offered Shares sold by the Selling Shareholders in the Offer for Sale, respectively, as may be mutually agreed and in accordance with applicable law. Any expenses paid by our Company on behalf of the Selling Shareholders in the first instance will be reimbursed to our Company, on behalf of the Selling Shareholders to the extent of its respective proportion of Offer related expenses. The Offer expenses shall be payable in accordance with the arrangements or agreements entered into by our Company and selling shareholders with the respective Designated Intermediary even if company fails to open its issue during the period of validity of SEBI's observations.

The break-up for the estimated Offer expenses is set forth below:

| Activity | Estimated expenses ¹ (in ₹million) | As a % of the total estimated Offer expenses ¹ | As a % of the total Offer size ¹ |
|--|---|---|---|
| a. Book Running Lead Manager's fees | 80.93 | 46.83 | 4.82 |
| b. Commission/processing fee for SCSBs, Sponsor Bank(s) and Bankers to the Offer. Brokerage, underwriting commission and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs ^{234 5} | 17.38 | 10.06 | 1.03 |
| c. Fees payable to the Registrar to the Offer | 0.00 | 0.00 | 0.00 |
| d. Fees payable to the other advisors to the Offer | 1.46 | 0.85 | 0.09 |
| e. Statutory Auditors, for issuing the Restated Consolidated Financial Information, for providing the statement of special direct and indirect tax benefits available to our Company and to our Shareholders, and to verify the details and provided certifications with respect to certain information included in the DRHP | 2.12 | 1.23 | 0.13 |
| f. Independent chartered engineer, in respect of the (i) installed capacity, production and capacity utilization of the manufacturing operations of our Company; | 0.13 | 0.08 | 0.01 |
| g. Industry Report provider for preparing the industry report, commissioned and paid for by our Company | 2.84 | 1.64 | 0.17 |
| h. Others | 67.93 | 39.31 | 4.04 |
| - Listing fees, SEBI filing fees, upload fees, BSE & NSE processing fees, book building software fees and other regulatory expenses | 28.95 | 16.75 | 1.72 |
| - Printing and distribution of issue stationery | 5.35 | 3.10 | 0.32 |
| - Advertising and marketing expenses | 17.64 | 10.21 | 1.05 |
| - Fee payable to legal counsels | 12.50 | 7.23 | 0.74 |

| Activity | Estimated expenses ¹ (in ₹million) | As a % of the total estimated Offer expenses ¹ | As a % of the total Offer size ¹ |
|--|---|---|---|
| - Insurance in connection with the Offer | 0.74 | 0.43 | 0.04 |
| - Miscellaneous | 2.74 | 1.59 | 0.16 |
| Total (a to h) | 172.79 | 100.00 | 10.29 |

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

| | |
|--|--|
| Portion for RIBs* | 0.30% of the Amount Allotted (plus applicable taxes) |
| Portion for Non-Institutional Bidders* | 0.15% of the Amount Allotted (plus applicable taxes) |
| Employee Reservation Portion* | 0.15% of the Amount Allotted (plus applicable taxes) |

* Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid book of BSE or NSE. No processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them.

2. Processing fees payable to the SCSBs on the portion for RIIs, Eligible Employees and NIIs (excluding UPI Bids) which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/CRTAs/ CDPs and submitted to SCSB for blocking, would be as follows.

| | |
|---|---|
| Portion for RIIs, NIIs, Employee Reservation* | ₹10 per valid application (plus applicable taxes) |
|---|---|

* Processing fees payable to the SCSBs for capturing Syndicate Member/Sub-syndicate (Broker)/Sub-broker code on the ASBA Form for Non-Institutional Investors and Qualified Institutional Bidders with bids above ₹0.5 million would be ₹10 plus applicable taxes, per valid application.

Notwithstanding anything contained above the total processing fee payable under this clause will not exceed ₹1.00 million (plus applicable taxes) and in case if the total processing fees exceeds ₹ 1.00 million (plus applicable taxes) then processing fees will be paid on pro-rata basis for portion of (i) Retail Individual Bidders (ii) Eligible Employees (iii) Non-Institutional Bidders, as applicable

3. Brokerage, selling commission of RIBs, Eligible Employees and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the brokers which are members of Syndicate (including their sub-Syndicate Members) would be as follows:

| | |
|--|--|
| Portion for RIBs* | 0.30% of the Amount Allotted (plus applicable taxes) |
| Portion for Non-Institutional Bidders* | 0.15% of the Amount Allotted (plus applicable taxes) |
| Employee Reservation Portion* | 0.15% of the Amount Allotted (plus applicable taxes) |

* Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

The Selling commission payable to the Syndicate / sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / sub-Syndicate Member.

4. Uploading Charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the applications made by UPI Bidders using 3-in-1 accounts/Syndicate ASBA mechanism and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts/Syndicate ASBA mechanism, would be as follows: ₹ 10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.

The selling commission and bidding charges payable to Registered Brokers, the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

Notwithstanding anything contained above the total uploading charges payable under this clause will not exceed overall maximum cap of ₹2.50 million (plus applicable taxes) and in case if the total uploading charges exceeds ₹ 2.50 million (plus applicable taxes) then processing fees will be paid on pro-rata basis for portion of (i) Retail Individual Bidders (ii) Eligible Employees (iii) Non-Institutional Bidders, as applicable

5. Selling commission/ uploading charges payable to the Registered Brokers on the portion for RIBs, Eligible Employees and Non-Institutional Bidders which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:

| | |
|--|--|
| Portion for RIBs* | ₹ 10 per valid application (plus applicable taxes) |
| Portion for Non-Institutional Bidders* | ₹ 10 per valid application (plus applicable taxes) |

| | |
|---------------------------------|--|
| Portion for Eligible Employees* | ₹ 10 per valid application (plus applicable taxes) |
| * Based on valid applications | |

6. Uploading charges/ Processing fees for applications made by UPI Bidders using the UPI Mechanism would be as under:

| | |
|---|--|
| Members of the Syndicate / RTAs / CDPs / Registered Brokers | ₹ 30 per valid application |
| Sponsor Bank / Escrow Bank | <p>HDFC Bank Limited – Nil up to 2.50 Lakhs Forms</p> <p>- Rs.6/- per Mandate Form above 2.50 Lakhs Forms</p> <p>The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.</p> |

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement.

The total uploading charges / processing fees payable to members of the Syndicate, RTAs, CDPs, Registered Brokers will be subject to an overall maximum cap of ₹2.5 million (plus applicable taxes). In case the total uploading charges/processing fees payable exceeds ₹2.5 million, then the amount payable to members of the Syndicate, RTAs, CDPs, Registered Brokers would be proportionately distributed based on the number of valid applications such that the total uploading charges / processing fees payable does not exceed ₹2.5 million.

Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

Accordingly, Syndicate / sub-Syndicate Member shall not be able to Bid the Application Form above ₹ 0.50 million and the same Bid cum Application Form need to be submitted to SCSB for blocking of the fund and uploading on the Stock Exchange bidding platform. To identify bids submitted by Syndicate / sub-Syndicate Member to SCSB a special Bid-cum application form with a heading / watermark "Syndicate ASBA" may be used by Syndicate / sub-Syndicate Member along with SM code and broker code mentioned on the Bid-cum-Application Form to be eligible for brokerage on allotment. However, such special forms, if used for Retail Individual Investor and Non Institutional Investor Bids up to ₹ 0.50 million will not be eligible for brokerage.

The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/I/M dated March 16, 2021.

Monitoring Utilization of Funds

Our Company has appointed CRISIL Ratings Limited as the monitoring agency to monitor utilization of the Issue Proceeds, in accordance with Regulation 41 of the SEBI ICDR Regulations.

Our Company will disclose the utilisation of the Net Proceeds, including interim use, under a separate head in our balance sheet for such financial years as required under applicable law, specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable financial years, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any. Our Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. Further, our Company, on a quarterly basis, shall include the deployment of Net Proceeds under various heads, as applicable, in the notes to our consolidated financial results. The statement shall be certified by the Statutory Auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the Objects; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the Objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Variation in Objects

In accordance with Section 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the Objects of the Offer, unless our Company is authorised to do so by way of a special resolution of its Shareholders. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (“Shareholders’ Meeting Notice”) shall specify the prescribed details, provide Shareholders with the facility to vote by electronic means and shall be published in accordance with the Companies Act, 2013 read with the relevant rules.

The Shareholders’ Meeting Notice shall simultaneously be published in the newspapers, one in English and one in Marathi (Marathi also being the regional language of the jurisdiction where our Registered and Corporate Office is situated). Our Promoters will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the Objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act, 2013 and provisions of Regulation 59 and Schedule XX of the SEBI ICDR Regulations.

Appraising agency

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

Other confirmations

There is no proposal whereby any portion of the Net Proceeds will be paid to our Directors, Promoters, members of the Promoter Group or Key Managerial Personnel or Senior Managerial Personnel, except in the ordinary course of business. There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors and/or Key Managerial Personnel.

BASIS OF OFFER PRICE

The Offer Price will be determined by our Company in consultation with the BRLM, on the basis of assessment of market demand for the Equity Shares offered in the Offer through the Book Building Process and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Floor Price is 50.3 times the face value of Equity Shares and Cap Price is 52.9 times the face value of Equity Shares.

Investors should also refer to the sections “Risk Factors”, “Our Business”, “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 36, 197, 283 and 358 respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for computing the Offer Price are as follows:

- We are a well-established manufacturer of precision engineering solutions with diverse product portfolio for multiple user industries.
- We have long-standing relationships of over 15 years with both Indian and global OEM and Tier 1 customers.
- We have well equipped manufacturing facilities along with in-house design and other capabilities which offer scale, flexibility, and comprehensive solutions.
- We have an experienced management team supported by large, diverse, and skilled work force.
- We have a track record from incorporation of consistent financial growth and performance characterized by operational efficiency and high repeat business.
- Our Company is certified as a great workplace in the category of “Mid-size organisations” by the Great Place to Work Institute, India. The certificate is valid from November 2023 to November 2024.

For further details, please see “Our Business – Strengths” on page 197.

Quantitative Factors

Certain information presented in this section relating to our Company is based on and derived from the Restated Financial Information. For details, see “Financial Information” beginning on page 283.

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

1. Basic and Diluted Earnings per Share (“EPS”), as adjusted for changes in capital

As derived from the Restated Financial Information:

(a) After Exceptional items:

| Financial Period | Basic EPS (in ₹) | Diluted EPS (in ₹) | Weight |
|-------------------------------------|------------------|--------------------|--------|
| Financial Year ended March 31, 2024 | 22.09 | 21.77 | 3 |
| Financial Year ended March 31, 2023 | 23.98 | 23.56 | 2 |
| Financial Year ended March 31, 2022 | 6.56 | 6.44 | 1 |
| Weighted Average EPS | 20.13 | 19.81 | |

(b) Before exceptional items:

| Financial Period | Basic EPS (in ₹) | Diluted EPS (in ₹) | Weight |
|-------------------------------------|------------------|--------------------|--------|
| Financial Year ended March 31, 2024 | 24.37 | 24.02 | 3 |

| Financial Period | Basic EPS (in ₹) | Diluted EPS (in ₹) | Weight |
|-------------------------------------|------------------|--------------------|--------|
| Financial Year ended March 31, 2023 | 14.31 | 14.06 | 2 |
| Financial Year ended March 31, 2022 | 6.56 | 6.44 | 1 |
| Weighted Average EPS | 18.05 | 17.77 | |

Notes:

- Basic EPS (₹) = Basic earnings per share is calculated by dividing the Restated Profit for the year by the number of Equity Shares outstanding at the year-end, after considering impact of bonus issuance retrospectively, for all periods presented.
- Diluted EPS (₹) = Diluted earnings per share is calculated by dividing the Restated Profit for the year by the number of equity Shares outstanding during the year as adjusted for the effects of all dilutive potential Equity Shares outstanding during the year, if any and after considering impact of bonus issuance retrospectively, for all periods presented.
- Earnings per Share calculations are in accordance with the notified Indian Accounting Standard 33 'Earnings per share'.
- The number of Equity Shares issued by our Company has remained constant as at March 31, 2023 and March 31, 2022. Hence there is no computation given for weighted average number of Equity Shares. Our Company has issued Bonus Shares on September 27, 2023 and hence the number of equity shares outstanding for March 31, 2023 and March 31, 2022 considered above has been adjusted retrospectively for all the periods presented.
- The above statements and tables should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Restated Financial Statements.
- Weighted average EPS= Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year / Total of weights

2. Price/Earning ("P/E") ratio in relation to Price Band of ₹ 503 to ₹529 per Equity Share:

As derived from the Restated Financial Statements:

| Particulars | P/E at the lower end of Price Band (number of times)* | P/E at the higher end of Price Band (number of times)* |
|---|---|--|
| Based on Basic EPS (Before Exceptional Items) for the Financial Year ended March 31, 2024 | 20.64 | 21.71 |
| Based on Diluted EPS (Before Exceptional Items) for the Financial Year ended March 31, 2024 | 20.94 | 22.02 |

3. Industry P/E ratio

Based on the peer group information (excluding our Company) given below in this section:

| Particulars | P/E Ratio | Name of Company | Face value of Equity Shares (₹) |
|------------------|-----------|---|---------------------------------|
| Highest | 54.49 | Sundram Fasteners Limited | 1 |
| Lowest | 24.69 | Ratnaveer Precision Engineering Limited | 10 |
| Industry average | 39.59 | | |

Notes:

- The industry high and low has been considered from the peers set provided later in this chapter. The industry average has been calculated as the arithmetic average of P/E of the industry peers set disclosed in this section. For further details, see para 6 below – "Comparison of Accounting Ratios with Listed Industry Peers" on page 139.
- The industry P/E ratio mentioned above is based on earnings for the financial year ended March 31, 2024 and market price on August 09, 2024.

4. Return on Net Worth ("RoNW")

As derived from the Restated Financial Information of our Company:

a) After Exceptional items:

| Particulars | RoNW % | Weight |
|-------------------------------------|--------------|----------|
| Financial Year ended March 31, 2024 | 21.38 | 3 |
| Financial Year ended March 31, 2023 | 28.94 | 2 |
| Financial Year ended March 31, 2022 | 11.18 | 1 |
| Weighted Average RoNW | 22.20 | - |

b) Before Exceptional items:

| Particulars | RoNW% | Weight |
|-------------------------------------|--------------|----------|
| Financial Year ended March 31, 2024 | 23.27 | 3 |
| Financial Year ended March 31, 2023 | 17.28 | 2 |
| Financial Year ended March 31, 2022 | 11.18 | 1 |
| Weighted Average RoNW | 19.26 | - |

Notes:

- Return on Net worth (%) = Restated Profit for the year as a percentage of the Net worth as at the end of the year.
- "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated financial information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation, where applicable, (in compliance with the provisions of section 2(57) of the Companies Act, 2013 and regulation 2(1)(hh) of the SEBI ICDR Regulations) for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022.
- Weighted average return on Net Worth = Aggregate of year-wise weighted Return on Net worth divided by the aggregate of weights i.e. (Return on Net worth x Weight) for each year / Total of weights

5. Net Asset Value per Equity Share of face value of ₹ 10 each, as adjusted for changes in capital.

As derived from the Restated Financial Statements:

| Period | NAV derived from the Restated Financial Statements (₹) |
|-----------------------------------|--|
| As on March 31, 2024 | 103.30 |
| After the completion of the Offer | At Floor Price: 184.01 At Cap Price: 189.26 |
| Offer Price | 529 |

Notes:

- Offer Price per Equity Share will be determined on conclusion of the Book Building Process.
- Net Asset Value per Equity Share = Net worth divided by the outstanding number of equity shares outstanding at the end of the year, after considering impact of bonus issuance on September 27, 2023.

6. Comparison of accounting ratios with listed industry peers

The Companies identified to be a part of our "peer group" are all precision engineering companies. However, these companies are much larger in size as compared to our Company. The SEBI ICDR regulations require that if one to one comparison is not possible, appropriate notes to explain the differences may be included.

Accordingly, we provide the following explanations to explain why, despite differences in the size of the selected peer group companies, the said companies have been considered as part of the peer group:

1. All the selected companies are “precision engineering” companies.
2. All these companies use similar raw material which is metal based (like steel, as against other precision engineering companies which use plastic or a form of plastic as raw material).
3. Gala Precision Engineering Limited is a precision component manufacturer of technical springs like disc & strip springs, coil & spiral springs, wedge lock washers and high tensile fasteners. All these products use some form of metal as the main raw material. Exports for our Company accounts for 37.53 % of revenue from operations as of March 31, 2024. Our customers are OEM’s Tier 1 and channel partners and sales are mainly in a B2B model. End-users of our products are in sectors like renewable energy including wind turbine and hydro power plants, various industrial sectors such as electrical, off highway equipments, infrastructure and general engineering, mobility segments such as automotive and railways.
4. Each of the selected peer group companies have their own unique precision engineered products which use some form of metal and metal products. Some peers like Sundram Fasteners Limited also have non-metal products but 56% of its revenue is from metal and metal products and the balance 34% of its revenue is from non-metal products. (*Source: Annual Report FY 2024*).
5. The selected peer companies sell their products mainly to OEM’s in a B2B model; and some products are also sold to the “after-market”.
6. The contribution of exports to the total sales turnover for some of these peer companies is significant. Export contributes significantly to the revenue from operation of Rolex Rings Limited* is 55.76%; Harsha Engineers International Limited* is 61.21%, and Sundram Fasteners Limited is 34.47% just like Gala Precision Engineering Limited which derives 37.53 % of its revenue from exports as of March 31, 2024. Ratnaveer Precision Engineering* has export revenue of 19.22% SKF India Limited being 9.58% and Sterling Tools Limited* being 1.50% have modest revenues from export. (*Source: respective Annual Reports for FY 2024*) (**respective annual report of FY 2023*)
7. The sectors where the end-users for the selected peer group companies are present, is similar to the sectors where Gala Precision Engineering Limited’s products are used, like renewable energy including wind turbine and hydro power plants, various industrial sectors such as electrical, off highway equipments, infrastructure and general engineering, mobility segments such as automotive and railways.
8. Specialised Fastening Solutions contributed 19.34 % of Gala Precision Engineering Limited’s revenue from operations in FY 2024. Gala Precision Engineering Limited is also setting up a new manufacturing facility near Sriperumbudur to manufacture fasteners, which is one of the objects for the IPO, and it is expected that the fasteners division’s contribution to the overall revenue from operations will increase. Sundaram Fasteners Limited and Sterling Tools Limited are the largest and the second largest, respectively, fastener manufacturing companies in India and since one of the objects of doing the IPO is to meet part of the cost of setting up the new manufacturing unit for manufacture of fasteners; it was felt prudent to include Sundaram Fasteners and Sterling Tools as part of the peer group for Gala Precision Engineering Limited.

| Name of the company | Standalone/ Consolidated | Face value per equity share (₹) | Total income (in ₹ million) | EPS | | NAV (₹ per share) | P/E | CMP (₹) | RoNW (%) |
|--|-----------------------------|---------------------------------------|--------------------------------|-------------|------------------|-------------------------|-------|---------|-------------|
| | | | | (Basic) (₹) | (Diluted) (₹) | | | | |
| Gala Precision Engineering Limited (EPS & RoNW before exceptional items) | Consolidated | 10 | 2,043.77 | 24.37 | 24.02 | 103.30 | NA | NA | 23.27 |
| (EPS & RoNW after exceptional items) | | | 2,043.77 | 22.09 | 21.77 | | NA | NA | 21.38 |
| Harsha Engineers International Limited | Consolidated | 10 | 14,217.90 | 12.24 | 12.24 | 129.09 | 44.33 | 542.60 | 9.48 |
| SKF India Limited | Consolidated | 10 | 46,641.40 | 111.6 | 111.6 | 542.63 | 48.50 | 5413.05 | 20.57 |
| Sundram Fasteners Limited | Consolidated | 1 | 57,204.70 | 24.83 | 24.83 | 162.81 | 54.49 | 1352.90 | 15.37 |
| Rolex Rings Limited | Standalone | 10 | 12,368.19 | 57.30 | 57.30 | 329.81 | 40.83 | 2339.50 | 17.37 |
| Sterling Tools Limited | Consolidated | 2 | 9,385.11 | 15.37 | 15.35 | 124.11 | 24.70 | 379.15 | 12.38 |
| Ratnaveer Precision Engineering Limited | Standalone | 10 | 6,024.00 | 7.61 | 7.61 | 51.78 | 24.69 | 187.87 | 12.32 |

Notes:

- i. The total number of Equity Shares outstanding for our Company is taken after the issue of bonus Equity Shares on September 27, 2023.
- ii. RoNW for peers is computed as net profit as a percentage of Net Worth at the end of the Fiscal year 2024.
- iii. RoNW for our Company is computed as Net Profit with exceptional item or without exceptional item as applicable, as a percentage of Net Worth at the end of the Fiscal year 2024.
- iv. With respect to our Company, the information above is based on the Restated Financial Statements for the year ended March 31, 2024.
- v. Financial information for listed industry peers mentioned above is for the twelve months period ended March 31, 2024 and is based on the respective annual report disclosed by these companies to the stock exchanges.
- vi. Diluted EPS refers to the diluted earnings per share sourced from the audited financial statements of March 2024 of the respective company.
- vii. NAV is computed as the net worth at the end of the year divided by the closing outstanding number of equity shares.
- viii. P/E Ratio has been computed based on the closing market price of the equity shares (Source: NSE) on August 09, 2024 divided by the Diluted EPS.
- ix. Rolex Rings Limited and Ratnaveer Precision Engineering Limited does not have any subsidiary and hence financial information for this company is referred to as “Standalone”.

7. The Offer Price is 52.9 times of the face value of the Equity Shares.

The Offer Price of ₹529 has been determined by our Company in consultation with the BRLM, on the basis of assessment of demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters.

Investors should read the above-mentioned information along with “*Risk Factors*”, “*Our Business*”, “*Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 36, 197, 283 and 358, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “*Risk Factors*” on page 36 and you may lose all or part of your investments.

8. Key Performance Indicators (“KPIs”)

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for the Issue Price. All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated August 23, 2024, 2024. Further, the KPIs herein have been certified by MM Nissim & Co., LLP Chartered Accountants pursuant to certificate dated August 23, 2024, 2024. This certificate has been included as a material document for inspection in connection with the Issue. See “*Material Contracts and Documents for Inspection*” on page 500.

| Particulars | As of and for the Fiscal | | |
|--|--------------------------|---------------|---------------|
| | 2024 | 2023 | 2022 |
| Revenue from Operations(₹ in million) | 2025.45 | 1,654.65 | 1,452.77 |
| Gross profit | 1197.98 | 986.76 | 860.84 |
| Gross Profit % | 59.15 | 59.64% | 59.26% |
| Total Income (₹ in million) | 2043.77 | 1,670.82 | 1,479.63 |
| EBITDA (₹ in million) | 405.89 | 289.41 | 223.51 |
| EBITDA margins (%) | 19.86 | 17.32 | 15.11 |
| PAT before exceptional items (₹ in million) | 243.02 | 144.53 | 66.31 |
| PAT Margin before exceptional items (%) | 11.89 | 8.65 | 4.48 |
| PAT after exceptional items (₹ in million) | 223.32 | 242.12 | 66.31 |
| PAT margin after exceptional items (%) | 10.93 | 14.49 | 4.48 |
| Return on Capital Employed before exceptional items (%) | 21.15 | 16.07 | 13.85 |
| Return on Capital Employed after exceptional items (%) | 19.91 | 22.93 | 13.85 |
| Return on Net Worth before exceptional items (%) | 23.27 | 17.28 | 11.18 |
| Return on Net Worth after exceptional items (%) | 21.38 | 28.94 | 11.18 |
| Inventory Turnover Ratio | 3.57 | 3.14 | 3.26 |

| Particulars | As of and for the Fiscal | | |
|--|--------------------------|-------------|-------------|
| | 2024 | 2023 | 2022 |
| Gross Fixed Assets Turnover Ratio | 3.00 | 2.67 | 2.57 |
| Trade Receivable Days ⁽¹⁾ (in days) | 69.32 | 61.13 | 58.7 |
| Trade Payable Days ⁽²⁾ (in days) | 19.62 | 24.16 | 30.47 |
| Inventory Days ⁽³⁾ (in days) | 102.18 | 116.34 | 112.12 |
| Cash conversion cycle ⁽⁴⁾ (in days) | 151.88 | 153.31 | 140.35 |
| Revenue from Operations from outside India (%) | 37.53 | 36.99 | 37.4 |

Notes:

Gross profit is Revenue from operations minus Cost of raw material consumed and Changes in inventories of finished products and work in progress.

Gross Profit Margin is Gross Profit as a percentage of revenue from operation. Return on Capital Employed before exceptional items (%) is EBIT before exceptional items as a percentage of total capital employed. Return on Capital Employed after exceptional items (%) is EBIT after exceptional items as a percentage of total capital employed.

Inventory Turnover Ratio is Revenue from operations divided by Average Inventory.

Gross Fixed Assets Turnover Ratio is Revenue from operations divided by Gross Fixed Assets.

1.Trade Receivable Days is calculated as average trade receivables divided by revenue from operations multiplied by 365 for Fiscal years

2.Trade Payable Days is calculated as average trade payables divided by revenue from operations multiplied by 365 for Fiscal years

3.Inventory Days is calculated as average inventory divided by revenue from operations multiplied by 365 for Fiscal years

4.Cash conversion cycle is calculated Days of inventory outstanding plus days of sales outstanding minus days payables outstanding

Explanation for the Key Performance Indicators

| KPI | Explanation |
|---------------------|--|
| Total Income: | Total Income represents the scale of our business and provides information of our Company's operating and non-operating income |
| EBITDA: | EBITDA is calculated as Restated profit / loss after tax plus finance costs, depreciation and amortization expense plus tax excluding exceptional items. EBITDA provides information regarding the operational efficiency of the business of our Company and enables comparison of year-on-year performance of our business. |
| EBITDA Margin: | EBITDA Margin is the percentage of EBITDA divided by total income and is an indicator of the operational profitability of our business before interest, depreciation, amortisation, and taxes. |
| PAT: | PAT represents the profit / loss that our Company makes for the financial year or during a given period. It provides information regarding the profitability of the business of our Company. |
| PAT Margin: | PAT Margin is the ratio of PAT to the total revenue. This provides the financial benchmarking against peers as well as to compare against the historical performance of our business. |
| Return on Net Worth | Return on Net Worth refers to Profit after Taxes divided by Net Worth as at the end of the year/ period. Return on Net Worth is an indicator of our Company's efficiency as it measures our Company's profitability, and is indicative of the profit generated by our Company against the equity contribution |

For further details on the Key Performance Indicators, please see the section “*Management's Discussion and Analysis of Financial Condition and Results of Operations*” on page 358.

9. Description on the historic use of the KPIs by our Company to analyse, track or monitor the operational and/or financial performance of our Company.

Further, the Audit Committee vide its resolution dated August 23, 2024, 2024 has confirmed that verified details for all the key performance indicators pertaining to our Company that have been disclosed to the earlier investors at any point of time during the three years period prior to the date of filing this Prospectus are disclosed above.

Our Company shall continue to disclose the KPIs disclosed above, on a periodic basis, at least once in a year (or for any lesser period as determined by our Company), for a duration that is at least the later of (i) one year after the listing date or period specified by SEBI; or (ii) till the utilization of the Net Proceeds. Any change in these KPIs, during the aforementioned period, will be explained by our Company. The ongoing KPIs will continue to be certified by M M Nissim & Co LLP, being certified members of the ICAI as required under the SEBI (ICDR) (Fourth Amendment) Regulations, 2022.

10. Our Company had a small business vertical called “Surface Engineering Solutions” (SES). By an agreement dated May 20, 2022 our Company agreed to sell, assign, convey and transfer the manufacturing of and activities relating to SES which were mainly the intangible assets to S. M. Systems Private Limited, an unrelated company. The SES vertical was having a very small level of revenue and was making operating losses from the previous three Financial Years as shown in the table below, and hence the impact of the divestment of this vertical is not materially affecting our KPI’s:

| Particulars | Surface Engineering Solutions (Discontinued) (₹ in million) | | | | |
|---|---|----------------|----------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 | March 31, 2021 | March 31, 2020 |
| Revenue | | | | | |
| External sales and service income | 10.97 | 39.79 | 104.76 | 99.60 | 77.92 |
| Less: Inter – segment | - | - | - | - | - |
| Total revenue | 10.97 | 39.79 | 104.76 | 99.60 | 77.92 |
| Result | | | | | |
| Operating profit before depreciation and interest | (7.35) | (8.62) | (1.05) | (4.51) | (25.62) |
| Finance charges | - | 3.45 | 3.39 | 3.94 | 4.41 |
| Depreciation | - | 1.44 | 2.68 | 3.91 | 3.10 |
| Add: Exceptional items | 3.50 | 30.00 | - | - | - |
| PBT | (3.85) | 16.49 | (7.12) | (12.36) | (33.14) |

11. Comparison with Listed Industry Peers

a. Comparison with listed industry peers (Fiscal 2024)

| Particulars | Fiscal 2024 | | | | | | |
|-----------------------------|------------------------------------|--|-------------------|---------------------------|---------------------|------------------------|---|
| | Gala Precision Engineering Limited | Harsha Engineers International Limited | SKF India Limited | Sundram Fasteners Limited | Rolex Rings Limited | Sterling Tools Limited | Ratnaveer Precision Engineering Limited |
| | Consolidated | Consolidated | Consolidated | Consolidated | Standalone | Consolidated | Standalone |
| Total Income (₹ in million) | 2043.77 | 14,217.90 | 46,641.40 | 57,204.70 | 12,368.19 | 9,385.11 | 6,024.00 |
| EBITDA (₹ in million) | 405.88 | 2,008.40 | 8,116.30 | 9,408.60 | 2,770.32 | 1,143.14 | 570.04 |
| EBITDA margins (%) | 19.86 | 14.13 | 17.40 | 16.45 | 22.40 | 12.18 | 9.46 |
| PAT (₹ in million) | 243.02 [@] | 1,114.30 | 5,518.00 | 5,256.40 | 1,560.38 | 553.65 | 310.5 |
| | 223.32 [§] | | | | | | |
| PAT margin (%) | 11.89 [@] | 7.84 | 11.83 | 9.19 | 12.62 | 5.90 | 5.15 |
| | 10.93 [§] | | | | | | |
| Return on Net Worth (%) | 23.27 [@] | 9.48 | 20.57 | 15.37 | 17.37 | 12.38 | 12.32 |
| | 21.38 [§] | | | | | | |

[@] Before exceptional items

[§] After exceptional items

Notes:

- EBITDA = PAT + (finance Costs+ depreciation and amortization expenses+ total tax expense) - exceptional items.
- EBITDA Margin is EBITDA as a percentage of total income.
- PAT Margin is calculated as profit/ (loss) for the year/ period as a percentage of total income.
- Return on Net Worth is PAT as a % of Net Worth.
- Financial information for listed industry peers mentioned above is for the Fiscal 2024 and is based on the financials disclosed by these respective companies to the stock exchanges.

b. Comparison with listed industry peers (Fiscal 2023)

| Particulars | Fiscal 2023 | | | | | | |
|-----------------------------|------------------------------------|--|-------------------|---------------------------|---------------------|------------------------|---|
| | Gala Precision Engineering Limited | Harsha Engineers International Limited | SKF India Limited | Sundram Fasteners Limited | Rolex Rings Limited | Sterling Tools Limited | Ratnaveer Precision Engineering Limited |
| | Consolidated | Consolidated | Consolidated | Consolidated | Standalone | Consolidated | Standalone |
| Total income (₹ in million) | 1,670.82 | 13,938.10 | 43,567.90 | 57,076.00 | 11,982.54 | 7,748.78 | 4,811.45 |
| EBITDA (₹ in million) | 289.41 | 2,190.80 | 8,013.70 | 8,983.20 | 2,800.17 | 1,004.36 | 470.22 |
| EBITDA margins (%) | 17.32 | 15.72 | 18.39 | 15.74 | 23.37 | 12.96 | 9.77 |
| PAT (₹ in million) | 144.53 [@] | 1,232.80 | 5,248.80 | 5,003.50 | 1,980.92 | 478.78 | 250.44 |
| | 242.12 [§] | | | | | | |
| | 8.65 [@] | 8.84 | 12.05 | 8.77 | 16.53 | 6.18 | 5.21 |

| Particulars | Fiscal 2023 | | | | | | |
|-------------------------|------------------------------------|--|-------------------|---------------------------|---------------------|------------------------|---|
| | Gala Precision Engineering Limited | Harsha Engineers International Limited | SKF India Limited | Sundram Fasteners Limited | Rolex Rings Limited | Sterling Tools Limited | Ratnaveer Precision Engineering Limited |
| | Consolidated | Consolidated | Consolidated | Consolidated | Standalone | Consolidated | Standalone |
| PAT margin (%) | 14.49 ^{\$} | | | | | | |
| Return on Net Worth (%) | 17.28 [@] | 11.50 | 22.42 | 16.59 | 26.66 | 11.96 | 23.61 |
| | 28.94 ^{\$} | | | | | | |

[@] Without exceptional items

^{\$} With Exceptional items

Notes:

- EBITDA = PAT + (finance Costs+ depreciation and amortization expenses+ total tax expense) - exceptional items.
- EBITDA Margin is EBITDA as a percentage of total income.
- PAT Margin is calculated as profit/ (loss) for the year/ period as a percentage of total income.
- Return on Net Worth is PAT as a % of Net Worth.
- Financial information for listed industry peers mentioned above is for the twelve months period ended March 31, 2023 and is based on the respective annual report disclosed by these companies to the stock exchanges.

c. Comparison with listed industry peers (Fiscal 2022)

| Particulars | Fiscal 2022 | | | | | |
|-----------------------------|------------------------------------|--|-------------------|---------------------------|---------------------|------------------------|
| | Gala Precision Engineering Limited | Harsha Engineers International Limited | SKF India Limited | Sundram Fasteners Limited | Rolex Rings Limited | Sterling Tools Limited |
| | Consolidated | Consolidated | Consolidated | Consolidated | Standalone | Consolidated |
| Total Income (₹ in million) | 1,479.63 | 13,390.00 | 37,005.10 | 49,414.00 | 10,216.55 | 5,126.10 |
| EBITDA (₹ in million) | 223.51 | 1,865.50 | 5,899.70 | 8,407.30 | 2,403.40 | 695.86 |
| EBITDA margins (%) | 15.11 | 13.93 | 15.94 | 17.01 | 23.38 | 13.57 |
| PAT (₹ in million) | 66.31 | 919.50 | 3,949.60 | 4,618.30 | 1,318.79 | 255.36 |
| PAT margin (%) | 4.48 | 6.87 | 10.67 | 9.35 | 12.83 | 4.98 |
| Return on Net Worth (%) | 11.18 | 17.62 | 20.95 | 17.62 | 24.21 | 7.18 |

Ratnaveer Precision Engineering Limited was not listed during the Fiscal 2022 and hence the financials are not included in this table.

Notes:

- EBITDA = PAT + (finance Costs+ depreciation and amortization expenses+ total tax expense) - exceptional items.
- EBITDA Margin is EBITDA as a percentage of total income.
- PAT Margin is profit/ (loss) for the year/ period as a percentage of total income.
- Return on Net Worth is PAT as a % of Net Worth
- Financial information for listed industry peers mentioned above is for the twelve months period ended March 31, 2022 and is based on the respective annual report disclosed by these companies to the stock exchanges, except in case of Harsha Engineers International Limited, wherein the financial information is sourced from their consolidated financial statements for the twelve months period ended March 31, 2022 uploaded on its website.
- Ratnaveer Precision Engineering Limited was not listed during the Fiscal 2022 and hence the financials are not included in this table.

12. Weighted Average Cost of Acquisition

- a. The price per share of our Company based on the primary/ new issue of shares (equity/ convertible securities)

The details of Equity Shares or convertible securities allotted by our Company equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Issue capital before such transaction(s)), in the last 18 months preceding the date of this Prospectus, in a single transaction or multiple transactions combined together over a span of rolling 30 days (Primary Transactions) are set out below:

| Date of allotment | Number of securities allotted | Details of allottees | Face value (₹) | Issue price per security (₹) | Form of consideration | Reasons / Nature of allotment | Total consideration (in ₹ million) |
|--|-------------------------------|--|----------------|------------------------------|-----------------------|-------------------------------|------------------------------------|
| September 27, 2023 | 7,583,688 | All existing and eligible shareholders | 10 | NIL | NIL | Bonus Issue | NIL |
| Total | 7,583,688 | - | 10 | NIL | NIL | - | NIL |
| Weighted average cost of acquisition (WACA) for Primary Transactions (in ₹) | | | | NIL | | | |

- b. The price per share of our Company based on secondary sale/ acquisitions of shares (equity/ convertible securities)

Except as set out below, there have been no secondary sale/ acquisitions of Equity Shares or any convertible securities, where our Promoters or the members of our Promoter Group are a party to a transaction, during the 18 months preceding the date of this Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

| Date of Transfer | Name of Transferor | Name of Transferee | No. of Securities | Face value (₹) | Nature of Consideration | Issue price per equity share (₹) | Total consideration (in ₹ million) |
|------------------|----------------------|---------------------|-------------------|----------------|------------------------------------|----------------------------------|------------------------------------|
| January 15, 2024 | Vishanji Harshi Gala | Kirit Vishanji Gala | 500,000 | 10 | Gift | NIL | NIL |
| January 15, 2024 | Vishanji Harshi Gala | Smeet Kirit Gala | 500,000 | 10 | Gift | NIL | NIL |
| March 11, 2024 | Vishanji H Gala HUF | Rumie Kirit Gala | 54,400 | 10 | Dissolution of Vishanji H Gala HUF | NIL | NIL |
| March 15, 2024 | Vishanji H Gala HUF | Nayna Gala | 54,400 | 10 | Dissolution of Vishanji H Gala HUF | NIL | NIL |
| March 18, 2024 | Vishanji H Gala HUF | Alpa Chheda | 54,400 | 10 | Dissolution of Vishanji H Gala HUF | NIL | NIL |
| April 10, 2024 | Rumie K Gala | Saloni Kirit Gala | 54,400 | 10 | Gift | NIL | NIL |

| Date of Transfer | Name of Transferor | Name of Transferee | No. of Securities | Face value (₹) | Nature of Consideration | Issue price per equity share (₹) | Total consideration (in ₹ million) |
|--|----------------------|------------------------|-------------------|----------------|--------------------------------------|----------------------------------|------------------------------------|
| June 7, 2024 | Vishanji Harshi Gala | Kirit Vishanji Gala | 155,600 | 10 | Transmission to Nominee | NIL | NIL |
| June 13, 2024 | Vishanji H Gala HUF | Vaibhavi Vishanji Gala | 54,400 | 10 | Dissolution of Vishanji H Gala HUF | NIL | NIL |
| June 21, 2024 | Kirit Vishanji Gala | Taramati Vishanji Gala | 155,600 | 10 | Transfer from Nominee to Beneficiary | NIL | NIL |
| August 21, 2024 | Vishanji Harshi Gala | Taramati Vishanji Gala | 385,200 | 10 | Transmission to Beneficiary | NIL | NIL |
| Total | | - | 1,914,000 | 10 | - | - | NIL |
| Weighted average cost of acquisition (WACA) for Secondary Transactions (in ₹) | | | | NIL | | | |

For further details in relation to the share capital history of our Company, see “*Capital Structure*” on page 83.

Based on the above transactions, below are the details of the weighted average cost of acquisition, as compared to the Floor Price and the Cap Price:

| Past Transactions | Weighted average cost of acquisition (in ₹) | Floor Price (i.e., ₹ 503) | Cap Price (i.e., ₹ 529) |
|--------------------------------|---|---------------------------|-------------------------|
| WACA of Primary Transactions | Nil | Nil | Nil |
| WACA of Secondary Transactions | Nil | Nil | Nil |

12. Justification for Basis of Offer Price

Explanations for Offer Price being Nil times of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out at page 147 above) along with our Company’s key performance indicators and financial ratios for the Financial Years 2024, 2023 and 2022 and in view of the external factors which may have influenced the pricing of the Offer, are provided below:

- We are a well-established manufacturer of precision engineering solutions with diverse product portfolio for multiple user industries.
- We have long-standing relationships of over 15 years with both Indian and global OEM and Tier 1 customers.
- We have well equipped manufacturing facilities along with in-house design and other capabilities which offer scale, flexibility, and comprehensive solutions.
- We have an experienced management team supported by large, diverse, and skilled work force.
- We have a track record from incorporation of consistent financial growth and performance characterized by operational efficiency and high repeat business.
- Our Company is certified as a great workplace in the category of “Mid-size organisations” by the Great Place to Work Institute, India. The certificate is valid from November 2023 to November 2024.

The Offer Price of ₹ 529 has been determined by our Company, in consultation with the BRLM, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above stated qualitative and quantitative parameters.

Investors should read the above-mentioned information along with “*Risk Factors*”, “*Our Business*”, “*Financial Information*” and “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” on pages 36, 197, 283 and 358, respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “*Risk Factors*” on page 36 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

[The remainder of this page has intentionally been left blank]

**STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS
UNDER THE APPLICABLE LAWS IN INDIA**

To,

**The Board of Directors,
Gala Precision Engineering Limited**

A-801, 8th Floor,
Thane One DIL Complex,
Ghodbunder Road Majiwade,
Thane (west) 400610
Maharashtra, India

(The “Company”)

AND

PL Capital Markets Private Limited

3rd Floor, Sadhana House,
570, P. B. Marg,
Worli, Mumbai 400018,
Maharashtra, India

Re: Proposed initial public offering of equity shares of face value of Rs. 10 each (the “Equity Shares” and such offering, the “Issue”) of ‘Gala Precision Engineering Limited’ (the “Company”)

We, M M Nissim & Co LLP, Chartered Accountants, the present statutory auditors of the Company have been informed by the Company that it proposes to undertake the initial public offering of equity shares in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**ICDR Regulations**”) and the Companies Act, 2013, as amended (“**Companies Act**”).

In connection with the Issue, we have been requested by the Company to report about the special tax benefits available to the company and its shareholders.

Managements’ responsibility for the Statement

The preparation of the accompanying Statement is the responsibility of the Management of the Company. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditor’s Responsibility

We conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” (the “**Guidance Note**”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

Conclusion

We, M/s M M Nissim & Co LLP., the statutory auditor of the Company, hereby report that the enclosed statement is in connection with the possible special tax benefits available to (i) the Company, (ii) the shareholders of the Company, under applicable tax laws presently in force in India including the Income Act, 1961, as amended by the Finance Act, 2023, read with rules, circular and notification issued thereunder (Act) i.e. applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25, presently in force in India and under indirect taxation laws presently in force in India, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the applicable states' Goods and Services Tax Act, the Customs Act, 1962 (Customs Act) and the Customs Tariff Act, 1975 (Tariff Act), as amended by the Finance Act 2023 including the relevant rules, notifications and circulars issued thereunder in agreement with the applicable 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 provisions of the Act. Hence, the ability of the Company and its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions prescribed under the relevant statutory provisions, which is based on business imperatives the Company and its shareholders face in the future, the Company and its shareholders, may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company. Further, the benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

We do not express any opinion or provide any assurance as to whether:

- i) the Company and its shareholders will continue to obtain these possible special tax benefits in future; or
- ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/ would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and based on our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

Restrictions on use

We hereby consent to the extracts of this certificate being used in the Red Herring Prospectus (RHP), to be filed with the Securities and Exchange Board of India (SEBI), the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE and together with the BSE, the Stock Exchanges) and the Red Herring Prospectus (RHP) and the Prospectus (Prospectus together with RHP, the Issue Documents), to be filed with the Registrar of Companies, Mumbai at Maharashtra (ROC) and submitted to the SEBI, and the Stock Exchanges with respect to the Issue, and any other regulatory or governmental authorities, and in any other material used in connection with the Issue and on the websites of the Company and the Book Running Lead Managers in connection with the Issue.

This certificate is for information and for inclusion, in part or in full, in the Issue Documents or any other Issue-related material, and may be relied upon by the Company, the Book Running Lead Managers and the legal advisors to the Issue. We hereby consent to the submission and disclosure of this certificate as may be necessary to the SEBI, the ROC, the Stock Exchanges and any other regulatory or governmental authorities and, or, for any other litigation purposes and, or, for the records to be maintained by the Book Running Lead Managers, in accordance with applicable law and for disclosure on the websites of the Company and the Book Running Lead Managers.

This certificate may be relied on by the BRLM, their affiliates and legal counsel in relation to the Issue.

All capitalized terms not defined herein bear the meaning ascribed to them in the Issue Documents.

We undertake to update you of any change in the above-mentioned disclosures until the Equity Shares commence trading on the Stock Exchanges. In the absence of any such communication from us, the above information should be considered as an updated information until the Equity Shares commence trading on the Stock Exchanges, pursuant to the Issue.

Yours faithfully,

For and on behalf of
M M Nissim & Co LLP
Chartered Accountants
Firm Reg No.: 107122W/ W100672

Dimple Maru
Partner
Membership No.: 141312
UDIN: 24141312BKCMKN4329
Place: Mumbai
Date: August 23, 2024

CC:

Legal Counsel to the Issue

M/s. Crawford Bayley & Co.
State Bank Buildings
N.G. N. Vaidya Marg
Fort, Mumbai 400 023

ANNEXURE I

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND TO ITS SHAREHOLDERS OF THE COMPANY UNDER INCOME TAX ACT, 1961 (ACT), THE CENTRAL GOODS AND SERVICES TAX ACT, 2017, THE INTEGRATED GOODS AND SERVICES TAX ACT, 2017 AND THE APPLICABLE STATES' GOODS AND SERVICES TAX ACTS

I. Special tax benefits available to the Company

A. Direct Tax

- Lower corporate tax rates on income of domestic companies – Section 115BAA of the Act
The Taxation Laws (Amendment) Act, 2019 introduced section 115BAA wherein domestic companies are entitled to avail a concessional tax rate of 22% (plus applicable surcharge and cess) on fulfilment of certain conditions. The option to apply this tax rate is available from FY 2019-20 relevant to AY 2020-21 and the option once exercised shall apply to subsequent assessment years. The concessional rate of 22% is subject to the company not availing any of the following specified tax exemptions/incentives under the Act:
 - i. Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone).
 - ii. Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation)
 - iii. Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund).
 - iv. Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or subsection (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)
 - v. Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
 - vi. Deduction under section 35CCD (Expenditure on skill development)
 - vii. Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or Section 80M.
 - viii. 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 from clause i) to vii) above.
 - ix. 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 from clause i) to vii) above Further, it was clarified by CBDT vide Circular No. 29/ 2019 dated 2 October 2019 that if the Company opts for concessional income tax rate under section 115BAA, the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable. Further, such Company will not be entitled to claim tax credit relating to MAT.

Note: The company has opted the lower rate benefit for the financial year 2022-23 relevant to the assessment year 2023-24 as mentioned in the Section 115BAA for which declaration for the same has already been filed with the tax authority.

B. 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. The deduction u/s 80JJAA of the Act shall be applicable even if the Company avails the benefits of the special rate u/s 115BAA of the Act.

C. Indirect Tax

- Benefits under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20)

i. Remission of Duties and Taxes on Exported Products (RoDTEP)

The Remission of Duties and Taxes on Exported Products (RoDTEP) scheme was announced by Government of India (GOI) on September 14, 2019 to boost exports by allowing reimbursement of taxes and duties, which are not exempted or refunded under any other scheme in accordance with World Trade Organization (WTO) norms. RoDTEP is a combination of the current Merchandise Export from India Scheme (MEIS) and Rebate of State and Central Taxes and Levies (RoSCTL) and will replace all these schemes once come in operations. At present, embedded duties and taxes, which are not refunded under any other scheme, range from 1-3%. Under the scheme, rebate of these taxes will be given in the form of duty credit/electronic scrip.

The Company is availing rebate of taxes / duties on inputs under Remission of Duties and Taxes on Exported Products ("RoDTEP") scheme at the applicable rates.

ii. Export Promotion Capital Goods (EPCG)

The objective of the EPCG Scheme is to facilitate import of capital goods for producing quality goods and services and enhancing India's manufacturing competitiveness. EPCG Scheme facilitates import of capital goods for producing quality goods and services at zero customs duty. Import under EPCG Scheme shall be subject to a specific export obligation equivalent to 6 times of duties, taxes and cess saved on capital goods, to be fulfilled in 6 years reckoned from date of issue of authorization. EPCG license holder is exempted from payment of whole of Basic Customs Duty, Additional Customs Duty and Special Additional Duty In lieu of Value Added Tax/local taxes (non-GST goods), Integrated Goods and Services Tax and Compensation Cess, wherever applicable, subject to certain conditions.

iii. Benefits of Duty Drawback scheme under Sections 74 and 75 of the Customs Act, 1962

Section 74 of the Act grants duty drawback up to 98% of the import duty paid on goods, if the goods are reexported by the importer. The importer is entitled to drawback subject to the fulfilment of the certain conditions. Presently the rate of Duty Drawback ranges from 0% to 95%.

As per section 75, Central Government is empowered to allow duty drawback on export of goods, where the imported materials are used in the manufacture of such goods. Unlike drawback of a portion of the customs duty paid on imported goods, here the main principle is that the Government fixes a rate per unit of final article to be exported out of the country as the amount of drawback payable on such goods.

The Company is availing duty drawback of duty paid on import of materials used in manufacture of exported goods under Section 75 of the Customs Act 1962.

- iv. Duty Concession on Import against Advance License
- v. Duty Concession in respect of import of certain product

II. Special tax benefits available to the Shareholders

There are no special tax benefits available to the shareholders of the Company for investing in the shares of the Company.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

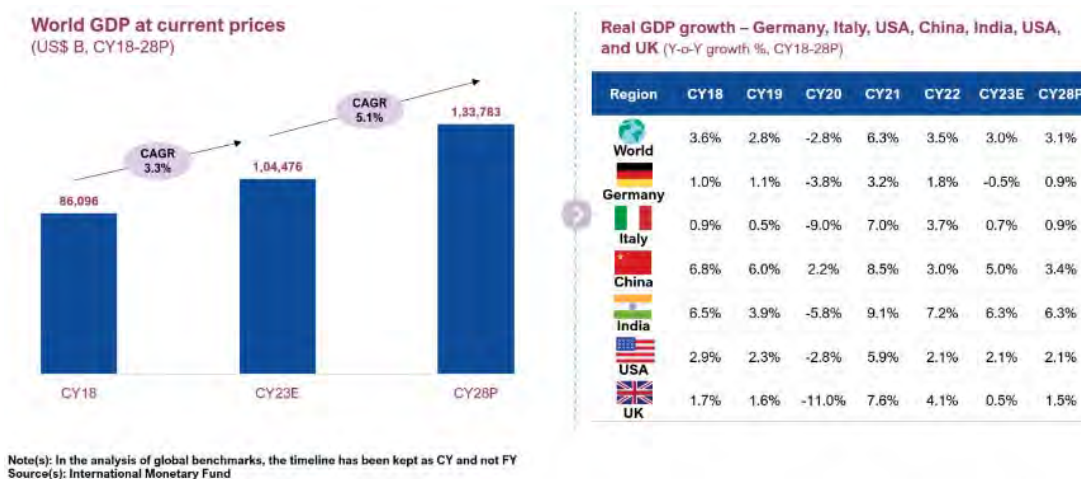
Unless otherwise indicated, the information in this section is obtained or extracted from “Precision Engineering Industry Report” dated August, 2024 (the “**ILattice Report**”) prepared and issued by Lattice Technologies Private Limited (“**ILattice**”) and exclusively commissioned by and paid for by us in connection with the Offer. A copy of the **ILattice Report** is available on website of our Company at www.galgroupp.com. The data included herein includes excerpts from the **ILattice Report** and may have been re-classified by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Offer), that has been left out or changed in any manner. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect.

Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. Also see, “Risk Factors – This Prospectus contains information from industry sources including the industry report commissioned from Lattice Technologies Private Limited. Prospective investors are advised not to place undue reliance on such information.” on page 36.

While preparing its report, **ILattice** has also sourced information from publicly available sources, including our Company's financial statements available publicly. However, financial information relating to our Company presented in other sections of this Prospectus has been prepared in accordance with Ind AS and restated in accordance with the SEBI ICDR Regulations. Accordingly, the financial information of our Company in this section is not comparable with Ind AS financial information presented elsewhere in this Prospectus.

1 Macro-Economic Overview

1.1 Global macroeconomic overview



1.1.1 THE GLOBAL GDP IS EXPECTED TO RISE AT A CAGR OF 5.1% FROM CY23-28, HAVING GROWN AT A CAGR OF 3.3% FROM CY18-23

The global economy has rebounded after the historic economic downturn caused by the COVID-19 pandemic. After a significant decline in CY20, recovery was driven by extended fiscal support, adaptation to new work patterns, and vaccine distribution. Global GDP grew at the rate of 3% in CY23, slightly lower than expected due to the geopolitical crisis of the Russia-Ukraine war. GDP further growth is projected to average 5.1% from CY23 to CY28. In comparison, India is expected to maintain the highest growth rate, with its current Y-o-Y growth rate standing at 6.3% in CY23 and projected to grow at 6.3% by CY28.

The International Monetary Fund (IMF) projects that global GDP per capita will grow at an average rate of 4.1% annually from CY23-28. This rise can be attributed to several key factors, including technological innovation, globalization, and increased educational attainment. China stands out as one of the fastest-growing economies globally, with a rapidly increasing GDP per capita. The IMF forecasts an average CAGR of 6% per year for China between CY23 and CY28. This growth is primarily driven by China's substantial investment in infrastructure, education, and research and development. The IMF predicts Italy's and Germany's GDP per capita to grow at an average rate of 3% during the same period.

1.2 INDIA MACROECONOMIC OVERVIEW

1.2.1 INDIA'S GDP WAS AT US\$ 3,732B IN CY23 AND IS ESTIMATED TO REACH US\$ 5,944B IN CY28, GROWING AT A CAGR OF 9.8% FROM CY23 TO CY28



India is the fifth largest economy in CY23 and is expected to be the third largest by CY30. India's GDP (at current prices) grew from US\$ 2,651B to US\$ 3,732B between CY17 and CY23. The increase can be attributed to the robust reforms like GST, corporate tax revision, revised FDI limit, and growth across sectors. The real GDP growth is expected to reach 5.9% Y-o-Y growth in CY23, and eventually stabilize and maintain a growth rate of 6% till CY28.

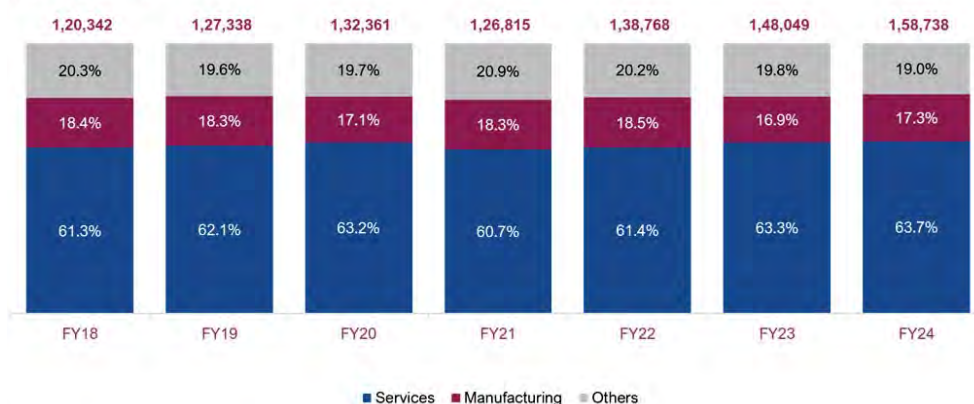
Over the next 10-15 years, India is anticipated to be among the top economies of the world on the back of rising demand, robust growth in various manufacturing and infrastructure sectors, and an increase in private consumption. India's manufacturing sector is on a robust growth trajectory, with output surging to its highest levels in nearly three years, with the Manufacturing Purchasing Managers' Index reaching an impressive 58.6 in August CY23. Key economic indicators such as steel production, cement production, and vehicle sales continue to show strong growth, indicating positive momentum in the manufacturing sector.

1.2.2 INDIAN MANUFACTURING SECTOR OVERVIEW

The Indian manufacturing sector is a vital component of the country's economic landscape, contributing significantly to GDP growth, employment generation, and overall Industrials development. Marked by a diverse range of industries, including automobile, textiles, pharmaceuticals, electronics, and more, the sector reflects India's multifaceted Industrials prowess. Initiatives like the 'Make in India' campaign attracted foreign investment and positioned India as a global manufacturing hub. The government's strategic focus on ease of doing business, policy reforms, and the introduction of schemes such as the Production Linked Incentive (PLI) further emphasizes its commitment to nurturing a robust manufacturing ecosystem.

With a growing emphasis on innovation, sustainability, and technological advancements, the Indian manufacturing sector is on track for dynamic growth, contributing substantially to the nation's economic resilience and competitiveness on the global stage. The overall contribution of India's manufacturing sector to GVA was 17.31 in FY24. The absolute GVA from manufacturing has increased with a CAGR of 3.7% from FY18 to FY24.

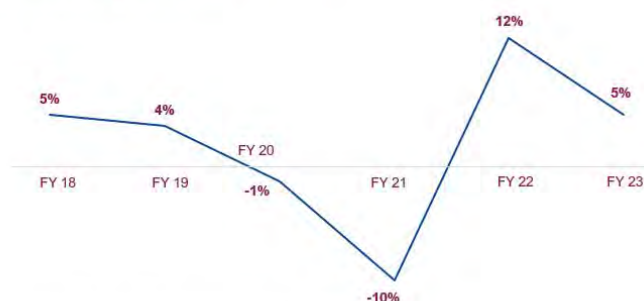
Contribution of manufacturing towards Gross Value Added
(FY18-24, INR B)



Source(s): RBI Handbook of Statistics on Indian Economy

The Index of Industrial Production (IIP) is a key economic indicator that measures the growth of various sectors in the Industrial output of a country. The primary purpose of the IIP is to assess the Industrial output and production trends in the manufacturing, mining, and electricity sectors. Post COVID-19, IIP witnessed significant growth in FY22, growing at a rate of 12%. In FY24, IIP continued its growth and rose by 5% from FY23.

Growth rate of manufacturing IIP – India
(FY18-23, Y-o-Y growth %)



Source(s): Ministry of Statistics and Programme Implementation (MOSPI)

1.2.3 ENABLING FACTORS FOR INDIAN MANUFACTURING SECTOR GROWTH

The growth of Indian manufacturing sector is influenced by several factors, primarily driven by government initiatives. “Make in India”, creating a favorable environment for Industrial expansion. Global companies’ “China Plus One” strategy, which involves diversifying supply chains and considering India as an alternative manufacturing hub, makes India more attractive to companies around the world.

1.2.3.1 India’s new foreign trade policy 2023

FTP 2023 is a policy that is based on the continuity of time-tested schemes facilitating exports. It is designed to be flexible and responsive to the evolving needs of trade. The policy is based on the principles of trust and partnership with exporters. It focuses on process re-engineering and automation to enhance the ease of doing business for exporters.

The key approach of the policy is based on four pillars:

1. Incentive to Remission
2. Export promotion through collaboration— Exporters, States, Districts, Indian Missions
3. Ease of doing business, reduction in transaction cost, and e-initiatives
4. Emerging Areas – E-Commerce Developing Districts as Export Hubs and streamlining SCOMET policy

The government has set a target to boost India's total exports to US\$ 2T by 2030, with an equal share coming from both the merchandise and services sectors. FTP 2023 establishes implementation mechanisms within a paperless, online environment, building upon previous initiatives focused on enhancing the 'ease of doing business.' Reductions in fee structures and IT-based schemes are aimed at simplifying access to export benefits for MSMEs and other stakeholders.

1.2.3.2 MAKE IN INDIA

The primary objective of Make in India, which was launched in September 2014, is to attract investment, promote innovation, develop top-tier infrastructure, and position India as a hub for manufacturing, design, and innovation. Since its inception, the Make in India initiative has achieved notable milestones and currently, under Make in India 2.0, concentrates on twenty-seven sectors, fifteen of which are manufacturing sectors with tailored 'Action Plans'.

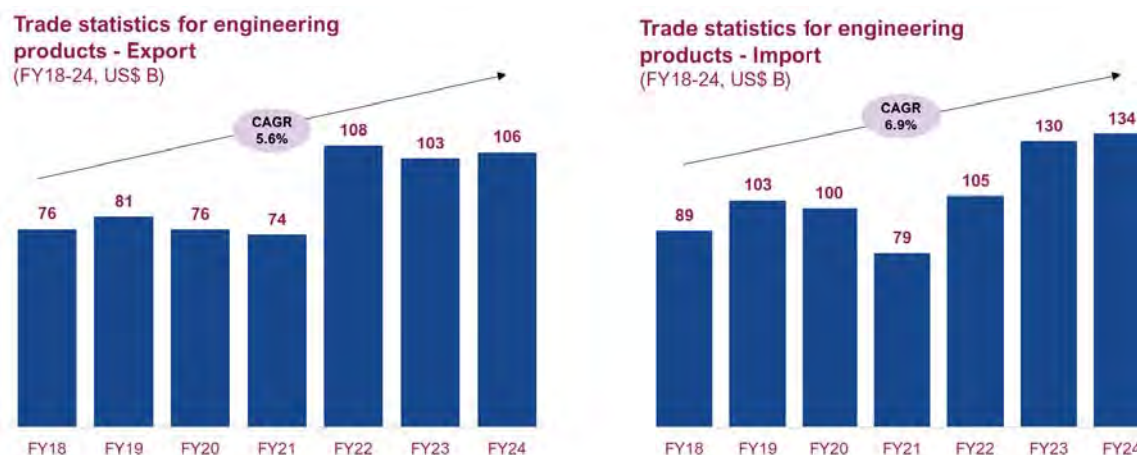
The Department for Promotion of Industry & Internal Trade (DPIIT), overseeing 'Invest India' to facilitate foreign investments, has strategically identified twenty-four sub-sectors. These include automobiles, chemicals, medical devices, auto components, defense manufacturing, electronic systems, and more.

1.2.3.3 Production Linked Incentive (PLI) scheme

In 2020, India introduced the PLI scheme to boost domestic production by providing subsidies and encouraging exports, accompanied by higher import substitution and employment generation.

The government has allocated over INR 1.9 lakh crore for the periodic implementation of the PLI scheme. The government is closely analyzing PLI's effectiveness, considering job creation, cost per job, etc.

1.2.4 Trends in engineering product In FY22, due to recovery from the pandemic, exports increased to US\$ 108B from US\$ 74B in FY21. The exports have been rising at a CAGR of 6.3% from FY18 to FY23. Imports, on the other hand, have been increasing at a CAGR of 6.9% from FY18 to FY24. India, in FY22, witnessed a surplus as imports only increased to US\$ 105B in FY22. However, due to high inflation rates and elevated commodity prices, the value of imports increased to US\$ 134B in FY24.



Source(s): Ministry of Commerce and Industry, Dept. of Commerce dashboard

2 Executive Summary

The global & Indian economy is poised for strong growth in the next 5 years

Global economy has rebounded after the economic downturn of COVID-19 and is expected to increase at an average of 4.9% from CY22 to CY28. India is expected to maintain the highest growth rate, with its current Y-o-Y growth rate standing at 3.7% in CY22 and projected to grow at 6% by CY28. This fueled with other government initiatives like Make in India, Production Linked Incentive (PLI) scheme & others will boost the domestic manufacturing industry.

High demand for disc & strip springs (DSS) and wedge lock washers (WLW) in Industrials will lead the market growth for DSS & WLW.

The global DSS & WLW market was valued at ~US\$ 891M in CY23 and is projected to grow at a CAGR of 6.1% during CY23-26. The Indian DSS & WLW market is showing the similar growth trajectory and is expected to register a CAGR of 6.6% during FY24-27, with the market value in FY24 being ~US\$ 115M.

Industrials sector comprising of heavy machinery like equipments used in manufacturing, infrastructure & others, contribute the maximum revenue share in the DSS & WLW market. The growth is largely accreditable to the increase in steel demand to fulfill the growing urbanization & construction needs. After Industrials, mobility sector consisting of automobiles (such as four-wheelers and two-wheelers) & railways is the biggest contributor to the revenue of DSS & WLW. In automobile sector, demand is fueled by the growing consumption of passenger cars in countries like India & Brazil. The renewable sector comprising of wind & hydro energy is another key growing market. Here, the focus on government policies to mitigate international climate change will boost growth.

The coil & spiral springs (CSS) market will witness growth due to the surge in demand of EV vehicles in India

As per I Lattice analysis, The Indian market for CSS was valued at ~US\$ 459M in FY24 and is expected to grow at a CAGR of 9.8% during FY24-27. The market growth is credited to factors like growing automobile industry & rapid urbanization. The major consumption of CSS happens in the mobility largely applied in the commercial vehicles, automobiles & railways. Coil springs are used in EVs to reduce the overall vehicle weight. Penetration of EVs in the 2-wheeler market stands at ~5% and in 4-wheeler market is ~1% as of FY23 in India. This growing penetration will largely increase the demand. After mobility, the major consumption happens in the Industrials sector. Here, the focus on Indian government to develop India's Industrials participation through schemes like PLI, Urban Infrastructure Development scheme is boosting growth.

Ageing of infrastructure & growth in renewable market will lead to high demand for Special Fasteners Solutions (SFS)

As per Universal Consulting report on "Shortlisting Attractive Global Opportunities: Fasteners", the global market for SFS was valued at ~US\$ 97,326M in CY23 and is expected to grow at a CAGR of 6.7% during CY23-26. The Indian market for SFS was valued at ~US\$ 6,580M in FY24 and is expected to grow at a CAGR of 18.0% between FY24-27.

This strong growth in the market can be attributed to different factors like growth in the renewable industry & ageing of infrastructure. Globally, most of the revenue is currently contributed by the mobility sector in which demand is majorly in the automobile sector. The Industrials sector contributes almost equivalent revenue to the mobility sector, in which the majority of demand comes from heavy machinery. The policy support from different countries focusing on development of clean energy is a key growth driver for the renewable sector.

Overview of Market Size for our Products:

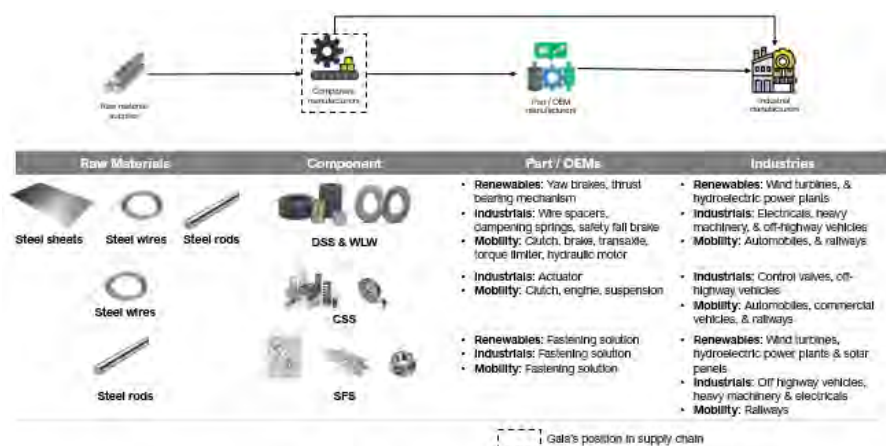
| Global Market Size* | | | | | |
|--------------------------|-----------------------------|------------------|-----------------------------|----------------------|-----------------------------|
| Product category | Market size (CY23) (US\$ M) | Segment | Market size (CY23) (US\$ M) | Sub-segment | Market size (CY23) (US\$ M) |
| DSS + Wedge Lock Washers | 891.2 | Renewable energy | 45.9 | Renewable energy | 45.9 |
| | | Industrial | 703.9 | Off-highway | 397.5 |
| | | | | Electrical equipment | 281.5 |
| | | | | Heavy machinery | 24.8 |
| | | Mobility | 141.4 | Mobility | 141.4 |
| SFS | 97,325.5 | Renewable energy | 10,154.6 | Renewable energy | 10,154.6 |
| | | Industrial | 41,184.3 | Off-highway | 3,953.8 |
| | | | | Electrical equipment | 1,226.1 |
| | | | | Heavy machinery | 36,004.4 |
| | | Mobility | 44,427.9 | Railway | 5,561.1 |
| | | | | Automotive | 38,866.8 |
| | | Others | 1,558.8 | Others | 1,558.8 |
| Total | 98,216.8 | | 98,216.8 | | 98,216.8 |

Note(s): CSS segment is not a focus area for Gala Precision Engineering globally

| Indian Market Size | | | | | |
|--------------------------|-----------------------------|------------------|-----------------------------|----------------------|-----------------------------|
| Product category | Market size (FY24) (US\$ M) | Segment | Market size (FY24) (US\$ M) | Sub-segment | Market size (FY24) (US\$ M) |
| DSS + Wedge Lock Washers | 114.8 | Renewable energy | 1.4 | Renewable energy | 1.4 |
| | | Industrial | 95.8 | Off-highway | 77.4 |
| | | | | Electrical equipment | 17.5 |
| | | | | Heavy machinery | 0.9 |
| | | Mobility | 17.7 | Mobility | 17.7 |
| CSS | 458.5 | Industrial | 31.9 | Off-highway | 21.2 |
| | | | | Infrastructure | 10.8 |
| | | Mobility | 426.6 | Commercial vehicles | 22.6 |
| | | | | Automotive | 404.1 |
| SFS | 6,580.0 | Renewable energy | 424.4 | Renewable energy | 424.4 |
| | | Industrial | 2,799.1 | Off-highway | 539.5 |
| | | | | Electrical equipment | 61.7 |
| | | | | Heavy machinery | 2,197.8 |
| | | Mobility | 3,217.3 | Railway | 1,236.1 |
| | | | | Automotive | 1,981.2 |
| | | Others | 139.3 | Others | 139.3 |
| Total | 7,153.3 | | 7,153.3 | | 7,153.3 |

3.0 Industry Position: Component supply chain & end-user industries

Gala Precision Engineering is positioned as a precision component manufacturer in the supply chain, supplying specialized fastening solutions, disc springs, strip springs, coils springs, spiral springs, and wedge lock washers. Their primary clientele consists of major OEMs, tier 1 & channel partners, spanning diverse industries including renewable energy, railways, automotive, electrical, and more.



| End user industries: DSS & WLW | | | | | |
|--------------------------------|--------------------------------|----------------------------|-----------------------|----------------------------|----------------------------|
| Renewables | Mobility | | | Industrial | |
| | Railway infrastructure | Automobile | Off-highway vehicle | Electrical power equipment | Heavy machinery |
| Wind turbines | Rolling stock | ICE - 4W | Agricultural tractors | Switchgear | Steel processing equipment |
| Hydro electricity | Track & station infrastructure | EV - 4W | Combine harvesters | Transformer | Heat exchangers |
| | | CNG - 4W | Excavators | Power transmission lines | Elevators |
| | | ICE - 2W | Dozers | | Tyre industry |
| | | EV - 2W | Concrete equipment | | Cement industry |
| | | Commercial vehicles | Mining / dump trucks | | |
| | | ICE - HCV | Mining shovels | | |
| | | ICE - buses | Mobile crushers | | |
| | | EV - buses | | | |

| End user industries: CSS | | | | |
|--------------------------|------------|--------------------------------|-----------------------|---------------------------|
| Mobility | | | Industrial | |
| Commercial vehicle | Automobile | Railway infrastructure | Off-highway vehicle | Industrial infrastructure |
| ICE – buses | ICE - 4W | Rolling stock | Agricultural tractors | Valves & actuators |
| EV - buses | EV - 4W | Track & station infrastructure | Combine harvesters | |
| ICE – HCV | CNG - 4W | | Excavators | |
| ICE – MCV | ICE - 2W | | Dozers | |
| ICE - LCV | EV - 2W | | Concrete equipment | |
| | | | Mining / dump trucks | |
| | | | Mining shovels | |
| | | | Mobile crushers | |

| End-user industries: SFS | | | | | | | | | | |
|--------------------------|--------------------------------|---------------------|-----------------------------------|---------------------------|--------------------|----------------|---------------------------|-----------------------------------|----------------------------|------------------------------------|
| Renewables | Mobility | | | Industrial | | | | | | |
| | Railway infrastructure | Automobile | Off-highway vehicle | Heavy machinery | Roadways | Ship building | Industrial infrastructure | Machine building | Electrical power equipment | Others |
| Wind turbines | Track & station infrastructure | Commercial vehicles | Agricultural tractors | Manufacturing equipment | Crash guard system | New ships | Warehousing | Machining centres | Transformer | Commercial & residential buildings |
| Hydro electricity | Coaches | ICE - 4W | Combine harvesters | Heat exchangers | Bridges | Ship repairing | Airports | Turning machines / lathe machines | Switchgear | Electronics |
| Solar | | ICE - 3W | Excavators | Tyre machinery | | | Ports | Milling machines | Insulators | Oil & gas maintenance |
| Nuclear | | ICE - 2W | Dozers | Cement industry | | | Lifts & escalators | Grinding machines | Energy meters | Aerospace |
| | | EV - 4W | Concrete equipment | Boilers | | | Valves and actuators | Drilling machines | Transmission towers | |
| | | EV - 3W | Mining / dump trucks | Pumps | | | | | | |
| | | EV - 2W | Mining shovels | Plant and other equipment | | | | | | |
| | | | Mobile crushers | | | | | | | |
| | | | Trailers | | | | | | | |
| | | | Earth moving | | | | | | | |
| | | | Crushing, pulverizing & screening | | | | | | | |
| | | | Forklift | | | | | | | |
| | | | Crane | | | | | | | |

| End user industries: CSS | | | | |
|--------------------------|------------|--------------------------------|-----------------------|---------------------------|
| Mobility | | Industrial | | |
| Commercial vehicle | Automobile | Railway infrastructure | Off-highway vehicle | Industrial infrastructure |
| ICE – buses | ICE - 4W | Rolling stock | Agricultural tractors | Valves & actuators |
| EV - buses | EV - 4W | Track & station infrastructure | Combine harvesters | |
| ICE – HCV | CNG - 4W | | Excavators | |
| ICE – MCV | ICE - 2W | | Dozers | |
| ICE - LCV | EV - 2W | | Concrete equipment | |
| | | | Mining / dump trucks | |
| | | | Mining shovels | |
| | | | Mobile crushers | |

3.1 GALA PRECISION ENGINEERING OVERVIEW

Gala Precision Engineering is a key Indian manufacturer of high tensile fasteners and technical springs. Gala Precision Engineering also offers disc springs under the Gala brand & wedge lock washers under the Gallock brand. These products are as per German DIN standards and can be customized to meet the requirements of 175+ active global customers. Gala Precision Engineering has a strong global presence across 25+ global export countries with an office in Frankfurt Germany to better service their European clientele.

Gala Precision Engineering has 30+ years of experience in understanding spring material behavior and has tie ups with global research institutes in Germany and India for new product testing and process validation.

Gala Precision Engineering has alliances with steel mills in India, Europe, Brazil, Korea, etc. from which it acquires ~30% of its raw materials. Such alliances are key for maintaining consistency in quality and delivery.

Product development takes 3 to 9 months, followed by a 3 to 12-month testing and validation phase incurring significant costs. Plant audits by clients occur during this period. The process concludes with a 12 to 18-month supply ramp-up and quality stabilization, showcasing Gala's meticulous and time-consuming operations that prioritize thorough testing, validation, and quality assurance for reliable product delivery to clients. In addition to its facilities in India, Gala Precision Engineering maintains an office in Germany as well. Gala Precision Engineering is adding new customers for disc springs in high-value markets such as Europe and USA and is mainly competing with German producers to improve its market share. With a global clientele, Gala's exports reach 25+ countries, encompassing major markets such as Germany, Denmark, China, Italy, Brazil, USA, Sweden, Switzerland and others contributing ~40% to total sales.

Gala Precision Engineering is setting up a new facility in Chennai dedicated to the production of special fastening solutions.

Gala specializes in Strip Springs designed for high fatigue applications in two-wheelers, four-wheelers, and off-highway vehicles. Their product range also includes disc springs conforming to DIN 2093 standards, Bearing Series, and customized variants featuring a variety of raw materials and surface coating options. Gala is a supplier for global and Indian players like Brembo Brake India Pvt Ltd., Bufab India Fasteners Pvt Ltd., Vestas Wind Technology India Pvt. Ltd., Endurance Technologies Ltd., Exedy Clutch India Pvt Ltd., Larsen & Toubro Electrical Automation (L&T Electrical Automation), Schneider Electric SE, MSL Driveline Systems Ltd. (formerly Mahindra Sona Limited), Wuerth Industrial Services Pvt Ltd., General Electric Vernova (GE Vernova), Enercon Global GmbH, Senvion S.A., Schaeffler Technologies AG & Co. KG, Hitachi Astemo Ltd., Altra Industrial Motion, Webtec Products Limited, LPS Bossard Pvt. Ltd. And Legrand India Pvt. Ltd.

Gala Precision Engineering has a significant presence in the disc spring market for renewable industry with ~85% share in the Indian market as of FY24 and ~5% share in the global market as of CY23*.

Gala Precision Engineering has ~15% market share in the Indian SFS market for wind turbines as of FY24.

(Note: *Gala Precision Engineering's revenue taken for FY23)

Products

DSS

Gala Precision Engineering offers disc springs as per DIN 2093 standard or as per custom requirements to the client needs. Within groups of DIN 2093, standard sizes as per series A, B and C are provided. Gala Precision Engineering has built-up in-house expertise and collaborates with German universities to develop high performance disc springs which offer high fatigue life at high stress levels. Furthermore, the size of the disc springs can be reduced while meeting the same load / deflection requirements due to Gala Precision Engineering's improved manufacturing technology. Other advantages of Gala Precision Engineering's disc springs include 100+ standard sizes available ex-stock, ISO 9001:2015 / IATF16949 certified manufacturing facilities and the availability of disc spring selection software online. Gala Precision Engineering is competing domestically with International Industrials Springs, while internationally with Mubea, Schnorr & Christian Bauer.

Gala Precision Engineering manufactures an extensive range of strip springs for Indian and global OEMs across automotives, off-highway vehicles, and more industries. Some key applications for these strip springs are two wheelers, four wheelers and off highway vehicles. Gala Precision Engineering is the partner of various notable OEMs such as Brembo Brake India Pvt Ltd., and Endurance Technologies Ltd.

CSS

In 2015, Gala Precision Engineering commenced the production of CSS, drawing upon its extensive manufacturing expertise to provide springs tailored for diverse critical applications. The company boasts IATF16949 and ISO 9001:2015 certified manufacturing facilities, ensuring high-quality standards.

Gala Precision Engineering has various advanced manufacturing processes in the manufacturing of coil springs, including the usage of CNC Wafios machine from Germany, Wheelabrator shot peening machine, spring grinding and chamfering CNC machine & multi station automatic scragging and load testing machine. They even offer various types of surface coatings.

Gala Precision Engineering's spiral springs offer high durability, optimum design for space saving, capability to offer variety of surface treatments and costings which are capable of meeting stringent tolerances.

Gala Precision Engineering's CSS solutions have found adoption across numerous industries such as automobiles, off-highway vehicles, commercial vehicle & Industrials infrastructure.

Within the CSS Category, Gala faces competition from industry players like Stumpp Schuele & Somappa Springs Pvt. Ltd., NHK Springs India Ltd., and Muhr und Bender KG.

SFS

Gala Precision Engineering manufactures special fastening solutions such as anchor bolts and studs from various materials such as alloy steel / high tensile steel (as per ISO 890-1, DIN & ISO series standard), and structural steel. These come with various coatings such as zinc flake coating, deta tone, geomet, magni, mechanical zinc plating (Cr 6 free), and hot dip galvanizing.

Gala Precision Engineering is mainly competing with Randack Fasteners, Sundram Fasteners &, Hiten Fasteners in the Indian SFS market. In the global segment Gala Precision Engineering is competing with Cooper & Turner, Roseholm, & August Freidberg.

Gala Precision Engineering's SFS are used across various applications such as wind energy, hydro electricity generation, railways, off highway vehicles, heavy machinery & electricals.

4 GLOBAL MARKET FOR DISC & STRIP SPRINGS AND WEDGE LOCK WASHERS (DSS & WLW)

4.1 Industry overview

DSS & WLW consists of disc springs & strip springs and wedge lock washers represented below:



DSS & WLW are spring and fastening solutions used for Industrial applications when mechanical devices are required to apply force. Disc springs deliver powerful spring forces in a compact space. Their unique layouts in stacks boost both forces and deflections. Adjusting component geometry allows precise control of the load/deflection curve—a major advantage. WLW are washers with wedge-lock technology, a cutting-edge solution, transform bolted joints by emphasizing tension over friction. They ensure a secure, vibration-resistant joint with exceptional longevity and reliability. These components are used in different industries like renewables, railway infrastructure, automobiles, and others. The application varies as per the requirement from load control & regulation, vibration dampers or to provide a damping effect in vehicle transmission, braking systems of wind turbines, and shock absorption depending on industry. Gala Precision Engineering's Wedge Lock Washer has been tested successfully in Germany and is in conformity with the requirements of Standard DIN 25201 -4 with the clamp force staying constant after almost 2,000 cycles of the junker test.

The global DSS & WLW market is valued at ~ US\$ 891M in CY23 witnessing a CAGR of ~6% during CY20-23. Gala Precision Engineering has a market share of ~2% in the global DSS market as of CY23*. In this, WLW is contributing ~ US\$ 260M as of CY23.

(*Note: Revenue for Gala Precision Engineering taken as of FY24)

4.2 MARKET FORECAST AND GROWTH DRIVERS.

The DSS & WLW market is expected to reach a value of ~ US\$ 1,065M in CY26 witnessing a growth of 6.1% during CY23-26P. The end-user industry growth will be the key growth driver for the DSS & WLW market. Renewable energy, automobile & infrastructure are some of the key industries showing good growth potential.



- **Increase in renewable energy capacity:** As part of the world's climate goals, the leaders of the G20 summit have pledged to triple their installed renewable energy capacity by CY30 from the current capacity of CY23. The focus will be on developing wind, hydroelectric power, and solar energy.
- **Rise in Infrastructure spending:** Infrastructure spending is projected to increase to ~US\$ 3T annually from CY15 to CY40, compared to ~US\$ 2T per year from CY07 to CY15. The development of infrastructure requires extensive use of off-highway vehicles, with DSS & WLW used extensively in the off-highway vehicles.
- **Automobile:** Increasing population, urbanization, demand for high-end passenger vehicles, and rising infrastructure spending are expected to drive automobile market growth all over the world. DSS & WLW are used extensively in vehicles like cars, buses & 2-wheelers, for applications in clutches, brakes, or axle lift systems (for buses). Thus, the growth in automobile sector will present itself as a tailwind for the DSS & WLW market.
- **Growth of railways:** Railways offer an efficient mass transportation solution, facilitating cost-effective and seamless travel for both passengers and freight. As the global population and economic activities continue to rise, global railroad

industry is anticipated to grow at a rate of ~4% from CY22 to CY30. DSS & WLW play crucial roles in the railway sector, ensuring the safety of rolling stock. Investment around the world is another driving factor for railway industry

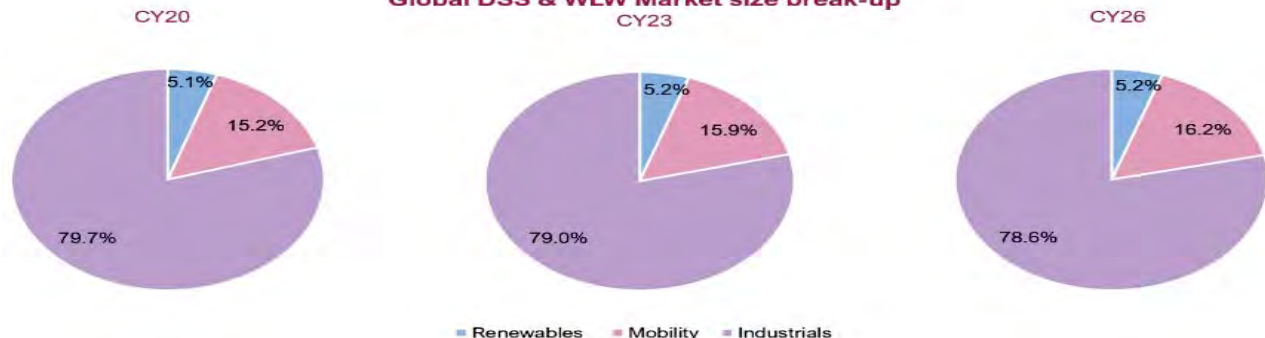
4.3 INDUSTRY WISE APPLICATION:

| DSS & WLW usage & criticality among different end users | | |
|---|--------------------|---|
| Industry | End-user | Uses & Criticality |
| Renewable | Hydroelectricity | <ul style="list-style-type: none"> DSS are used in support systems & bearings of various rotating equipment to stationary structures while distributing load & preventing damage from constant vibration WLW are used in penstock, valve & flanges to prevent water leakage & maintain proper functioning while localizing stress concentrations |
| | Wind turbines | <ul style="list-style-type: none"> DSS are applied in yaw break solutions to control nacelles & blades, ensuring structural stability WLW prevents bolted joints securing the blades, nacelle & tower in wind turbines from coming loose |
| Mobility | Railway | <ul style="list-style-type: none"> DSS are used in suspension systems, couplers, & brakes of railway infrastructure that help in bolt loading & shock absorption, enhancing ride quality of the train WLW are used to connect railway infrastructure such as coaches, traction motors & control arms, & also maintain the tension between nuts & bolts screwed together under intense vibrations & dynamic loads |
| | Automobiles | <ul style="list-style-type: none"> DSS are used in clutch & breaks of 2-wheelers, 4-wheelers & commercial vehicles ensuring effective gear change along with assisting in engaging & disengaging of braking systems in EVs |
| Industrials | Off-highway | <ul style="list-style-type: none"> DSS are used in trans axel, hydraulic motors & torque limiters of agricultural vehicles helping in handling vibration & offering stability WLW are used in frame & engine connection of vehicles to prevent the connections from coming lose over time due to vibrations |
| | | <ul style="list-style-type: none"> DSS are used in hydraulic motors, torque limiter, hydraulic breaker attachment, & boring breaker attachment of construction vehicles ensuring safety of overall vehicle WLW are used in frame & engine connection of vehicles to prevent the connections from coming lose over time due to vibrations |
| | Electrical & power | <ul style="list-style-type: none"> DSS are used in switchgear in push rod assembly ensuring stable electrical connection; It is also used in transmission lines as a spacer WLW are applied in the infrastructure of off-shore & on-shore oil, gas & coal plants evenly distributing clamping force & preventing the connections from coming lose over time due to vibrations |
| | Heavy machinery | <ul style="list-style-type: none"> DSS are used in elevator safety brakes which holds the elevator in place in case of failure, ensuring safety; It is also used in heat exchangers & steel manufacturing industry WLW are used in assembling machinery in tire production plants. In the cement industry, they are used in heavy machinery assemblies to prevent nuts from being loosening due to vibrations & maintains stability under operational stresses |

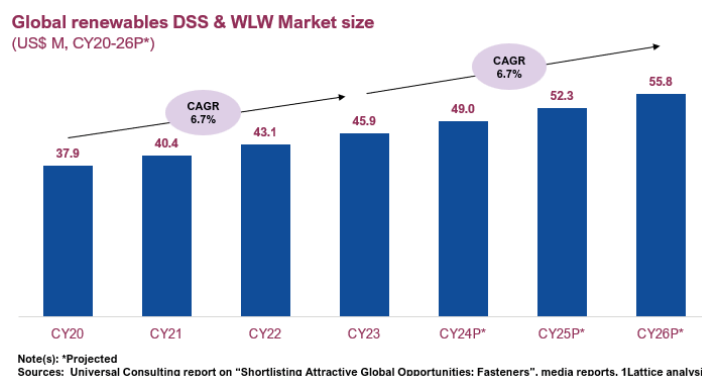
| Global market size for DSS & WLW | | | | |
|----------------------------------|--------------------|----------------------|-------|--------|
| Industry | | Market size (US\$ M) | | |
| | | CY20 | CY23 | CY26 |
| Renewables | | 37.9 | 45.9 | 55.8 |
| Industrials | Off-highway | 338.5 | 397.5 | 467.3 |
| | Electrical & power | 233.3 | 281.5 | 339.7 |
| | Heavy machinery | 20.8 | 24.8 | 29.5 |
| Mobility | Automobiles | 113.1 | 141.4 | 172.6 |
| Total | | 743.6 | 891.2 | 1064.9 |

CY26 market size given above as per projections.

Global DSS & WLW Market size break-up



4.3.1 Renewable Industry

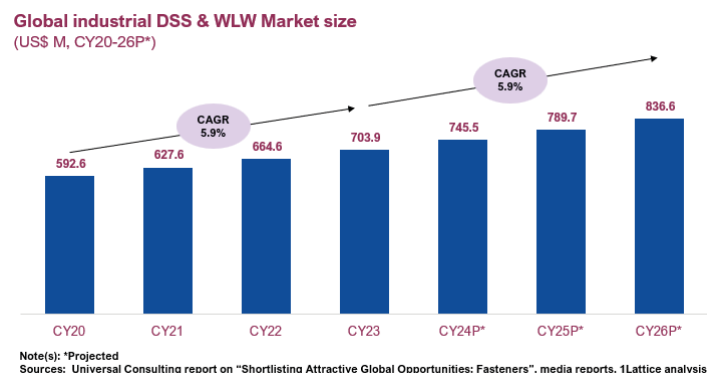


Growth Drivers

The renewable energy industry is subjected to growth due to government policies focusing on mitigating international climate change. Regions like the European Union and China have aimed to increase their renewable energy production capacity significantly. This increase in demand for renewables will lead to an increase in consumption of DSS & WLW. Increased energy production, Government favourable policy action in US, EU and incremental demand in hydroelectricity will lead to growth in renewable energy industry.

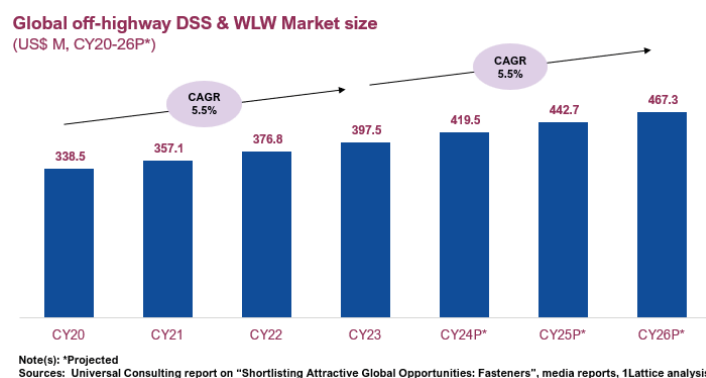
4.3.2 INDUSTRIALS:

DSS & WLW play a crucial role in various internal components of off-highway vehicles, including transaxles, torque limiters, and hydraulic motors. Additionally, DSS & WLW find applications in transmission lines, transformers, and elevators. The projected value of the overall DSS & WLW market for Industrials is anticipated to reach ~US\$ 837M by the end of CY26P. This growth is primarily attributed to substantial investments by governments in infrastructure, construction, and the renewable industry. The Industrials sector is expected to experience future growth, with a CAGR of ~6% during the period from CY23-26P.



4.3.2.1 OFF-HIGHWAY VEHICLE

Off-highway vehicles refer to all types of vehicles utilized for non-transportation-related purposes such as agriculture, construction, and mining. Common uses examples are vehicles such as tractors, combine harvesters, excavators, dozers, dump trucks, etc. DSS & WLW play a critical role in various internal components of off-highway vehicles such as transaxles, torque limiters, and hydraulic motors.

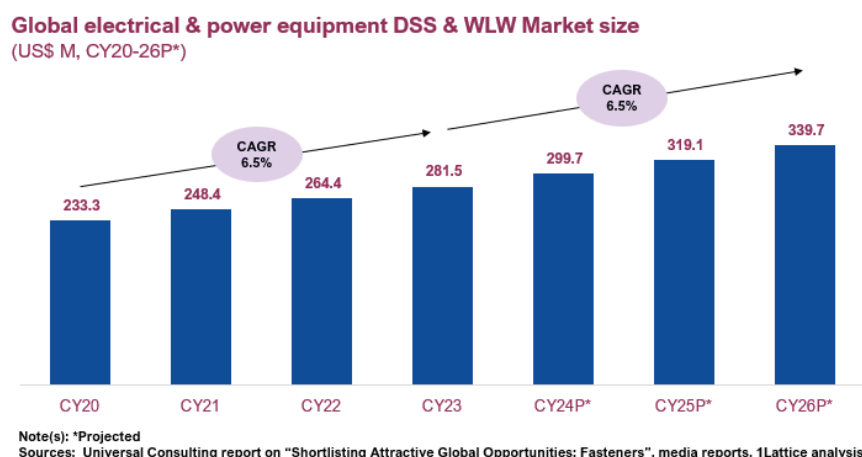


Growth Drivers:

The off-highway vehicle industry is poised for significant growth driven by various factors. Increased investment in infrastructure, aimed at urbanization and bridging investment gaps, is expected to boost the sales of construction vehicles. Globally, large farms are driving the need for agricultural machinery, while raising awareness of mechanization in emerging economies is poised to enhance the market. Investment in Infrastructure especially in construction sector and mining resource extraction will fuel growth in off-highway vehicle industry.

4.3.2.2 ELECTRICAL POWER EQUIPMENT

Electrical power equipment refers to the critical elements of electricity generation and transmission such as electricity generation plants and transmission lines. DSS & WLW have various use cases such as the dampening of vibrations in high-voltage transformers and as a component of spacers between individual electricity transmission lines.



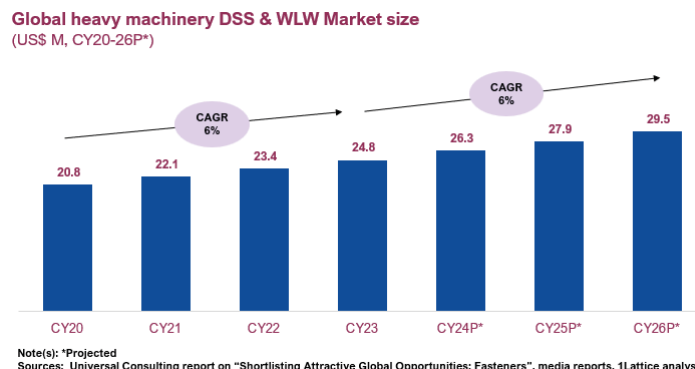
Growth drivers:

The electrical and power equipment industry is driven by multiple growth drivers. The global transition towards electricity is spurring rigorous expansion of electric infrastructure., essential for electrification processes, are poised for substantial growth. Prioritizing grid resilience through investments in grid management is creating opportunities for innovative products and improved margins. Simultaneously, industries are shifting towards more electrified processes to reduce carbon emissions and enhance efficiency, necessitating specialized equipment. Investment in grid, electrification and renewable will key driver for growth in electrical and power equipment industry.

4.3.2.3 HEAVY MACHINERY

Heavy machinery refers to various equipment that enables or powers the inner workings of various industries such as manufacturing, infrastructure, and air conditioning. DSS & WLW play multifaceted roles in each of these industries, for

instance, disk spring assemblies are used in elevator safety breaks which hold elevators in place in case of failure. The global DSS & WLW for heavy machinery market was valued at ~ US\$ 24M in CY23 witnessing a CAGR of ~6% during CY20-23.



Growth Driver:

The heavy machinery industry is poised for robust growth driven by key factors. Heavy machinery is used for steel production, & growing steel demand due to construction needs, and urbanization, Furthermore, heat exchangers benefit from energy-efficient solutions and urbanization-driven HVAC demand.

4.3.3 Mobility

Mobility encompasses both the automobile and railway sectors. DSS & WLW are integral to 4-wheeled and 2-wheeled vehicles, contributing significantly to the clutch and brake mechanisms of vehicles. There has been prevalent growth in the mobility sector with automobile contributing a major portion of it. Government investment in the railways industry is also driving the demand for mobility.

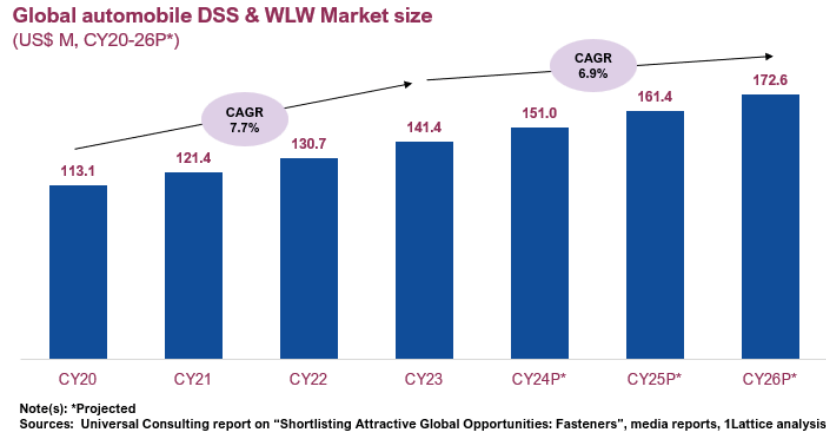
4.3.3.1 RAILWAY INDUSTRY

In the railway industry, DSS & WLW are primarily used for rolling stock & infrastructure.

Growth Drivers: The DSS & WLW market is poised for growth, driven by the energy-efficient and sustainable nature of railways, particularly in developing countries like China and India. Decarbonized and sustainable mode of transport, Growth in developing countries, Increased investments in railway infrastructure will drive growth in railway infrastructure.

4.3.3.2 Automobile industry

The automobile industry consists of 4-wheeled & 2-wheeled vehicles powered by internal combustion engines and electric drivetrains, along with heavy commercial vehicles. Various types of strip springs such as clip springs, etc. play a critical role in the functioning of the vehicle's clutch and & brake mechanism.



Growth Drivers:

The automobile industry is poised for significant growth in the coming years. EVs are set to become a dominant force, with EV sales projected to account for two-thirds of global car sales by CY30. Developing countries like Brazil and India are expected to contribute to an increased demand for passenger cars. Increase affordability and adoption of EV and rapid economic growth in emerging economies will drive growth for automobile industry.

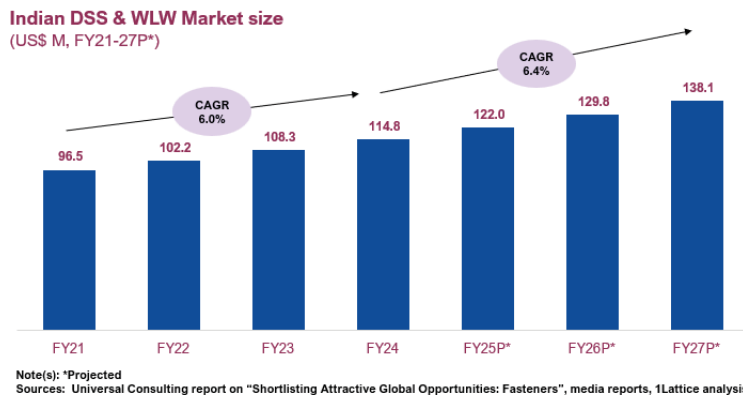
5. Indian market for Disc & Strip Springs and Wedge Lock Washers (DSS & WLW)

5.1 INDUSTRY OVERVIEW

DSS & WLW serve as spring and fastening solutions employed in Industrials settings where mechanical devices are needed to exert force. These elements find application across diverse industries such as renewables, infrastructure, automobiles, and more. Their usage spans a range of applications, including pressure controls and regulators, vehicle braking systems, valves, and shock absorbers, tailored to the specific needs of each industry. The Indian DSS & WLW market is valued at ~ US\$ 115M in FY24 witnessing a CAGR of ~6% during FY21-24. Gala Precision Engineering is a major DSS manufacturer & has ~10% market share in the Indian disc spring market as of FY24.

5.2 MARKET FORECAST AND GROWTH DRIVERS

The Indian DSS & WLW market is expected to reach a value of ~ US\$ 138M in FY27 witnessing a growth of ~6% during FY24-27P. The end-user industry growth will be the key growth driver for the DSS & WLW market. Renewable energy, automobile & infrastructure are some of the key industries showing good growth potential.



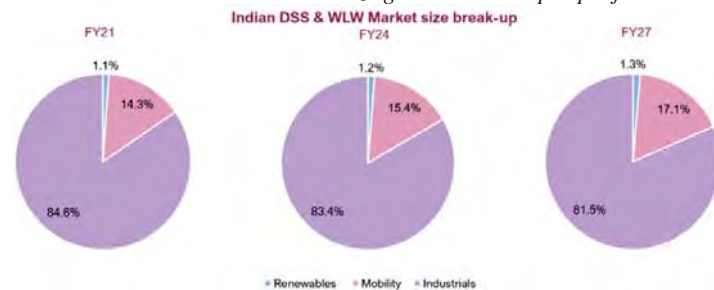
- **Expansion of renewables:** The Indian government is actively investing in the renewable industry, introducing new policies and targets under COP26. The Union Cabinet has approved the National Green Hydrogen Mission with an initial budget of ~INR 20,000 Cr. This investment will boost demand for DSS & WLW, crucial components in renewable energy infrastructure.

- **Investment in infrastructure:** In Budget FY23-24, spending on infrastructure is planned to be increased by ~35% to INR 10 lakh Cr (US\$ 122B), making it ~3% of GDP and nearly three times the FY19-20 expenditure. This increased investment aims to drive demand for DSS & WLW, crucial for ensuring structural stability in infrastructure.
- **Automobile export expansion:** India has a robust market for both local and international sales. In FY24, about ~4M passenger vehicles were sold, and the goal for the Indian automotive industry is to boost vehicle exports by five times from FY16-26. In FY24, total automobile exports from India were around ~4.5M. Growing exports mean higher demand and production of vehicles, which, in turn, will drive the need for components like DSS & WLW used in crucial parts like clutch and brake systems.

5.3 INDUSTRY-WISE APPLICATION

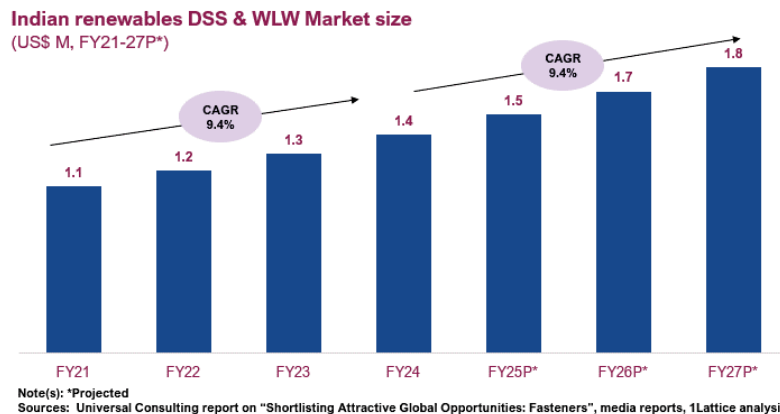
| Indian market size for DSS & WLW | | | | |
|----------------------------------|--------------------|----------------------|-------|-------|
| Industry | | Market size (US\$ M) | | |
| | | FY21 | FY24 | FY27 |
| Renewables | | 1.1 | 1.4 | 1.8 |
| Industrials | Off-highway | 66.7 | 77.4 | 89.9 |
| | Electrical & power | 14.2 | 17.5 | 21.6 |
| | Heavy machinery | 0.7 | 0.9 | 1.1 |
| Mobility | Automobiles | 13.8 | 17.7 | 23.7 |
| Total | | 96.5 | 114.8 | 138.1 |

FY27 market size given above as per projections.



5.3.1 RENEWABLE INDUSTRY

India has been actively working to achieve its climate change by implementing various policies and making substantial investments (~INR 20,000 Cr). It is one of the largest countries in hydro and solar power, continually increasing its capacity through various projects. DSS & WLW play a crucial role in ensuring the structural integrity of wind energy and hydroelectricity plants. The market for DSS & WLW in the Indian renewable industry was valued at US\$ 1.4M in FY24 and is expected to increase at a CAGR of ~9% during FY24-27.

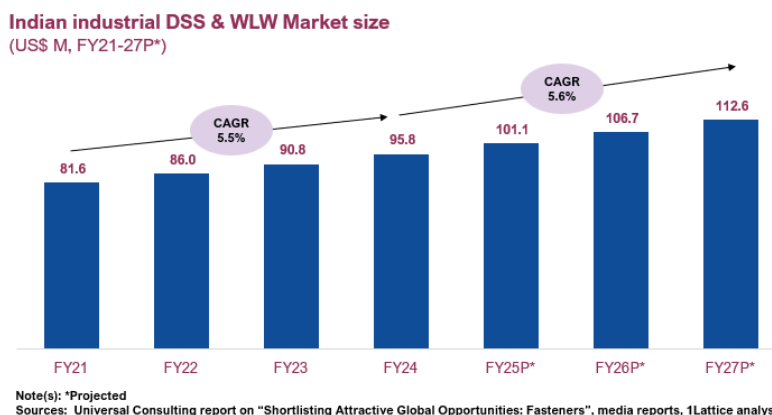


Growth Drivers

The renewable energy sector is experiencing growth thanks to increased investments and policies aimed at addressing international climate change. As the demand for renewables continues to increase, there will be a corresponding rise in the consumption of DSS & WLW. Rising investment coupled with policies for achieving climate targets and cost advantage has been key driver for growth in the renewable sector.

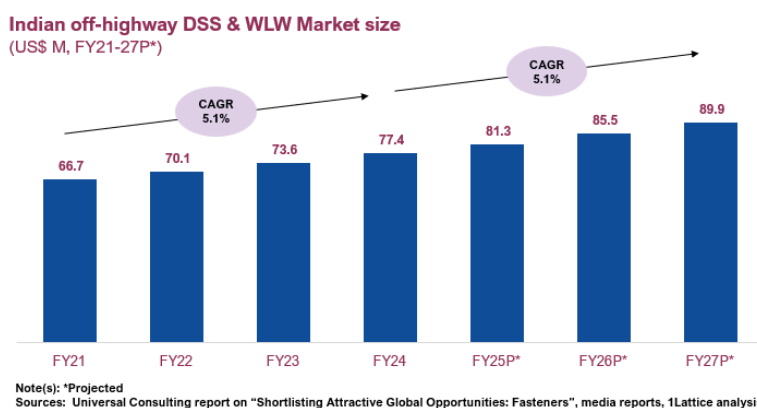
5.3.2 Industrials

The Industrials sector includes off-highway vehicles, electrical and power equipment, and heavy machinery. DSS & WLW are vital for internal components in off-highway vehicles, such as transaxles, torque limiters, and hydraulic motors. The projected value of the Industrials DSS & WLW market is expected to reach ~US\$ 113M by the end of FY27P, with a projected CAGR of 5.8% from FY24-27P.



5.3.2.1 Off-Highway Vehicle

Off-highway vehicles include things like tractors, harvesters, excavators, and more, used for jobs like farming and construction. India is expected to see a rise in demand for these vehicles due to increased agricultural and construction activities. DSS & WLW plays a crucial role in internal components like transaxles, torque limiters, and hydraulic motors in these vehicles as mentioned in the application and essentiality part of global. The Indian DSS & WLW market for off-highway vehicle industry was valued at ~ US\$ 77M in FY24 witnessing a CAGR of 5.1% during FY21-24.



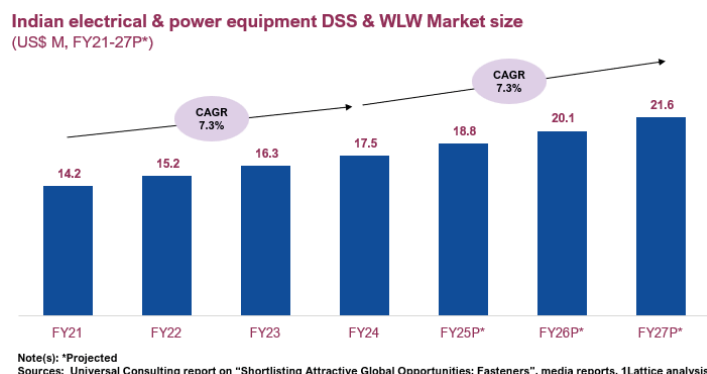
Growth Drivers

The off-highway vehicle industry is set to experience substantial growth due to several factors. The increased investment in infrastructure is anticipated to stimulate the sales of construction vehicles. Additionally, government policy decisions that prioritize infrastructure development and farmer welfare are fostering a favorable environment for the expansion of off-highway vehicles. Infrastructure spending, agriculture mechanization will play big role in driving demand for off-highway industry demand. Government policies such as National Infrastructure Pipeline (NIP) and increase expenditure will act argument demand in off high way vehicle market.

5.3.2.2 ELECTRICAL & POWER EQUIPMENT

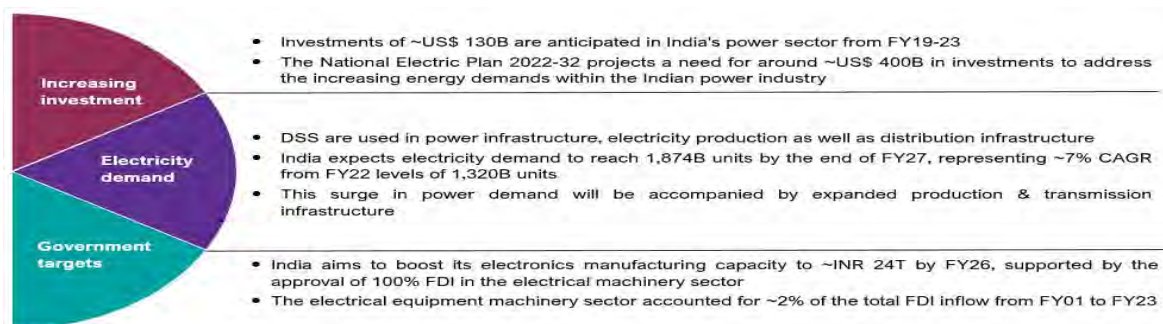
Due to a rising demand for power and government initiatives, the electrical equipment industry is expected to grow at a rate of ~12%. Dampening vibrations in transformers and acting as spacers between transmission lines are among the various applications of DSS & WLW as previously mentioned in the global section. The Indian DSS & WLW for electrical & power equipment market was valued at ~US\$ 18M in FY24 witnessing a CAGR of ~7% during FY21-24.

Gala Precision Engineering has played an active role in in the installation of the electrical infrastructure of the new India Parliament house.



Growth Drivers

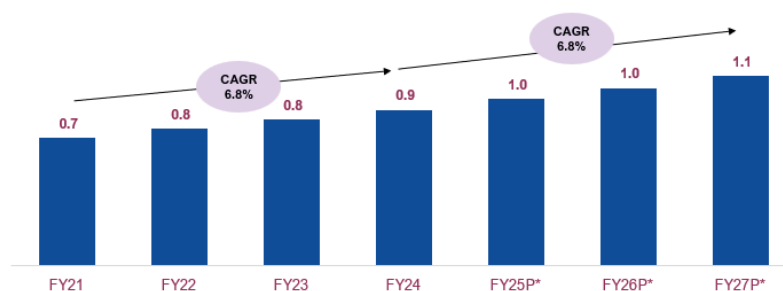
The electrical and power equipment industry experiences growth from various factors. The rising domestic demand for electricity, increased investments, and government policies aiming to meet targets contribute to the expansion of the electrical and power equipment sector. This increased growth will also boost the demand for DSS & WLW, which are utilized in electrical and power equipment.



5.3.2.3 HEAVY MACHINERY

Heavy machinery refers to various equipment that enable or power the inner workings of various industries such as manufacturing, infrastructure, and HVAC. DSS & WLW play multifaceted roles in each of these industries as mentioned in global section detail. The Indian DSS & WLW market for heavy machinery industry was valued at ~ US\$ 1M in FY24 witnessing a CAGR of ~7% during FY21-24.

Indian heavy machinery DSS & WLW Market size
(US\$ M, FY21-27P*)



Note(s): *Projected
Sources: Universal Consulting report on "Shortlisting Attractive Global Opportunities: Fasteners", media reports, 1Lattice analysis

Growth Drivers

The heavy machinery industry is set to grow strongly because of key factors. Heavy machinery is essential for steel production, and the increasing demand for steel, driven by construction and urbanization, contributes to this growth. Additionally, energy-efficient solutions for heat exchangers and the demand for HVAC systems due to urbanization further fuel this expansion. Investments in domestic infrastructure are expected to support various industries, including cement, construction equipment, and components like disc springs, both during construction and operations. Growth in steel processing industry, increase demand for elevators and Heat exchanger on account of urbanization and industrialization will provide traction for heavy machinery industry.

5.3.3 MOBILITY

Mobility, covering both railways and automobiles, relies heavily on DSS & WLW. DSS & WLW is crucial in the railway domain, applied in rolling stock and infrastructure. It also plays an integral role in 4-wheeled and 2-wheeled vehicles, notably contributing to vehicle clutch and brake mechanisms. The mobility sector has experienced significant expansion, with automobiles playing a substantial role in this development. The main contributors to this growth are proactive government initiatives such as FAME II and AMP, coupled with incentives linked to products. Additionally, the surge in investments is another key driver, leading to an escalating demand for DSS (Driver Support Systems) and WLW (Wireless Local Area Network) utilized in vital automobile components. Furthermore, government investments in railways are contributing to the increased demand for mobility.

5.3.3.1 RAILWAY INFRASTRUCTURE

The Indian railway network is among the largest in Asia and the second largest globally, operating 19,000 trains per day. As mentioned earlier in application and essentiality of global section, within the railway system DSS & WLW are primarily employed in suspension systems to stabilize rolling stock. Infrastructure elements like pull rods, compressors, traction motors, and coaches are also utilized to ensure safety during high vibrations. These components play a crucial role in maintaining the efficiency and longevity of both railways and tracks.

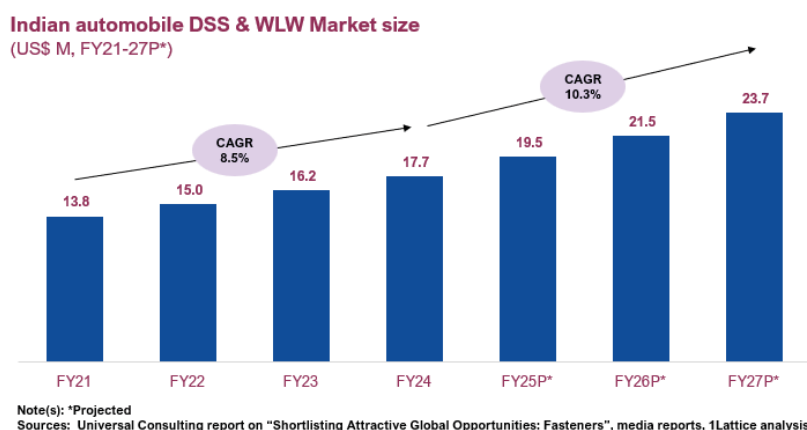
Gala Precision Engineering is the first Indian company to supply WLW to Indian railways for LHB, ICF, MCF, RCF & Vande Bharat coaches. They also supply highly technical springs as import substitute used in various assemblies of metro trains, electric locomotives and other railway parts.

Growth Drivers

The market for DSS & WLW is ready to experience growth, fuelled by government initiatives, increased foreign direct investment, and investments in upgrading railway tracks and development of new trains. The market's potential for expansion is also enhanced by the growing investments in railway infrastructure and the versatility of railways in meeting various sustainable transportation demands. Government initiatives to expand railway network, upgradation of railway infrastructure and development of new train will drive growth for railway infrastructure.

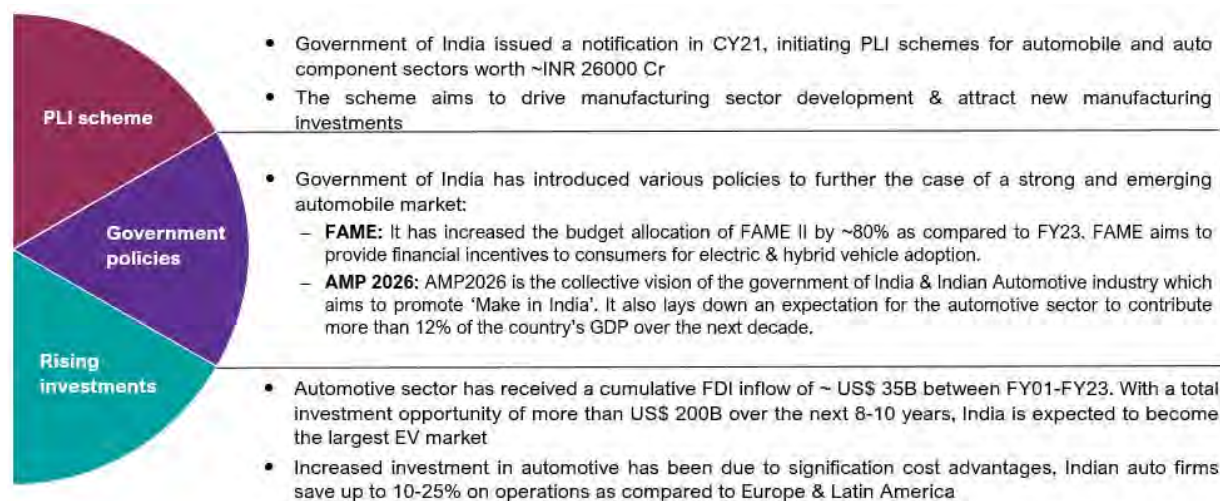
5.3.3.2 Automobile Industry

The Indian automobile industry is experiencing growth, marked by rising exports and production. In FY22, India produced ~23M vehicles annually. The country has a robust market, driven by both domestic demand and exports. In FY24, total sales of passenger vehicles reached ~4M. Various types of strip springs, including clip springs, play a crucial role in the operation of a vehicle's clutch and brake mechanisms as mentioned in the previous section of global. The Indian DSS & WLW for automobile market was valued at ~ US\$ 18M in FY24 witnessing a CAGR of ~ 10% during FY24-27.



Growth Drivers

The automobile industry is set to experience substantial growth in the upcoming years. Thanks to active government policies like FAME II, AMP, and incentives tied to products, there has been notable progress in the automobile industry. Another factor fuelling this growth is increasing investment, which will result in a growing demand for DSS & WLW used in essential automobile components.



6. Indian market for Coil & Spiral Spring (CSS)

6.1 INDUSTRY OVERVIEW

CSS consist of coil spring and spiral spring, represented below:



Spiral Springs



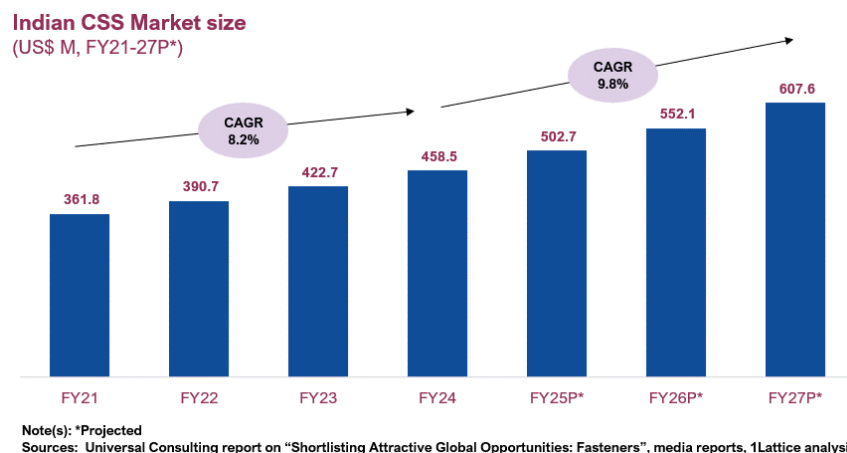
Coil Springs

A coil spring is a mechanical device with a helical shape, and it can be either close-wound or open-wound. Spiral springs, on the other hand, are a specific type of spring made from rectangular metal strips that are wound into a flat spiral. While coil springs store mechanical potential energy, spiral springs are designed to store and release rotational energy in the form of torque. These types of springs find applications in various areas such as automotive suspensions, electronic devices, valves, switches, machinery, and more. The effectiveness of coil and spiral springs depends on how and where they are used. The Indian CSS market is valued at ~ US\$ 459M in FY24 witnessing a CAGR of ~9.8% during FY24-27P.

Gala Precision Engineering is positioning itself as a key import substitution opportunity for European spring suppliers looking to take advantage of government schemes such as the production-linked incentives scheme. It has also entered a new related product category called retractor springs. These springs are a critical component for increasing vehicle safety.

6.2 Market forecast and growth drivers.

The end-user industry growth will be the key growth driver for the CSS market. Automobile, construction & agriculture mechanization are some of the key industries showing good growth potential.



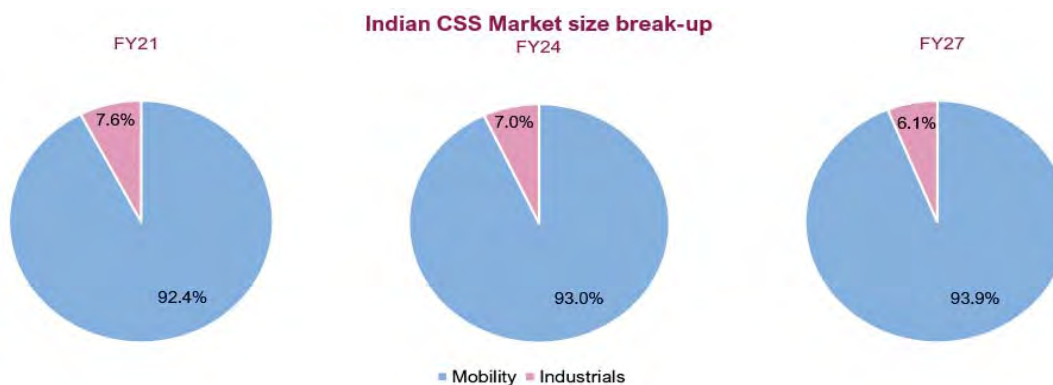
- Growing automobile industry:** There has been consistent growth in the Indian automobile sector due to increased incomes, accessible financing options & a preference for personal mobility over public transport. This has been further exacerbated by the growing demand for electric vehicles as an affordable & sustainable solution. There also has been an increase in the usage of commercial vehicles, with ~4L units more being sold in FY23 than in FY22. There also has been an increase in the usage of commercial vehicles, with ~40K units more being sold in FY24 than in FY23. This has led to a proportionate demand in the growth of spiral springs which are a key component of the seat recline & seat belts of various vehicles.
- Increased mechanization of agriculture:** Indian agriculture has seen rapid mechanization in recent years due to the expectations of increased output within a shorter period. This has resulted in an increasing demand for farming equipment such as tractors, mowers, deep tillage equipment & spraying equipment. Coil springs have been seeing a proportionate amount increase in demand as they are an integral component in such as clutch and engines.

6.3 Industry-wise application

| Indian market size for CSS | | | | |
|----------------------------|---------------------------|----------------------|-------|-------|
| Industry | | Market size (US\$ M) | | |
| | | FY21 | FY24 | FY27 |
| Industrials | Off-highway | 18.3 | 21.2 | 24.5 |
| | Industrial infrastructure | 9.1 | 10.8 | 12.7 |
| Mobility | Commercial vehicles | 19.3 | 22.6 | 26.4 |
| | Automobiles | 315.1 | 404.1 | 544.0 |
| Total | | 361.8 | 458.5 | 607.6 |

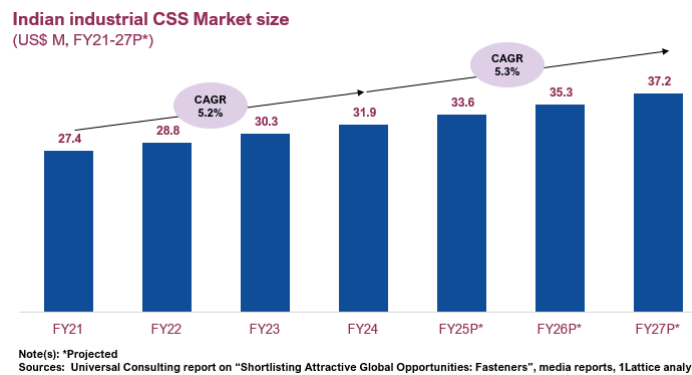
FY27 market size given above as per projections.

| CSS usage & criticality among different end users | | |
|---|---------------------------|---|
| Industry | End-user | Uses & Criticality |
| Mobility | Commercial vehicle | <ul style="list-style-type: none"> Coil springs are integral components in commercial vehicle (such as light, medium & heavy commercial vehicles) clutch assemblies, facilitating the smooth engagement & disengagement of clutch plates; Additionally, they play a crucial role in cabin shock absorption, effectively isolating the engine from vibrations & shocks to enhance ride comfort & minimize stress on engine components; They are also a key component of fuel injection systems, braking systems; In light commercial vehicles they are used in suspension systems as well |
| | Automobiles | <ul style="list-style-type: none"> Coil springs support the weight & absorb shocks in the engine, clutch, & suspension of both four-wheelers & two-wheelers, minimizing disturbances to the vehicle's frame & body caused by bumps & dips in the road Spiral springs is used in vehicle seat recline mechanisms store & release energy, optimizing functions like energy absorption, retraction, flexibility, & durability |
| | Railway | <ul style="list-style-type: none"> Coil springs serve various purposes in railway systems, including in locomotives, wagons, transit, tracks, & signaling; They are utilized to absorb shocks & vibrations, ensuring a comfortable journey for passengers & protecting cargo from potential damage |
| Industrial | Off-highway | <ul style="list-style-type: none"> Coil springs in off-highway vehicles serve dual roles: facilitating smooth clutch operation in transmissions & are a critical part in the fuel injection system of the engine; They absorb shocks from crankshaft vibrations, sudden clutch engagement, & driveline impacts for a smoother overall usage experience |
| | Industrial infrastructure | <ul style="list-style-type: none"> Coil springs are employed in control valves to exert force, enabling valve movement by overcoming friction & resistance; Additionally, they play a role in actuators by storing energy when compressed & releasing it to activate valves |



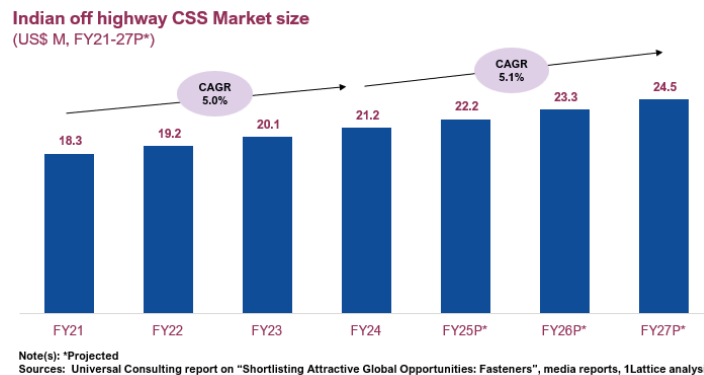
6.3.1 INDUSTRIALS

The Industrials sector comprises off-highway vehicles, Industrials infrastructure, and railways. In off-highway vehicles, CSS plays a crucial role in the clutch system. In Industrials infrastructure coil springs find application in used in valves and actuators, while in railway infrastructure they are used in locomotives, wagons, and transit systems. The collective market for CSS in the Industrials sector is anticipated to reach ~ US\$ 37M by FY27. This growth is primarily attributed to the rise in mechanized farming, increased construction activities, and government investments in railways. The Industrials sector is projected to experience a CAGR of ~5% from fiscal year FY24-27P.



6.3.1.1 OFF-HIGHWAY VEHICLE INDUSTRY

Off-highway vehicles refer to all types of vehicles utilized for non-transportation-related purposes such as agriculture, construction, and mining. Common uses examples are vehicles such as tractors, combine harvesters, excavators, dozers, dump trucks, etc. CSS plays a critical role in various internal components of off-highway vehicles such as the clutch to absorb shocks.

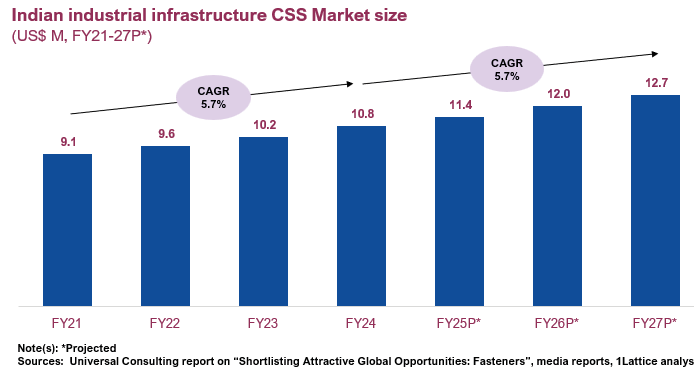


Growth Drivers

The demand for coil springs, integral for safety and proper utilization in off-highway vehicles, is driven by the growth in agriculture mechanization and the increasing need for construction equipment due to urbanization. Mechanized agriculture, government initiatives will be key driver for growth in off highway industry.

6.3.1.2 Industrials Infrastructure Industry

Industrials infrastructure encompasses the physical and organizational elements that uphold Industrials operations, such as facilities, utilities, transportation networks, and other crucial structures required for manufacturing, processing, and production activities. Coil springs are primarily used in valves and actuators as a part of control valves.



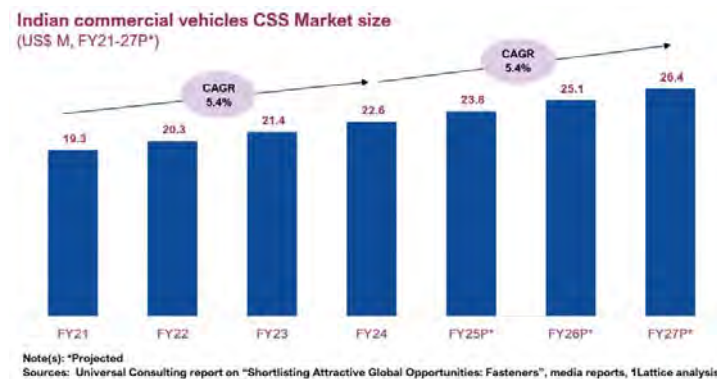
Growth Drivers

Various government initiatives and increased construction activity have contributed to a growing demand for coil springs used in Industrials infrastructure. Coil springs are also employed in bench drilling machines, facilitating the efficient utilization of time in construction projects. The government's "Make in India" initiative is enhancing the demand for Industrials infrastructure, thereby increasing the need for coil springs across industries. Industrial growth and growing construction activity will fuel demand for Industrial Infrastructure.

6.3.2 Mobility

Mobility encompasses various vehicles, including 4-wheeled automobiles, 2-wheeled vehicles, commercial vehicles, and railways. Within commercial vehicles, CSS plays a crucial role in clutch ensuring smooth operations. In the case of 2 and 4-wheel automobiles, coil springs are pivotal in the proper functioning of the vehicle's clutch and brake mechanisms. The collective market for CSS in the mobility sector is anticipated to achieve significant growth in the coming years. This growth is primarily attributed to the surge in e-commerce, increased adoption of EVs, and government initiatives in the logistics industry. The automobile industry will contribute the majority revenue share for the CSS market.

6.3.2.1 Commercial Vehicle Industry



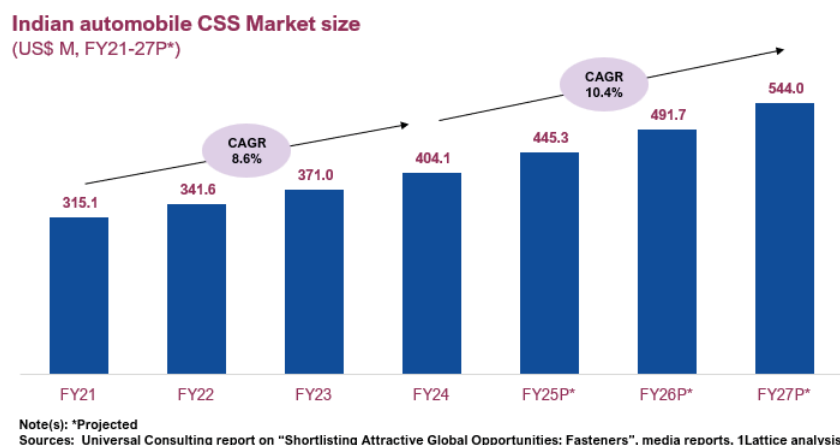
Growth Drivers

The commercial vehicle sector is experiencing an upward trend in the demand for coil springs, as commercial vehicles like buses require a greater quantity of coil springs compared to other vehicles such as cars and bikes. The growth in the logistics market, government norms, and the boom in e-commerce are contributing factors driving the growth of the commercial vehicle industry.

6.3.2.2 AUTOMOBILE INDUSTRY

The automobile industry consists of 4-wheeled & 2-wheeled vehicles powered by internal combustion engines and electric drivetrains, along with heavy commercial vehicles. Various types of coil springs play a critical role in the functioning of the vehicle's clutch and & brake mechanism.

Spiral springs are used in seat recline mechanisms to perform the basic function of storing and releasing energy and are used as equalizing springs for smaller angles of rotation in seat recliners. Spiral spring in a car's seatbelt retractor maintains webbing tension. Attached to a spool above the shoulder, the spring winds and stores energy when the seatbelt is unwound. This stored energy retracts the seatbelt tightly against the body when the buckle is secured.



Growth Drivers

The coil springs market is expected to grow in India due to factors such as an increase in vehicle manufacturing and rising demand for EVs as it is an essential factor in automobile industry. Coil springs find utility in EVs to reduce vehicle weight. As of FY24, EV 2-wheelers have a penetration rate of ~5% in the total Indian 2-wheeler market and EV 4-wheelers have a penetration rate of ~2% in the total Indian 4-wheeler market.

- Coil spring assistance is essential for suspensions, engines, clutch, seat recliners, and in-cabin shock absorbers in vehicles. This has resulted in significant growth of the coil spring market. Government initiatives such as Bharat-stage VI emission standards and FAME-II are also expanding the EV vehicles market.

6.3.2.3 RAILWAY INFRASTRUCTURE INDUSTRY

Railway infrastructure includes the physical and organizational components of the railway system, such as tracks, stations, signals, bridges, tunnels, and other facilities required for train operations. It is designed to ensure the safe and efficient movement of trains, providing the essential structure for both passenger and freight transportation. CSS plays a vital role in railway infrastructure, being installed in. It is also used in various aspects of the railway infrastructure, including track construction, and signalling.

Growth Drivers

Upgradation of Indian railways such as an increase in the production of super-fast trains and various government initiatives to redevelop the existing stations is boosting the need for coil springs since it is an essential factor. Investments by the government in railway infrastructure are enabling an increase in demand for coil springs as they are used in bogies. **Upgradation of Indian railway system to high-speed rail and Increased investment in metro rail has been instrumental in fueling demand for railway infrastructure.**

7. GLOBAL MARKET FOR SPECIAL FASTENERS (STUDS, NUTS, & BOLTS)

7.1 INDUSTRY OVERVIEW

Special fasteners consist of studs, nuts, bolts:



Bolt



Studs



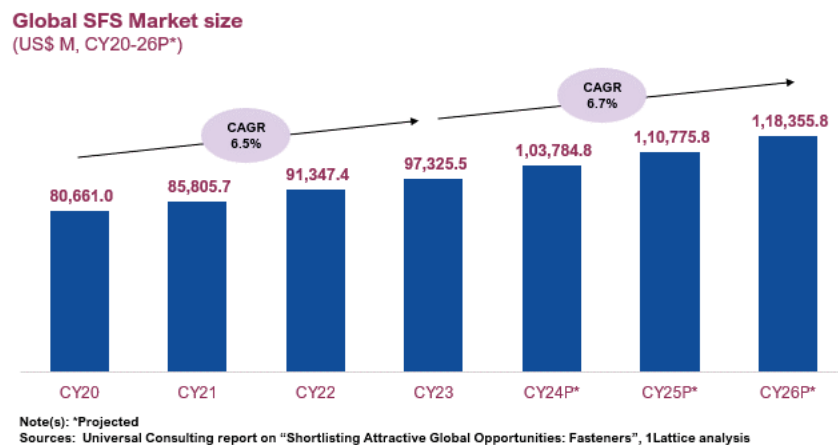
Nut

The fastener industry is crucial across sectors, supplying essential components like screws, bolts, nuts, and rivets for construction, renewables, and aerospace. Growth is fueled by increased construction, railway development, and the rising need for electrical equipment. As global infrastructure projects increase, there's a growing demand for fasteners to ensure assembly and structural integrity. The global market size for SFS currently stands at ~US\$ 97B as of CY23 and is growing at a CAGR of 6.7% between CY23-26. This market comprises of renewables, Industrials and mobility industry along with others.

Gala Precision Engineering's global serviceable addressable market (SAM) consists of 9 application segments (agricultural, construction, mining and material handling equipment, renewable energy, railways, warehousing, electrical and general engineering equipment including machine building) and consists of 7 product categories (hex bolt, allen bolt, hex nut, flange bolt, flange nut, self-locking nut, and castel nut). The SAM is valued at US\$ 25,613 as of CY23 (as of FY22 it is 22,842M).

7.2 MARKET FORECAST AND GROWTH DRIVERS.

The boom in the renewable energy sector, aging infrastructure, higher investment in the aerospace and defense industry, and post-pandemic recovery in air travel are boosting the need for fasteners to ensure various infrastructures' stability and safety.



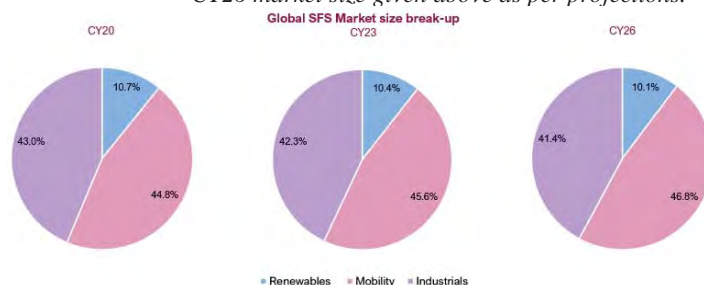
- Growing renewable industry:** Renewable sources are projected to contribute 95% to the increased global power capacity from CY21-26, with solar PV contributing more than half of this growth. Projected growth in renewables capacity during CY21-26 is expected to be ~50% higher than that observed from CY15-20. IRA by US offers tax breaks for clean energy, extending the Investment Tax Credit by 30%. It introduces a US\$ 0.0275/kWh Production Tax Credit for eligible wind, solar, and energy storage investments. Aligned with the European Green Deal, the EU has upped its CY30 targets to a minimum of 42.5% renewables and a 45% energy efficiency goal, a 12% improvement commitment. This increase is driven by increased government support and adopting more ambitious clean energy targets, particularly during the COP26 Climate Change Conference. The rising demand for renewable energy will also lead to an increased need for fasteners used in constructing wind turbines, hydroelectric plants, and solar farms.
- Ageing infrastructure.** Aging infrastructure brings risks like property damage, business challenges, and interconnected issues. This boosts the demand for fasteners, crucial for stability and safety in buildings and infrastructure, securing beams, connecting elements, and resisting shear and bending.

7.3 INDUSTRY-WISE APPLICATION

| SFS usage & criticality among different end users | | |
|---|----------------------------------|--|
| Industry | End-user | Uses & Criticality |
| Renewable | Hydroelectricity | • SFS are crucial for hydroelectric plants constructing dams, penstocks, & turbines ; They ensure reliable seals, prevent leaks , & withstand & water, moisture, & intense pressures, offering protection against corrosion, erosion, & fatigue |
| | Solar | • SFS secure PV modules to the mounting structure, protecting electrical components & preventing movement; They are vital for maintaining structural stability & withstanding significant vibrations in harsh weather |
| | Wind turbines | • SFS are essential for connecting the flange, blades, rotor, hub, & tower in wind turbines . They secure the blades to maintain the tower's strength & durability, ensuring the structural integrity of the turbine & preventing damage or disassembly |
| Mobility | Railway | • SFS play a vital role in securing rails to sleepers, attaching bridges & gantry trolleys to aluminum frames, & connecting intersecting barrier sections in traffic control products. They ensure stability, alignment, & absorb forces & vibrations from moving trains |
| | Off-highway | • SFS are essential for maintaining the stability of a vehicle's suspension system , securing various components like trim, panels, dashboards, door cards, & wheels. They ensure a dependable connection between parts , preventing wobbling or accidental detachment, thereby ensuring safety during vehicle operation |
| Industrials | Electrical & power | • SFS play a vital role in connecting pole line hardware for transmission lines , securing pipes & equipment in oil & gas plants, & holding together various parts in coal power plants. Their importance lies in supporting components, facilitating assembly & disassembly , & ensuring strength, safety, electrical insulation, & overall quality |
| | Infrastructure & heavy machinery | • SFS are essential for heavy machinery, connecting structural elements like beams & panels to create a robust framework. These fasteners also play a crucial role in securing components such as gearboxes, engines, & hydraulic systems, ensuring the durability & structural integrity of industrial settings |

| Global market size for SFS | | | | |
|----------------------------|----------------------------------|----------|------------|----------|
| Industry | Market size (US\$ M) | | | |
| | CY20 | CY23 | CY26 | |
| Renewables | 8,599.8 | 10,154.6 | 12,008.7 | |
| Industrials | Off-highway | 3,440.8 | 3,953.8 | 4,549.1 |
| | Electrical & power | 1,022.3 | 1,226.1 | 1,472.5 |
| | Infrastructure & heavy machinery | 30,197.1 | 36,004.4 | 43,010.8 |
| | Railway | 4,735.9 | 5,561.1 | 6,530.0 |
| Mobility | Automobiles | 31,368.4 | 38,866.8 | 48,911.0 |
| | Others | 1,296.7 | 1,558.8 | 1,873.7 |
| Total | 80,661.0 | 97,325.5 | 1,18,355.8 | |

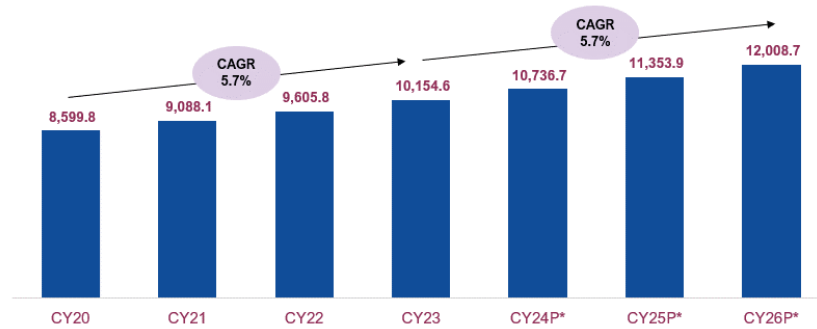
CY26 market size given above as per projections.



7.3.1 RENEWABLE INDUSTRY

Fasteners are crucial in renewable energy, supporting the assembly and security of structures. In wind energy, they are extensively used in building and maintaining turbines for stability and reliability. Solar projects depend on them to secure panels, ensuring the integrity of installations. High-quality, durable fasteners are essential in both wind and solar applications to withstand environmental conditions and ensure long-term success in renewable energy projects. Gala Precision Engineering offers high tensile large fasteners sizes M24 to M72, which have applications in renewable industry. The renewable energy sector has a strong outlook due to government's focus on non-carbon emissions. The renewables SFS market size stands at ~US\$ 10B as of CY23, growing at CAGR of ~6% between CY23-26. The market consists of solar, wind, nuclear and hydroelectric power generation units.

Global renewables SFS Market size
(US\$ M, CY20-26P*)



Note(s): *Projected

Sources: Universal Consulting report on "Shortlisting Attractive Global Opportunities: Fasteners", 1Lattice analysis

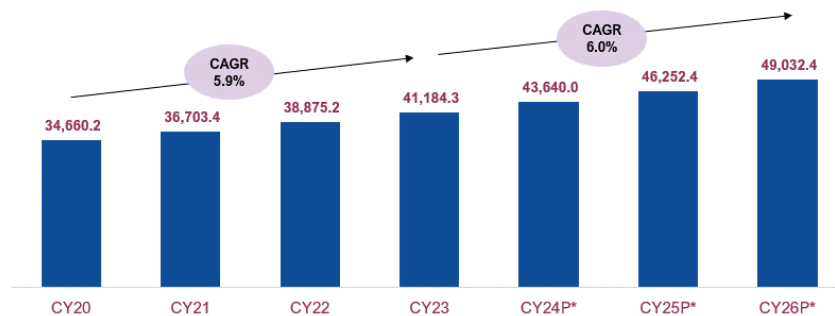
Growth drivers

- Policy support, including measures like tax incentives and carbon trading programs, has significantly driven down costs and accelerated the adoption of renewable energy. Reduction in prices, policy support, and growing familiarity have increased the demand for fasteners used in constructing and operating the renewable energy infrastructure. Gala Precision Engineering has good growth prospects in the European and US wind turbine markets with the global wind turbine market growing at a CAGR of ~8% between CY23-26. Reduction in prices solar photovoltaic electricity along with demand for fasteners is also increasing in the renewable energy sector, as they are essential for assembling and maintaining renewable energy infrastructure. The global wind turbine market is valued at ~US\$ 75B in CY23, growing at a CAGR of ~8% between CY23-26.

7.3.2 INDUSTRIALS

Industrials encompass off-highway vehicles, electrical and power equipment, and heavy machinery. In off-highway vehicles, fasteners and WLW are utilized in key areas such as chassis, engines, and suspension. These components play a crucial role in connecting and securing various parts, including panels, cabinets, and motors within electrical systems. Their significance extends to critical applications in construction, mining, and other heavy industries. The overall market for SFS in the Industrials sector is projected to achieve a value of ~US\$ 41B in CY23. Anticipated growth in the Industrials is forecasted, with a CAGR of ~6.0% expected during the period from CY23-26P.

Global industrial SFS Market size
(US\$ M, CY20-26P*)

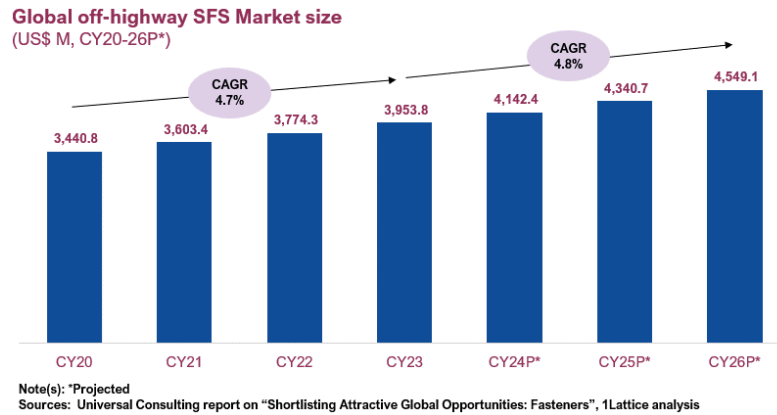


Note(s): *Projected

Sources: Universal Consulting report on "Shortlisting Attractive Global Opportunities: Fasteners", 1Lattice analysis

7.3.2.1 OFF-HIGHWAY VEHICLE

Fasteners are crucial in off-highway vehicles, performing vital functions by securely connecting and holding parts together. They play a key role in the structural integrity and performance of these vehicles, used widely in areas like chassis, engines, suspension, and other systems. Properly selecting and applying fasteners is essential for ensuring the reliability, safety, and efficiency of off-highway vehicles in demanding conditions.



Growth Drivers

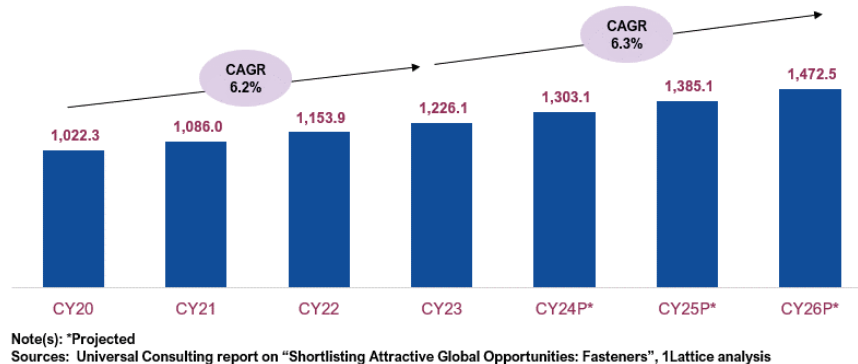
The rising interest in battery-operated electric vehicles (EVs) due to environmental concerns, is boosting the demand for fasteners. Increased demand for BEV and construction activity has been driving force for the growth in off-highway vehicle.

7.3.2.2 ELECTRICAL & POWER EQUIPMENT INDUSTRY

In the electrical and power equipment industry, fasteners are crucial for connecting and securing components like panels, cabinets, motors, and more. Properly choosing and using fasteners is vital to uphold structural integrity and performance, ensuring the overall safety and efficiency of systems. The electrical and power equipment industry consists of electrical transmission and distribution equipment.

Fasteners: Fasteners play a crucial role in the electrical and power equipment sector by supporting components, facilitating efficient machine assembly and disassembly, and ensuring high levels of strength, safety, electrical insulation, and overall quality. They are employed to prevent loose connections, mitigate electrical hazards, minimize the risk of short circuits and potential accidents, and create contact points with minimal transition resistance. Within the energy industry, critical fasteners are relied upon in essential systems to support electricity generation. In both renewable and non-renewable power generation segments, specialized material fasteners that adhere to stringent design and manufacturing standards are a fundamental requirement.

Global electricals SFS Market size
(US\$ M, CY20-26P*)

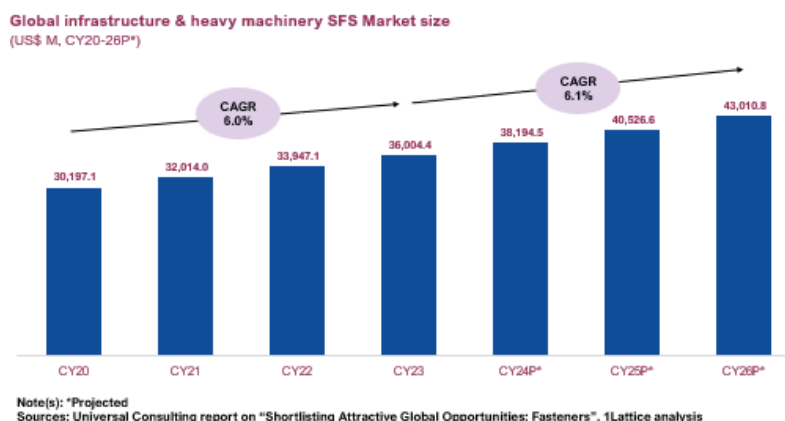


Growth Drivers

Smart grid and energy infrastructure advancements fuel growth in the electrical and power equipment industry. Fasteners, crucial for grid connectivity and assembly, are in higher demand due to the improved electricity supply from smart grids. Government and private investments supporting energy infrastructure development are boosting the need for fasteners to enhance the performance and reliability of electrical equipment. Smart grid implementation and Energy infrastructure development are driver for fastener in Electrical & power equipment industry.

7.3.2.3 INFRASTRUCTURE & HEAVY MACHINERY

Heavy machinery relies on essential fasteners to maintain structural integrity and reliability. These connectors securely join parts, ensuring stability and safety in heavy machinery used in Industrials settings. Properly selecting, installing, and maintaining fasteners is crucial to prevent equipment failures and ensure safety for operators and bystanders. The infrastructure & heavy machinery market consists of roadways, ship building, warehousing, airports, ports, lifts and elevators, general engineering and equipment, machine building, commercial and residential buildings, material handling equipment, electronics market, oil and gas maintenance market and aerospace.

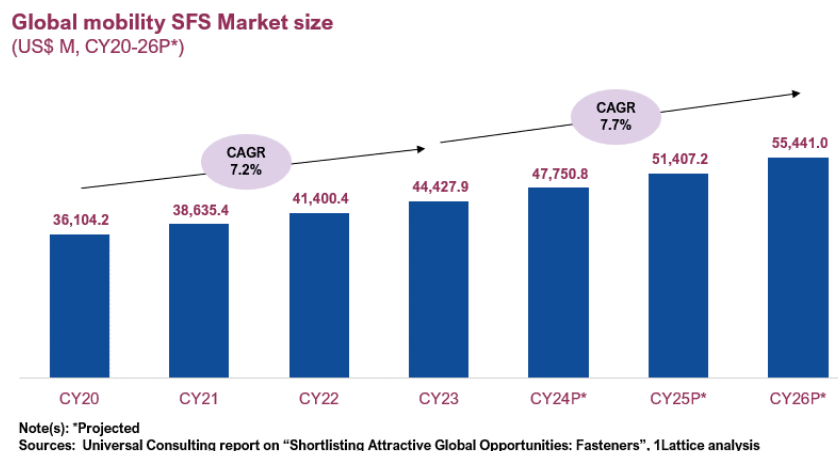


Growth Drivers

Heavy machinery is booming with automation, smart tech, and innovations like robotics and AI. The US\$2.5 Tt Industrials machinery sector is shifting to sustainable solutions. Rapid Industrialization in Asia and Africa drives demand, while developed economies modernize for competitiveness. Sectors like renewable energy and healthcare are set to boost demand for specialized machinery solutions.

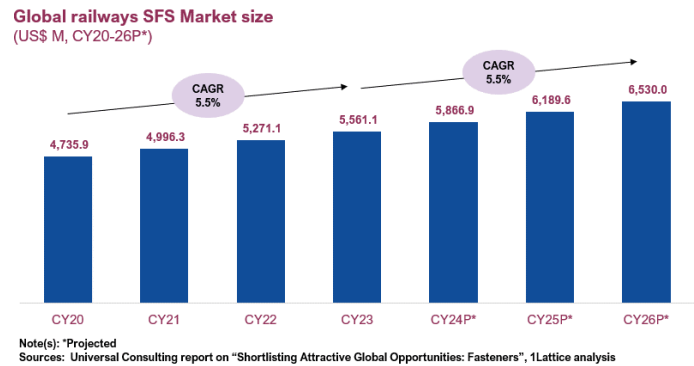
7.3.3 MOBILITY

Mobility involves railway infrastructure, where fasteners play a crucial role in ensuring the stability and integrity of railway tracks. These components are also employed in the construction of bridges, contributing to their strength. The comprehensive market for fasteners in the mobility sector is expected to see significant growth primarily attributed to increased investments from countries such as Europe, the United States, and China, coupled with a heightened emphasis on sustainability. Mobility market also refers to the automobile market where SFS have applications in ICE and electric vehicles.



7.3.3.1 RAILWAY INDUSTRY

Fasteners are vital for railway infrastructure, connecting components to ensure safety. They are used extensively in railway tracks, ensuring the stability and integrity of the entire rail system. These fasteners are also used in building bridges, contributing to strength. Properly choosing and applying fasteners is crucial for efficient, safe, and durable railway infrastructure.

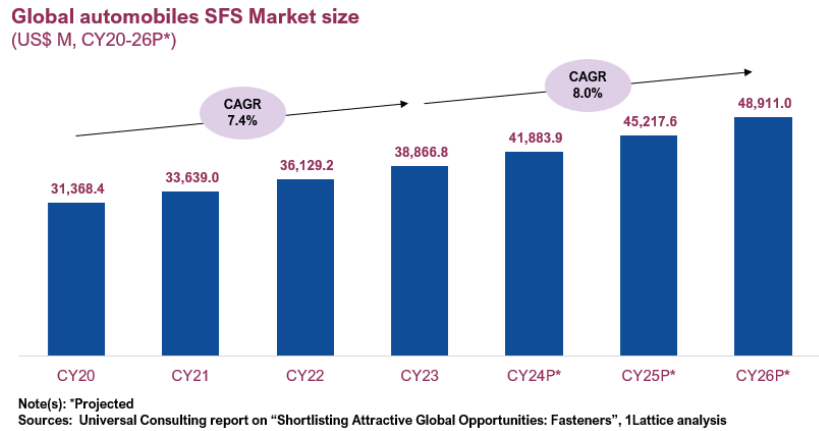


Growth Drivers

Sustainable practices, such as transitioning to alternative fuels and promoting greener transport, are gaining momentum. Increased investment in railway infrastructure, like the recent examples in the US, and EU is driving demand for fasteners, crucial for rail safety and long-term sustainability. The upsurge in investments in railway infrastructure in US, EU and China is poised to generate greater demand for fasteners, especially as new railroads are set to be established.

7.3.3.2 AUTOMOBILES

The global SFS automobiles market currently stands at ~US\$ 39B and is growing at a CAGR of 8.0% between CY23-26. The automobile market consists of ICE vehicles and EVs.



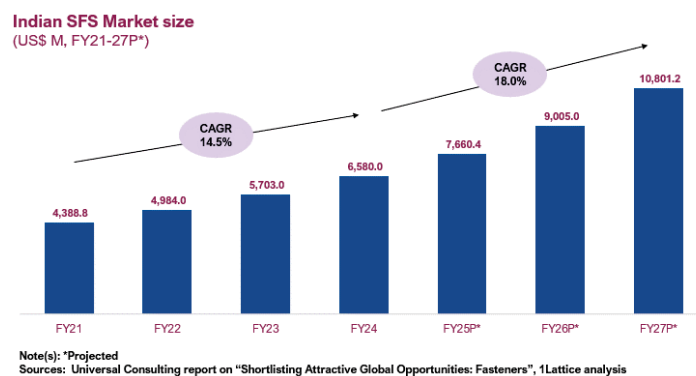
8. Indian market for Special Fasteners (Studs, Nuts, & Bolts)

8.1 INDUSTRY OVERVIEW

The fastener industry in India is vital for renewable, construction, and electrical equipment. As the economy grows and Industrialization increases, there’s a rising demand for fasteners. Indian manufacturers serve both domestic and international markets, contributing to exports. Fasteners are crucial in the expanding renewable sector, and the construction boom drives

the need for reliable solutions. Challenges like fluctuating raw material prices and global quality standards persist, but the industry’s resilience positions it as a key player in India’s manufacturing.

The Indian SFS market size stands at ~US\$ 6.6B as of FY24, growing at a CAGR of 18% between FY24-27. This market consists of renewables, mobility, Industrials & others.



8.2 Market forecast and growth drivers

India's construction & mining industries are booming due to the increased investment, leading to more government support and project budgets. The renewable energy sector is also on the rise, with ambitious expansion plans, driving demand for specialized fasteners in green energy infrastructure construction.

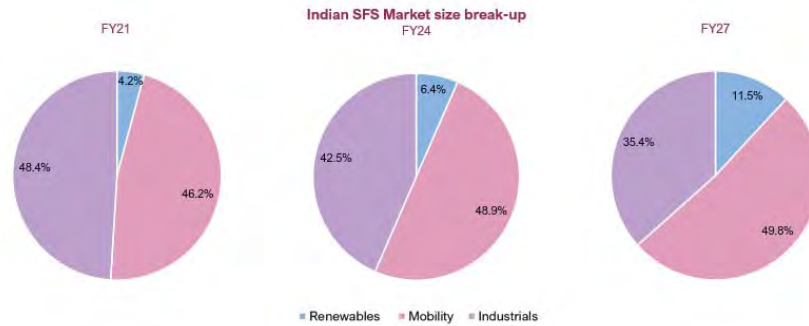
- **Construction & mining activity:** In FY24, National highway construction averaged 34 km/day, railway construction of 5,200 kms, driving demand for construction machinery. Increased urban population led to more housing projects, boosting construction activities and the need for equipment. The construction equipment industry had a record year, selling ~1,35,000 units with a ~26% YoY growth, driven by expanded construction and mining, especially in earthmoving equipment. The rise in road construction equipment sales from 4,828 to 6,571 equipment units, a ~40% increase from FY23, fuelled demand for fasteners in construction & mining sector
- **Renewable energy:** Renewable energy capacity surged by ~34%, reaching 33 GW, comprising over ~85% of new installations. The prime minister has set ambitious goals for, targeting 500 GW of renewable energy capacity and a ~45% reduction in the country's economic emissions intensity by the end of the decade. This capacity increase reflects market expansion, a significant move towards a greener future. With the expanding green energy market, there's an increasing need for specialized fasteners essential in building wind turbines, hydroelectric plants, and solar farms, ensuring the long-term stability and security of these structures.

8.3 Industry-wise application

| Indian market size for SFS | | | | |
|----------------------------|----------------------------------|----------------|----------------|-----------------|
| Industry | Market size (US\$ M) | | | |
| | FY21 | FY24 | FY27 | |
| Renewables | 182.6 | 424.4 | 1,243.1 | |
| Industrials | Off-highway | 465.5 | 539.5 | 626.8 |
| | Electrical & power | 49.9 | 61.7 | 76.2 |
| | Infrastructure & heavy machinery | 1,609.1 | 2,197.8 | 3,118.7 |
| Mobility | Railway | 588.1 | 1,236.1 | 2,598.3 |
| | Automobiles | 1,439.0 | 1,981.2 | 2,782.8 |
| | Others | 54.6 | 139.3 | 335.2 |
| | Total | 4,388.8 | 6,580.0 | 10,801.2 |

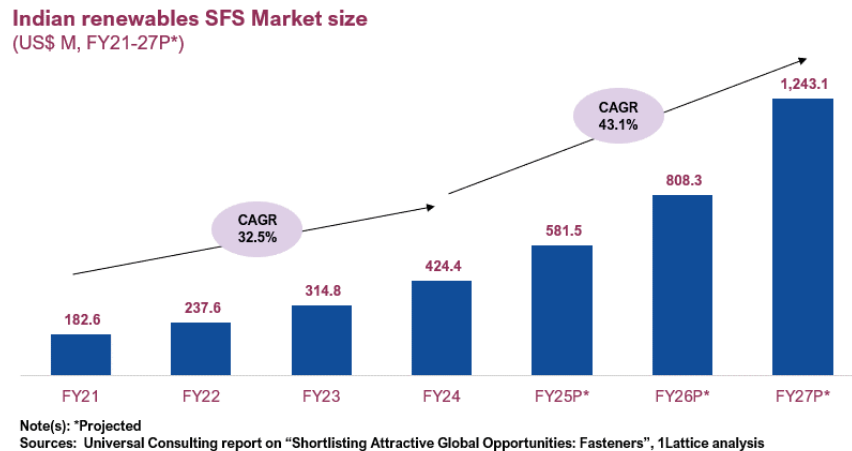
FY27 MARKET SIZE GIVEN ABOVE AS PER PROJECTIONS

INDUSTRY- WISE APPLICATION



8.3.1 RENEWABLE INDUSTRY

India's renewable energy industry relies heavily on the fastener sector. As the country aims for a 500GW renewable energy capacity by FY39, there's an increasing need for top-notch fasteners to build and maintain projects like wind turbines and solar panels. This highlights the crucial role of a strong and dependable fastener industry in fostering the growth and sustainability of India's renewable energy sector. The Indian fastener for the renewable market was valued at ~US\$ 424M in FY24 witnessing a CAGR of 32.5% during FY21-24. The market includes solar, nuclear, wind and hydroelectricity energy generation applications.



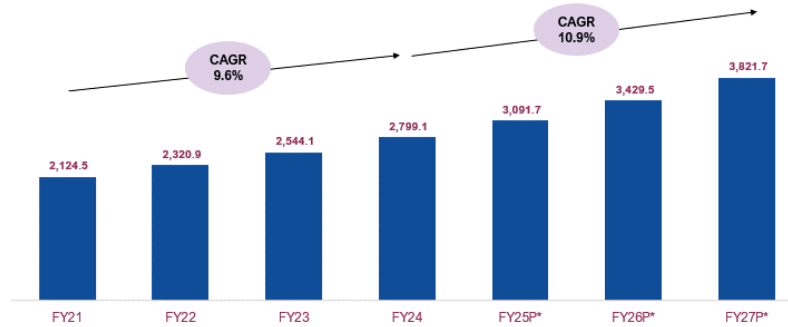
Growth Drivers

- Government policies, foreign investments, and decreasing costs of solar and wind power have played a significant role in driving growth in the renewable sector, with solar power becoming more economical than coal-based power. These factors are driving the demand for fasteners used in renewables ensuring structural integrity. Surge in renewable energy has led to an increased demand for fasteners, crucial in building and operating wind energy systems by securing various turbine components like the rotor and tower. Influx of investment is expected to stimulate greater demand within the industry to produce fasteners, leading to further expansion and the establishment of additional manufacturing facilities.

8.3.2 INDUSTRIALS

The Industrials include off-highway vehicles, electrical & power equipment, and heavy machinery. Fasteners play a vital role in connecting and securing components in off-highway vehicles, electrical equipment, and heavy industries like construction and mining. The overall market for fasteners in the industry is projected to reach ~US\$ 3.8B by FY27P, driven by increased construction and mining activities and government initiatives. The Industrials is expected to experience a CAGR of ~11% from FY24-27.

Indian industrial SFS Market size
(US\$ M, FY21-27P*)



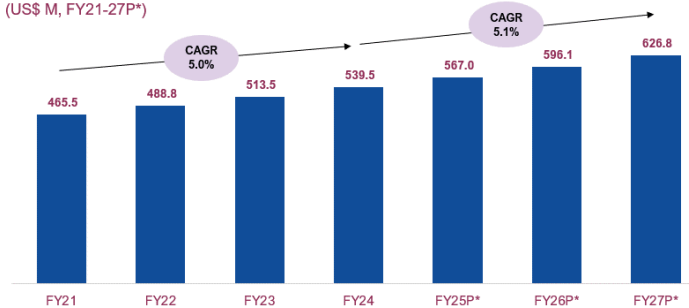
Note(s): *Projected

Sources: Universal Consulting report on "Shortlisting Attractive Global Opportunities: Fasteners", 1.Lattice analysis

8.3.2.1 OFF-HIGHWAY VEHICLE

The off-highway vehicle industry in India heavily depends on fasteners, essential for connecting and securing components in construction, agriculture, and heavy-duty vehicles. With the sector expanding due to infrastructure development and increased mining (up by ~9%), the demand for top-notch fasteners remains high, fueled by a rise in foreign direct investment. The Indian fastener for off-highway vehicle market is valued at ~ US\$ 540M in FY24 witnessing a CAGR of 5.0% during FY21-24.

Indian off-highway SFS Market size
(US\$ M, FY21-27P*)



Note(s): *Projected

Sources: Universal Consulting report on "Shortlisting Attractive Global Opportunities: Fasteners", 1.Lattice analysis

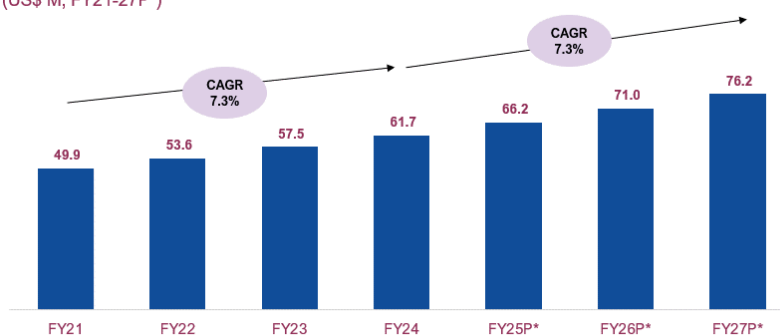
Growth Drivers

In FY24, India experienced a notable rise in coal production, significantly impacting the mining industry. The surge in coal mining plays a crucial role in the country's mineral sector output. Simultaneously, the construction sector is rapidly expanding due to increased public and private projects. This growth in mining and construction is boosting demand for equipment and fasteners to ensure equipment stability.

8.3.2.2 ELECTRICAL AND POWER EQUIPMENT

In India, the electrical and power equipment industry depends on the fastener sector. Fasteners are vital for connecting and securing components in this sector. With a yearly ~12% growth in demand for electricity and power equipment, there's a corresponding need for top-notch fasteners for construction and maintenance. This highlights the importance of a strong fastener industry in ensuring the efficiency and reliability of electrical and power systems in India.

Indian electrical and power equipment SFS Market size
(US\$ M, FY21-27P*)



Note(s): *Projected
Sources: Universal Consulting report on "Shortlisting Attractive Global Opportunities: Fasteners", 1Lattice analysis

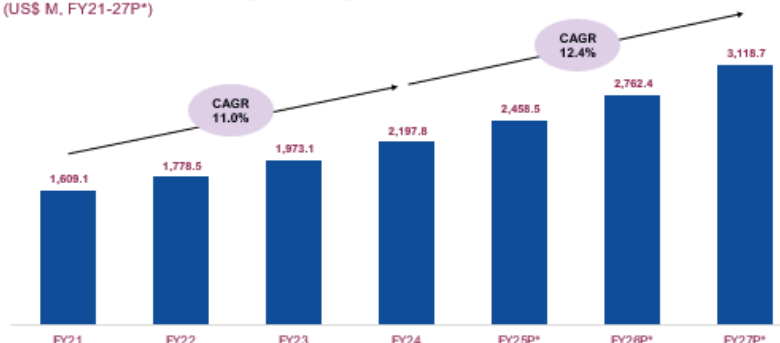
Growth Drivers

Governments strategically use CBET to cut costs, enhance reliability, and reduce emissions. India's rising power demand due to factors like heatwaves, COVID-19 restrictions, unpredictable weather, and increased agriculture has boosted the need for power and electrical equipment, driving up demand for construction fasteners.

8.3.2.3 INFRASTRUCTURE & HEAVY MACHINERY

The infrastructure & heavy machinery industry includes roadways, ship building, warehousing, airports, ports, commercial & residential buildings, lifts and elevators, general engineering and equipment, machine building, material handling equipment, electronics market, oil & gas maintenance market and aerospace. This industry relies on the fastener sector. Fasteners are crucial for connecting and securing components in heavy machinery. With the construction industry booming and infrastructure investment reaching ~US\$ 122B, there's a rising demand for top-notch fasteners to guarantee the structural integrity and safety of these machines. The close connection between heavy machinery and fasteners emphasizes the need for reliable fastening solutions to ensure the effective operation of heavy machinery in India. The Indian fastener for heavy machinery market was valued at ~US\$ 2B in FY24 witnessing a CAGR of 11% during FY21-24.

Indian infrastructure & heavy machinery SFS Market size
(US\$ M, FY21-27P*)



Note(s): *Projected
Sources: Universal Consulting report on "Shortlisting Attractive Global Opportunities: Fasteners", 1Lattice analysis

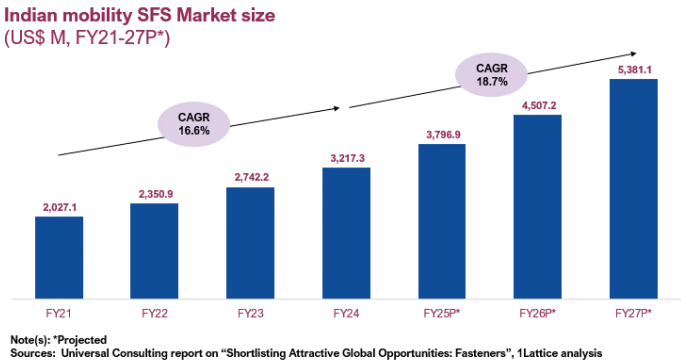
Growth Drivers

In FY24, the construction equipment industry saw impressive growth due to a rise in construction and mining. Road, highway, and railway projects expanded significantly, increasing demand for construction equipment and the fasteners that connect parts for structural integrity. Growing construction and mining activity and Government capex are key triggers for growth of sector.

8.3.3 MOBILITY

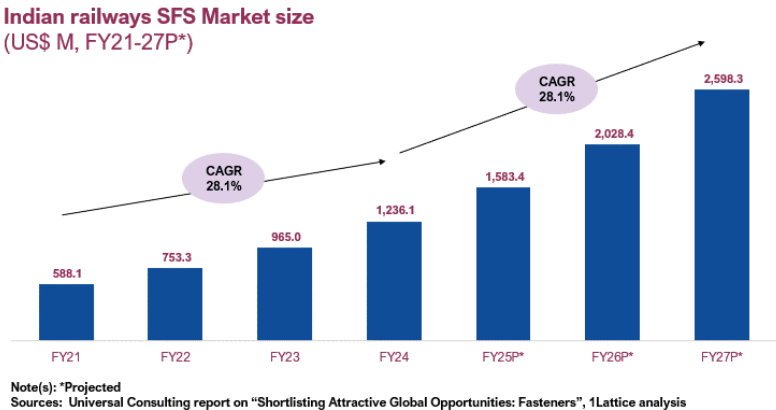
The stability of railway infrastructure and the strength of bridges depend on fasteners. These crucial components play a vital role in advancing railway infrastructure by connecting and securing tracks, sleepers, bridges, and signaling equipment. The fasteners market in the mobility sector is anticipated to experience significant growth, propelled by government

investments, the expansion of high-speed rail, increased funding, and the electrification of the railway network. Mobility also includes automotive applications in ICE vehicles and EVs.



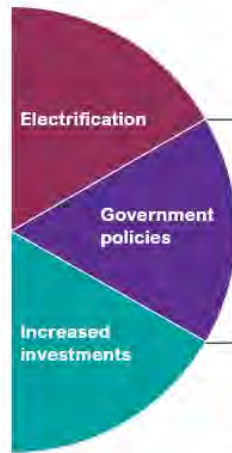
8.3.3.1 Railway infrastructure

Fasteners are vital for the growth of railway infrastructure, connecting and securing tracks, sleepers, bridges, and signaling equipment. Reliable and durable fasteners are crucial for safe and efficient train operations. With a government investment of around US\$ 5B and increasing foreign direct investment, the railway infrastructure industry is expected to further expand. As the Indian railway network grows and modernizes, there's a rising demand for top-notch fasteners.



Growth Drivers

Indian government is taking significant steps to improve its railway infrastructure, as outlined in the National Rail Plan (NRP) and backed by substantial budget allocations. With a focus on high-speed rail, increased investments, and electrification of the railway network, there is a growing demand for fasteners in the industry, crucial for ensuring the structural integrity of railway infrastructure.

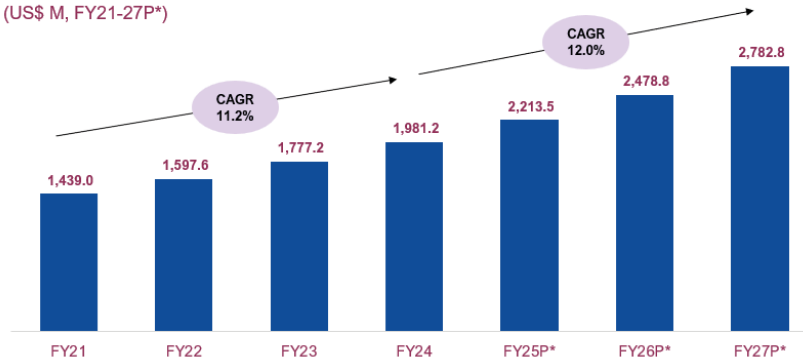


- By February 2023, ~85% 2024, ~94% of India's Broad-Gauge network has been electrified
- Indian Railways achieved complete electrification for 7 zonal railways and aims for 100%, making it the world's largest eco-friendly railway
- Vision 2024, part of the NRP, includes measures like budgeting for 3000 electric locomotives and getting 55,000 wagons through PPP.
- The increased electrification and locomotive production will lead to heightened demand for fasteners used to secure running rails into various components, ensuring stability and proper alignment.
- The government is boosting railway infrastructure in India for a more efficient transportation system
- The NRP aims to make the railway system 'future-ready' by the end of the decade. ~US\$ 5B is allocated to the NHSRC for the flagship project, a high-speed rail line from Mumbai to Ahmedabad
- The budget also covers 1000 smaller eight-car Vande Bharat EMUs, 25 hydrogen-powered trains, and 150 air-conditioned EMUs for mainline duties, called the Vande Metro
- With increased funding, there will be a rising demand for fasteners to ensure structural integrity in railway infrastructure
- Indian government's investor-friendly policies have boosted FDI in railways, reaching ~US \$1B ~US \$1.4B from FY01-23 FY01-24. The (NIP) foresees investments of ~US\$ 200B by FY25, constituting ~12% of total planned investments
- Projects valued at ~US\$ 23M will operate under the PPP model
- This increased investment will create opportunities and manufacturing demands in railway infrastructure, particularly for fasteners crucial in securing rails to sleepers, bearers, or other supports, playing a vital role in railroad construction

8.3.3.2 AUTOMOBILES

The Indian SFS automobiles market currently stands at ~US\$ 2B and is growing at a CAGR of 12.0% between FY24-27. The automobile market consists of ICE vehicles and EVs.

Indian automobiles SFS Market size
(US\$ M, FY21-27P*)



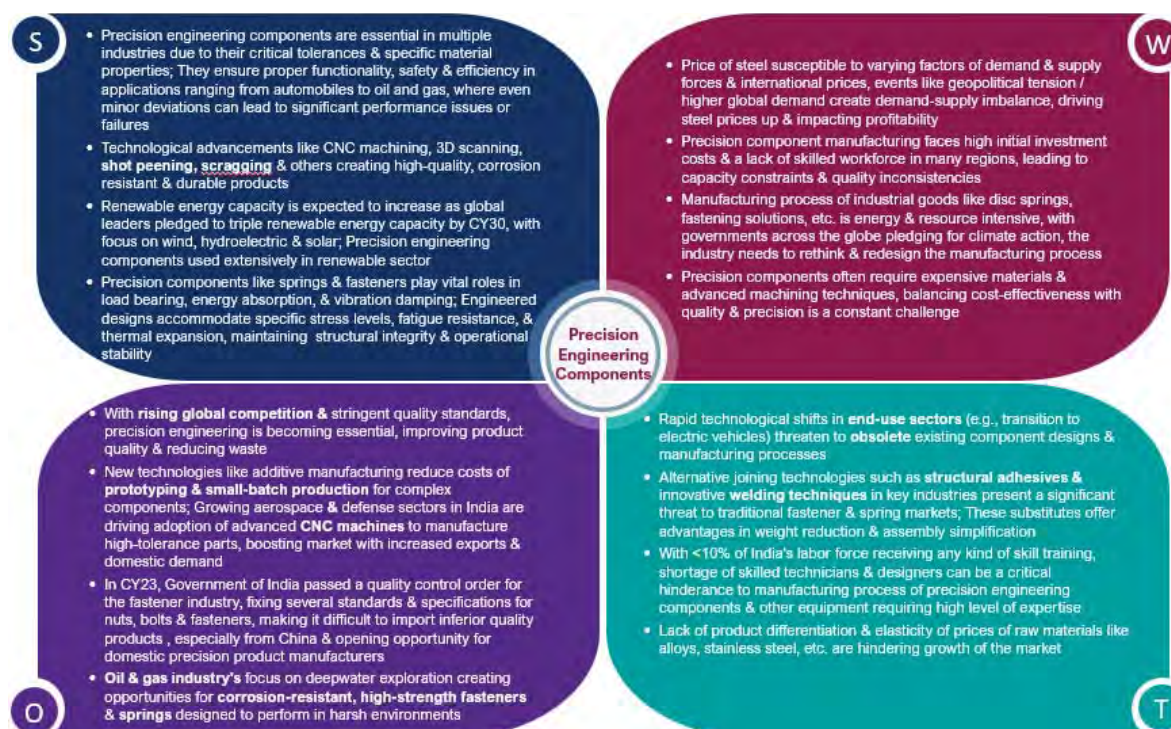
Note(s): *Projected

Sources: Universal Consulting report on "Shortlisting Attractive Global Opportunities: Fasteners", 1Lattice analysis

8. SWOT ANALYSIS

The precision engineering components industry serves as a critical enabler for various high-value sectors, primarily focusing on mobility, industrials, and renewable energy. In the mobility sector, these components are essential for both rail systems and vehicles, ensuring safety and performance. The industrial segment encompasses a broad range of applications including power transmission & infrastructure, off-highway vehicles, construction equipment, mining operations, oil and gas exploration, and infrastructure development. In the rapidly growing renewable energy sector, precision components play a crucial role in wind and hydroelectric power systems.

These precision-engineered parts, such as springs and fasteners, are fundamental to the functionality, efficiency, and reliability of complex mechanical systems across these sectors. The industry is characterized by its emphasis on tight tolerances, specialized material properties, and advanced manufacturing techniques.



COMPETITIVE BENCHMARKING

Financial & operational benchmarking with global players

| Parameters | Global competitive benchmarking | | | |
|--|---------------------------------|--------------|----------------------|-------------------------------|
| | Gala Precision Engineering | Schnorr GmbH | Cooper & Turner Ltd. | Christian Bauer GmbH + Co. KG |
| Year of analysis | FY24 | CY22 | CY23 | CY21 |
| Founding year | 2009 | 1908 | 1912 | 1880 |
| Location | India | Germany | United Kingdom | Germany |
| Revenue from Operation (USD M) | 24.47 | 52.71 | 44.51 | 45.45 |
| Total Income (USD M) | 24.69 | 53.50 | 44.51 | 47.18 |
| EBITDA (USD M) | 4.95 | 4.51 | 2.46 | 3.18 |
| Profit after Tax before Exceptional items | 2.98 | 3.12 | 1.68 | (1.44) |
| Profit after Tax after Exceptional items | 2.70 | - | - | - |
| EBITDA Margin (%) | 20.03 | 8.43 | 5.52 | 6.74 |
| Profit after Tax Margin before Exceptional items (%) | 12.06 | 5.83 | 3.76 | (3.05) |
| Profit after Tax Margin after Exceptional items (%) | 10.93 | - | - | - |
| Debt/Equity | 0.53 | 0.08 | 0.70 | 0.48 |
| ROCE excluding exceptional items (%) | 21.15 | 33.12 | 9.41 | (3.25) |
| RoE before Exceptional items (%) | 23.59 | 24.81 | 11.16 | (7.52) |
| RoE after Exceptional items (%) | 21.38 | - | - | - |

Source: Financial information for Gala has been derived from audited financial statements for the financial years ended March 31, 2024

Cooper & Turner Ltd.'s financials for the calendar year ended December 30, 2023, are taken from official UK government website GOV.UK, which is a website for company details and financials

Schnorr GmbH's financials for the calendar year ended December 30, 2022, are taken from the company register, a central platform for company data by German government

Christian GmbH + Co. KG Bauer's financials for the calendar year ended December 30, 2021 are taken from company register, a central platform for company data by German government

Notes:

Below mentioned formula are used for international players only

For Schnorr GmbH & Christian Bauer GmbH + Co. KG, total debt is calculated by considering the liabilities to credit institutions

For Cooper & Turner Ltd, total debt is calculated by considering the amount owned to group undertaking
For companies without exceptional items, line items calculated after exceptional items have been indicated with a “ - “
EBITDA: Profit after tax + Interest & similar expense + Depreciation & amortization + Total tax expense
Profit after tax before exceptional times = Profit before tax before exceptional items - total tax expense

Profit after tax after exceptional times = Profit before tax and after exceptional items - total tax expense

EBITDA Margin: EBITDA / Total income

Profit after tax margin before exceptional items = Profit after tax before exceptional items / Total income

Profit after tax margin after exceptional items = Profit after tax and after exceptional items / Total income

Debt/Equity: Total debt / Total Equity

ROCE excluding exceptional items: EBIT (Profit after tax + Total tax expense + Interest & similar expense) / Capital employed (Total equity + Total debt)

RoE before exceptional items = Profit after tax before exceptional items / Total equity

RoE after exceptional items = Profit after tax after exceptional items / Total equity

Financial benchmarking for FY24

| Parameters | Domestic competitive & peer benchmarking | | | | | | |
|--|--|----------------------------|----------------------|--|---------------------|------------------------|---|
| | Gala Precision Engineering | Sundaram Fasteners Limited | SKF India Limited | Harsha Engineers International Limited | Rolex Rings Limited | Sterling Tools Limited | Ratnaveer Precision Engineering Limited |
| Year of analysis | FY24 | FY24 | FY24 | FY24 | FY24 | FY24 | FY24 |
| Founding year | 2009 | 1962 | 1923 | 1986 | 1975 | 1979 | 2000 |
| Location | Thane, Maharashtra | Chennai, Tamil Nadu | Bengaluru, Karnataka | Ahmedabad, Gujarat | Rajkot, Gujarat | Haryana, India | Gujrat, India |
| Revenue from Operation (INR M) | 2,025.46 | 56,663.10 | 45,701.30 | 13,923.00 | 12,217.55 | 9,319.72 | 5,953.79 |
| Total Income (INR M) | 2,043.78 | 57,204.70 | 46,641.40 | 14,217.90 | 12,368.19 | 9,385.11 | 6,024.00 |
| EBITDA (INR M) | 405.88 | 9,408.60 | 8,116.30 | 2,008.40 | 2,770.32 | 1,143.14 | 570.04 |
| Profit after Tax before Exceptional items (INR M) | 243.02 | 5,256.40 | 5,518.00 | 1,114.30 | 1,880.38 | 549.68 | 310.50 |
| Profit after Tax after Exceptional items (INR M) | 223.32 | - | - | - | 1,560.38 | 553.65 | - |
| EBITDA Margin (%) | 19.86 | 16.45 | 17.40 | 14.13 | 22.40 | 12.18 | 9.57 |
| Profit after Tax Margin before Exceptional items (%) | 11.89 | 9.19 | 11.83 | 7.84 | 15.20 | 5.86 | 5.15 |
| Profit after Tax Margin after Exceptional items (%) | 10.93 | - | - | - | 12.62 | 5.90 | - |
| Debt/Equity | 0.53 | 0.18 | 0.00 | 0.15 | 0.02 | 0.26 | 0.82 |
| ROCE excluding exceptional items (%) | 21.15 | 17.97 | 27.47 | 11.98 | 26.68 | 14.43 | 11.14 |
| RoE before exceptional Items (%) | 23.27 | 15.37 | 20.57 | 9.48 | 20.94 | 12.29 | 12.32 |
| RoE after exceptional Items (%) | 21.38 | - | - | - | 17.37 | 12.38 | - |

Source: Financial information for Gala Precision Engineering has been derived from restated audited financial statements for the year ending March 31, 2024.

Sundaram Fasteners Ltd. financials has been derived from official company website which are unaudited financial statements for the financial year ended March 31, 2024.

SKF India Ltd. financials have been derived from official company website which are unaudited financial statements for the financial year ended March 31, 2024.

Harsha Engineers International Ltd. financials has been derived from official company website which are unaudited financial statements for the financial year ended March 31, 2024.

Rolex Rings Ltd. financials have been taken from NSE, BSE, and Rolex Rings official financial statement for the financial year ended March 31, 2024.

Sterling Tools Ltd. financials have been derived from the official company website which are audited financial statements for the financial year ended March 31, 2024.

Ratnaveer Precision Engineering Ltd. financials have been taken from NSE and Ratnaveer Precision Engineering official company website which are audited financial statements for the financial year ended March 31, 2024.

Notes:

For companies without exceptional items, line items calculated after exceptional items have been indicated with a “-“

EBIDTA = Profit after tax before exceptional items + finance cost + depreciation & amortization + total tax

Profit after tax before exceptional times = Profit before tax before exceptional items - total tax expense

Profit after tax after exceptional times = Profit before tax and after exceptional items - total tax expense

EBITDA margin = EBITDA / Total income

Profit after tax margin before exceptional items = Profit after tax before exceptional items / Total income

Profit after tax margin after exceptional items = Profit after tax and after exceptional items / Total income

Debt/Equity = Total debt (current borrowings + non-current borrowings) / Total equity

*ROCE excluding exceptional items = EBIT (Profit before exceptional items and tax + finance costs) / Capital employed
(total equity + total debt)*

RoE before exceptional items = Profit after tax before exceptional items / Total equity

RoE after exceptional items = Profit after tax after exceptional items / Total equity

For SKF India Limited, all profitability figures are inclusive of the share of profit and loss of associates

9.2 Global competitive landscape

| Global competitive landscape | | | | | |
|--------------------------------------|--|---|--|---|---|
| Company | Description | Strengths | Industries serviced | | Products |
| Gala Precision Engineering | Gala Precision Engineering serves the global markets with high-end technology solutions in the area of high-tensile fasteners & technical springs | <ul style="list-style-type: none"> Established manufacturer of precision components with a diverse global product portfolio, catering to various markets and geographies Strong and enduring customer relationships with Indian and global OEMs, Tier 1 entities, and distributors, high entry barriers for products supplied to OEMs and Tier 1 customers Integrated manufacturing facilities with in-house design, experienced & skilled workforce, and automation capabilities, contributing to scale, flexibility, and holistic solutions | <ul style="list-style-type: none"> Automotive Railways Off-highway vehicles Renewables Commercial vehicle | <ul style="list-style-type: none"> Electrical Heavy machinery Industrial infrastructure | <ul style="list-style-type: none"> Disc spring Strip spring Coil spring Spiral spring Wedge lock washers Special fasteners (nuts, anchor bolts & studs) Bearing disc springs |
| Schnorr GmbH | Schnorr is an international solution provider in the field of disc springs & screw-locking devices across a global network | <ul style="list-style-type: none"> It offers deep drawing parts, stamped & fine-blanked disc springs & precision parts for industrial companies It has expertise in material & surfaces engineering, in-house toolmaking, & prototyping It is equipped with multiple quality certificates such as IATF 16949: 2016, ISO 14001:2015, & more | <ul style="list-style-type: none"> Renewable Aerospace Energy Marine Electronics Medical engineering Transportation Industrial brakes Power tools | <ul style="list-style-type: none"> Metal production Defence Furniture Valves & fittings Semiconductor Construction Machinery & plant engineering | <ul style="list-style-type: none"> Disc spring Safety washers Load washer Wave spring Special spring |
| Cooper & Tuner Ltd. | Cooper & Tuner manufactures hot & cold formed - high strength fasteners | <ul style="list-style-type: none"> It merged with Beck Industries in CY19 & is exploring new products & safety-critical markets, including oil & gas, petrochemical & subsea(submerged ocean equipment, operations, or applications) It patented the 'Coronet' Direct Tension Indicator ensuring correct torque tensioning for high-strength bolts It is equipped with multiple quality standard certificates such as ISO 9001, UKCA, RISQS, TUV & more | <ul style="list-style-type: none"> Renewable Energy Railway Tunnelling Construction OEM | | <ul style="list-style-type: none"> Fasteners (nuts, bolts & studs) |
| Christian Bauer GmbH + Co. KG | Christian Bauer GmbH + Co. KG specializes in manufacturing disc springs & precision component | <ul style="list-style-type: none"> It is equipped with multiple certificates including ISO 9001, IATF 16949, KTA 1401 & more It offers grinding, stamping/ fine blanking technology along with vanes, rotors and rollers | <ul style="list-style-type: none"> Automotive Energy Renewable Aerospace Mechanical engineering Shipbuilding & offshore industry | | <ul style="list-style-type: none"> Disc spring Disc spring stacks Slotted disc springs Ball bearing disc springs Conical spring washers Wave & special springs |

9.3 DOMESTIC COMPETITIVE & PEER COMPARISON LANDSCAPE

| Domestic competitive & peer landscape | | | | | |
|---|--|---|---|---|--|
| Company | Description | Strengths | Industries serviced | | Products |
| Gala Precision Engineering | Gala Precision Engineering serves the global markets with high-end technology solutions in the area of high-tensile fasteners & technical springs | <ul style="list-style-type: none"> Established manufacturer of precision components with a diverse global product portfolio, catering to various markets and geographies Strong and enduring customer relationships with Indian and global OEMs, Tier 1 entities, and distributors, high entry barriers for products supplied to OEMs and Tier 1 customers Integrated manufacturing facilities with in-house design, experienced & skilled workforce, and automation capabilities, contributing to scale, flexibility, and holistic solutions | <ul style="list-style-type: none"> Automotive Railways Off-highway vehicles Renewables | <ul style="list-style-type: none"> Electrical Commercial vehicle Heavy machinery Industrial infrastructure | <ul style="list-style-type: none"> Disc spring Strip spring Coil spring Spiral spring Wedge lock washers Special fasteners (nuts, anchor bolts & anchor bolts) Bearing disc springs |
| Sundaram Fasteners Limited | Sundaram Fasteners is a manufacturer of high-precision & critical components for automotive, infrastructure, wind energy & aviation sectors | <ul style="list-style-type: none"> It offers a wide range of products such as fasteners, power train components, sintered metal products, iron power, cold extruded parts, radiator caps, water pumps, oil pumps & wind energy components | <ul style="list-style-type: none"> Renewables Automotive Industrials | | <ul style="list-style-type: none"> High tensile fasteners Cold extruded parts Hot forged parts Power metallurgy Pumps & assemblies Radiator caps Power train components |
| SKF India Limited | SKF India is a provider of automotive & industrial engineering solutions with a focus on processing involving rotation | <ul style="list-style-type: none"> It focuses on processing involving rotation with a key focus area being the reduction of friction in these processes It is positioned as an engineering company that allows clients to improve friction reduction, energy efficiency and reliability | <ul style="list-style-type: none"> Aerospace Agriculture Automotive Construction Food & beverage General machinery Wind energy | <ul style="list-style-type: none"> Marine Material handling Mining, mineral processing & cement Oil & gas Pulp & paper Railways | <ul style="list-style-type: none"> Bearing Seals Lubrication Maintenance products Power transmission |
| Harsha Engineers International Limited | Harsha Engineer is a precision engineering company manufacturing ball bearing cages & stamped components | <ul style="list-style-type: none"> Manufacturing equipment includes hard milling & turning machines, computerized numerical control, wire-cut & electrical discharge machines, & more For product development, they use pro engineers for 3D modelling & detailing, numerically controlled tool paths, etc. It was awarded the TPM consistency award in 2019 by Japan Institute of Plant Maintenance | <ul style="list-style-type: none"> Automotive Industrial Electrical | | <ul style="list-style-type: none"> Brass cages Steel cages Polyamide cages Stamped components |
| Rolex Rings Limited | Rolex Rings designs & manufactures hot forged rolled rings | <ul style="list-style-type: none"> It used multiple high-precision measuring instruments spectrometer, electronic microscope, CMM, contour measuring, machine profile projector, surface roughness tester etc. to ensure product quality It is equipped with multiple industries certifications such as ISO 9001, TS 16949, OHSAS18001 & more | <ul style="list-style-type: none"> Automotive Industrial Railways Off-highway Renewable Textile | <ul style="list-style-type: none"> Electrical Defence Power Aerospace Marine Oil & natural gas | <ul style="list-style-type: none"> Transmission component Engine component Chassis component Bearing rings Exhaust system components |
| Sterling Tools Limited Fasteners | Sterling Tools Limited Fasteners manufactures critically fabricated high tensile cold forged fasteners | <ul style="list-style-type: none"> Produces fasteners to fit Indian, German, Japanese, American and British standards Offers various surface finishes such as Zinc Phosphating, Zinc Plating and Dip Spin Coating on fasteners Has achieved various quality certifications such as ISO 9001, TS16949, ISO 14001, ISO 17025, and OHSAS 18001 | <ul style="list-style-type: none"> Passenger vehicles Two-wheelers Commercial vehicles Agri-equipment Construction equipment | | <ul style="list-style-type: none"> Standard fasteners Chassis fasteners Special fasteners Engine fasteners Nuts |
| Ratnaveer Precision Engineering Limited | Ratnaveer Precision Engineering Limited manufactures & supplies stainless steel washers , solar hooks, sheets, tubes & pipes | <ul style="list-style-type: none"> Integrated facilities equipped with high speed & precision machinery; offers depth in engineering knowledge with industry experience Has gained certifications such as ISO 9001:2015 (quality), ISO 14001 : 2015 (environment), OSHAS 18001 (health & safety) | <ul style="list-style-type: none"> Solar energy Infrastructure Architecture, building & construction Automotive | <ul style="list-style-type: none"> Railway & transport Aerospace Food industry Industrial | <ul style="list-style-type: none"> Stainless steel washers Solar mounting hooks Finishing sheets Stainless steel tube & pipes |

OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section entitled “Forward-Looking Statements” on page 20 for a discussion of the risks and uncertainties related to those statements and also the sections entitled “Risk Factors”, “Industry Overview”, “Summary of Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 36, 156, 68 and 358, respectively, as well as financial and other information contained in this Prospectus as a whole, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the twelve months ended March 31 of that year.

Unless otherwise indicated or unless the context requires otherwise, the financial information included herein is based on our “Restated Financial Information” section included in this Prospectus. For further information, see “Financial Information” on page 283. Unless the context otherwise requires, in this section, references to “the Company”, “our Company”, “we”, “us” and “our”, are to our Company and our Subsidiaries. Unless the context otherwise requires, references to our “customer” or “customers” shall be deemed to include affiliates or group entities of our customers, as applicable.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled “Precision Engineering Industry Report” dated August, 2024 (the “**ILattice Report**”) prepared and issued by Lattice Technologies Private Limited, appointed by us pursuant to engagement letter dated October 9, 2023 and exclusively commissioned and paid for by us in connection with the Issue. The data included herein includes excerpts from the ILattice Report and may have been re-arranged by us for the purposes of presentation. The ILattice Report forms part of the material documents for inspection and will be available on the website of our Company at www.galagroup.com from the date of the Red Herring Prospectus until the Bid/Offer Closing Date. The ILattice Report does not omit any material facts, information, or relevant details that may have an adverse impact on the investors. Lattice Technologies Private Limited are an independent service provider and are not related to our Company or its Directors, Promoters, Subsidiaries, Key Managerial Personnel or Senior Management, whether directly or indirectly in any manner. For more information, see “Risk Factors – This Prospectus contains information from industry sources including the industry report commissioned from Lattice Technologies Private Limited. Prospective investors are advised not to place undue reliance on such information.” on page 36. Also see, “Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data” on page 16.*

Overview

We are a precision component manufacturer of technical springs like disc & strip springs (“**DSS**”) including wedge lock washers; coil & spiral springs (“**CSS**”) and special fastening solution (“**SFS**”) supplying to original equipment manufacturers (“**OEMs**”), Tier 1 and channel partners; used in sectors like renewable energy including wind turbine and hydro power plants, various industrial sectors such as electrical, off highway equipments, infrastructure and general engineering, mobility segments such as automotive and railways (*Source: ILattice Report*). Our listed competitors include Harsha Engineers International Limited, SKF India Limited, Sundram Fasteners Limited, Rolex Rings Limited, Sterling Tools Limited and Ratnaveer Precision Engineering Limited. Our technical springs and high tensile fasteners have been supplied to customers in countries such as Germany, Denmark, China, Italy, Brazil, USA, Sweden, Switzerland etc. Accordingly, we are a key link in the global supply chain for OEMs.

Our business primarily comprises of (i) springs technology division, under which we manufacture DSS including wedge lock washers (“**WLW**”), CSS and (ii) SFS in which we manufacture anchor bolts, studs and nuts.

Our DSS products find applications in renewable energy, railways, automobiles, off highway vehicles, heavy machinery, electrical and power equipments. The global DSS & WLW market is valued at ~ US\$ 891M in calendar year 2023 witnessing a CAGR of ~6% during calendar year 2020 – 2023 in which we have a global market share of ~2% as of calendar year 2023. We are major disc springs manufacturer in domestic market and have ~10% market share in the Indian disc springs market. We have a significant presence in the DSS market for renewable industry with ~70% share in the domestic market and ~3% share in the global market. (*Source: ILattice Report*)

Our disc springs confirm to German DIN 2093 standards, bearing series, and customized specifications featuring variety of raw materials and surface coating options. We manufacture strip springs customised for high fatigue applications. We are mainly competing with Muhr und Bender KG, Schnorr GmbH, Christian Bauer GmbH + Co. KG in the global disc springs market and with International Industrial Springs in disc springs in India. (*Source: ILattice Report*)

Our CSS products are used in commercial vehicles, passenger vehicles, railways and industrial infrastructure. We have positioned ourselves as a key import substitution for European springs suppliers and multinationals looking at PLI Schemes and other incentives offered by the Government. We have also entered in a new related product category called retractor springs. These springs are a critical component for safety of the passenger. We are mainly competing with Stumpp Schuele & Somappa Springs Private Limited, NHK Springs India Limited, and Muhr und Bender KG in the CSS market (*Source: 1Lattice Report*).

Under our SFS, we manufacture make to order fasteners in the form of studs, anchor bolts and nuts which has end use applications in renewable energy, railways, off-highway vehicles, electrical and heavy machinery industries. The global fasteners market size stands at ~US\$ 97 bn growing at a ~6.7% CAGR between calendar year 2023 – 2026 in which global wind turbine OEM market is valued at ~US\$ 75 billion in calendar year 2023 which is growing at a CAGR of ~8% between calendar year 2023 – 2026. We have ~15% market share in the domestic SFS market for wind turbines. As per 1Lattice Report, we have good growth prospects in the European and US wind turbine markets with the global wind turbine market growing at a CAGR of ~8% between calendar year 2023 – 2026. We are mainly competing with Cooper & Turner Limited, Rose Holm A/S, August Friedberg GmbH in the global SFS market and with Randack Fasteners India Private Limited, Sundram Fasteners Limited and Hiten Fasteners Private Limited in the Indian SFS market (*Source: 1Lattice Report*).

The following table sets forth our revenue from operations across offerings for the period indicated, including as a percentage of our revenue from operations:

| Particulars | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|--------------------------------|--------------------|------------------------------------|--------------------|------------------------------------|--------------------|-----------------------------------|
| | Amount (₹ million) | % of total revenue from operations | Amount (₹ million) | % of total revenue from operations | Amount (₹ million) | % of total revenue from operation |
| Springs technology | 1622.66 | 80.11 | 1,388.51 | 83.92 | 1,133.25 | 78.01 |
| Fastening solutions | 391.82 | 19.34 | 226.35 | 13.68 | 214.76 | 14.78 |
| Surface engineering solutions* | 10.97 | 0.54 | 39.79 | 2.40 | 104.76 | 7.21 |
| Total | 2025.45 | 100% | 1,654.65 | 100% | 1,452.77 | 100% |

* We have sold the intangible assets of the surface engineering solutions business to SM Systems Private Limited through a sale agreement dated May 30, 2022.

As on date of Prospectus, we operate from two manufacturing facilities located in Wada, Palghar, Maharashtra. Our manufacturing facilities at Wada, Palghar, Maharashtra are certified with international standards such as IATF 16949 for manufacturing of disc springs, spring band clamp, stamped components, coil springs and spiral springs and ISO 9001:2015 certification for manufacturing and supply of disc springs, brush springs, spiral springs, retractor springs and spring cassette assemblies, special fasteners, anchor stud, stud, kit set, belleville washers, conical springs, plate springs, serrated washers, disc washers, wedge lock washers (Gallock), spring assemblies, spring packs, bearing series. Further, we are setting up new manufacturing facility in Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu for developing various high tensile fasteners in order to add to our existing product portfolio and new products like bolts. The electrical panel building and two security buildings have been constructed. The transformer yard, RMU/RMG/diesel generator yard, and boundary wall (front south and north-east side) are also completed. The Fire hydrant pump room, with a capacity of 1 lakh litre water tank is ready. The building's civil works are completed. Currently, the flooring/foundation and PEB/mezzanine floor work are in progress. For further details on our manufacturing facilities, see “*Our Business–Manufacturing Locations*” on page 197 and see “*Objects of the Offer*” on page 114.

We are a technology driven company with a strong focus on quality, design and tool development, which has allowed us to develop products suited to our customers’ requirements. We have the expertise to design and develop advance tooling in-house which enables us to manufacture complex and specialised precision stamped components and have allowed us to diversify our business. Our DSS operations commenced in the year 1989 by manufacturing disc and strip springs (“DSS”) and have since diversified our operations to include coil and spiral springs (“CSS”) in 2015 and special fastening solution (“SFS”) in 2018.

Through a business transfer agreement in 2009 between Gala Precision Technology Private Limited (“**Seller**”) and our Company (“**Buyer**”), our Company acquired the DS DTA and DS EOU (manufacturing of disc springs including approvals, immovable assets, liabilities, investment, movable assets, employees, contracts, intellectual property rights, accounts and funds, systems, know-how) and MFS (manufacture of mass finishing systems including approvals, immovable assets, liabilities, investment, movable assets, employees, contracts, intellectual property rights, accounts and funds, systems, know-how) along with benefits, goodwill, assets, rights, interests and loans and liabilities on a slump sale basis ‘as a going concern’. Seller was involved in the manufacturing of DSS and MFS since 1989 and one of our Promoters, namely, Kirit Vishanji Gala who was the Managing Director of Gala Precision Technology Private Limited is still involved as the Managing Director of our Company.

We focus on design and development and application engineering with more than 30 years of experience in developing customised products to meet the evolving needs of our customers.

Our design and development capabilities include engineering and precision machining like use of wire cut machines, CNC turning and grinding machines, inspection instruments, fatigue testing machines and load testing machines. We have the ability to design and develop precision engineering solutions for OEMs and tier1 customers meeting precise design, technical and quality specifications, enabling our customer to enhance equipment or vehicle safety, performance, durability and overall efficiency.

Our ability to develop products suited to our customers’ requirements has fostered strong and long term customer relationship which in turn has helped us to gain higher margins for our products. Further, we have been successful in diversifying our product portfolio and improve our current processes in variety of springs and fasteners manufacturing mainly due to our design, development and technological capabilities. As of March 31, 2024, we have annual production capacity of 246.46 million units of springs and washers and 0.42 million fasteners for customers in the renewable energy including wind turbine and hydro power plants, in various industrial sectors such as electrical, off highway equipments, infrastructure and general engineering, in mobility segments such as automotive and railways, allowing us to meet changing customer requirements.

Over the years we have emphasised on developing manufacturing systems that comply with health and safety parameters, as well as environmental and social governance requirements. Our manufacturing facilities are certified by ISO 9001:2015 and IATF16949 from which we are able to serve both domestic and international customers. Our facilities also comply with stringent qualification process imposed by our customers which include supplier audit, testing, trial runs, periodic reviews and inspections of our procurement, manufacturing, logistical and other capabilities, and performance, after which we have been approved as their supplier. We have developed several in-house processes such as blanking for precision components and finishing, that help us reduce reliance on third-party vendors and work closely with our customers at all stages of product design and development and application engineering.

With a global clientele exceeding 175 customers, we export to over 25 countries, encompassing major markets such as Germany, Denmark, China, Italy, Brazil, USA, Sweden, Switzerland, contributing 37.53% to total sales as of March 31, 2024. Further, we are adding new customers for springs and fasteners in high potential markets such as Europe and USA.



The following table sets forth a breakdown of our revenue from operations from our business (from India and outside India), in absolute terms and as a percentage of total revenue from operations, for the periods indicated basis the location of the customers:

| Particulars | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---------------|--|---------------------------------------|--|---------------------------------------|--|---------------------------------------|
| | Revenue from operations (amount in ₹ million) | % of total revenue from operation (%) | Revenue from operations (amount in ₹ million) | % of total revenue from operation (%) | Revenue from operations (amount in ₹ million) | % of total revenue from operation (%) |
| India | 1,265.23 | 62.47 | 1,042.57 | 63.01 | 909.37 | 62.60 |
| Outside India | 760.22 | 37.53 | 612.08 | 36.99 | 543.40 | 37.40 |
| Total | 2,025.45 | 100.00 | 1,654.65 | 100.00 | 1,452.77 | 100.00 |

Spring Technology:

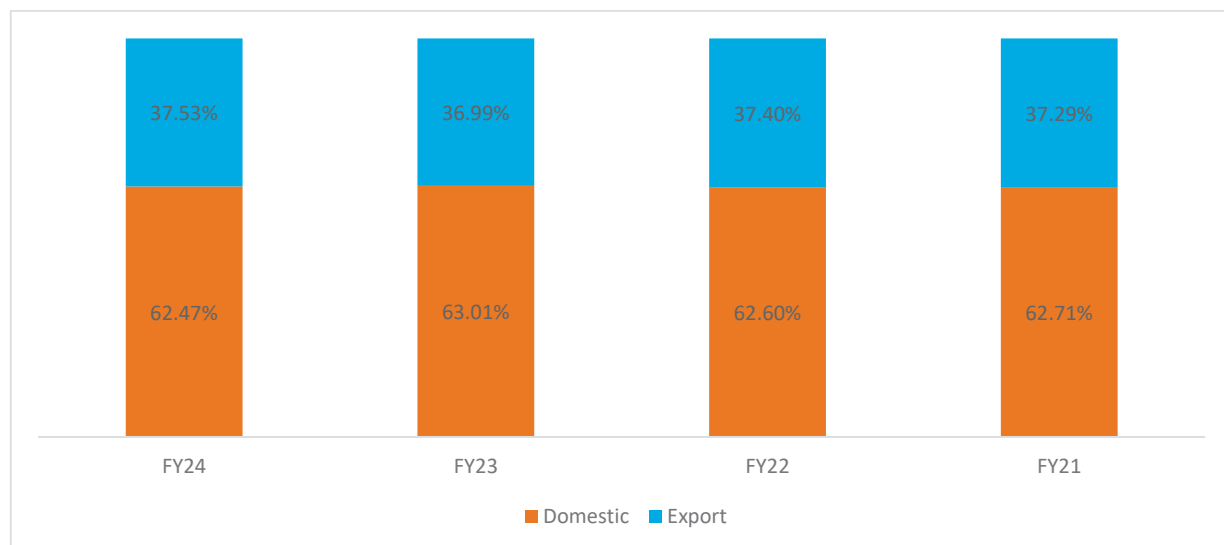
| Name of Country | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|-----------------|--|---------------------------------------|--|---------------------------------------|--|---------------------------------------|
| | Revenue from operations (amount in ₹ million) | % of total revenue from operation (%) | Revenue from operations (amount in ₹ million) | % of total revenue from operation (%) | Revenue from operations (amount in ₹ million) | % of total revenue from operation (%) |
| India | 1017.64 | 50.24 | 826.80 | 49.97 | 602.75 | 41.49 |
| Germany | 162.62 | 8.03 | 153.07 | 9.25 | 112.43 | 7.74 |
| Italy | 111.25 | 5.49 | 100.71 | 6.09 | 117.57 | 8.09 |
| Brazil | 67.90 | 3.35 | 29.35 | 1.77 | 22.66 | 1.56 |
| Denmark | 20.71 | 1.02 | 29.89 | 1.81 | 55.44 | 3.82 |
| Colombia | 25.34 | - | 24.03 | 1.45 | - | - |
| China | 93.92 | 4.64 | 106.12 | 6.41 | 100.49 | 6.92 |
| USA | 33.28 | 1.64 | 14.49 | 0.88 | 20.95 | 1.44 |
| Austria | 17.52 | 0.87 | 9.21 | 0.56 | 1.59 | 0.11 |
| Sweden | 14.73 | 0.73 | 23.98 | 1.45 | 19.31 | 1.33 |
| Others | 86.43 | 4.27 | 70.86 | 4.28 | 80.05 | 5.51 |
| Total | 1625.99 | 80.28 | 1,388.51 | 83.92 | 1,133.25 | 78.01 |

Fastening Solutions:

| Name of Country | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|-----------------|---|---------------------------------------|---|---------------------------------------|---|---------------------------------------|
| | Revenue from operations (amount in ₹ million) | % of total revenue from operation (%) | Revenue from operations (amount in ₹ million) | % of total revenue from operation (%) | Revenue from operations (amount in ₹ million) | % of total revenue from operation (%) |
| India | 247.82 | 12.24 | 178.93 | 10.81 | 214.56 | 14.77 |
| Germany | 7.95 | 0.39 | 0.01 | 0.00 | - | - |
| Italy | 111.25 | 5.54 | - | 0.00 | - | - |
| Brazil | - | - | - | 0.00 | - | - |
| Denmark | 48.64 | 2.40 | 25.50 | 1.54 | 0.20 | 0.01 |
| Colombia | - | - | - | 0.00 | - | - |
| China | - | - | - | 0.00 | - | - |
| USA | 54.89 | 2.71 | 21.91 | 1.32 | - | - |
| Austria | 0.01 | 0.00 | - | 0.00 | - | - |
| Sweden | - | - | - | 0.00 | - | - |
| Others | 25.67 | 1.27 | 0 | 0 | 0 | 0 |
| Total | 384.98 | 19.01 | 226.35 | 13.68 | 214.76 | 14.78 |

Surface Engineering Solution:

| Name of Country | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|----------------------|---|---------------------------------------|---|---------------------------------------|---|---------------------------------------|
| | Revenue from operations (amount in ₹ million) | % of total revenue from operation (%) | Revenue from operations (amount in ₹ million) | % of total revenue from operation (%) | Revenue from operations (amount in ₹ million) | % of total revenue from operation (%) |
| India | 14.47 | 0.71 | 36.83 | 2.23 | 92.06 | 6.34 |
| USA | - | - | 1.20 | 0.07 | 12.70 | 0.87 |
| United Arab Emirates | - | - | 1.76 | 0.11 | - | - |
| Total | 14.47 | 0.71 | 39.79 | 2.40 | 104.76 | 7.21 |



Our products are critical components for our clients who operate in diverse industries like renewable energy, railways, automobile, off highway vehicles, electrical and power equipment, heavy machinery, commercial vehicle, and passenger vehicle.

Our Company is led by our Promoter, Chairman and Managing Director, Kirit Vishanji Gala who with his experience of more than three decades, has guided our Company to its current market position in the precision component industry. Furthermore, our Company is run by a professional management team that is guided by our experienced leadership team. For further details on our Directors, Key Management Personnel and Senior Management, see “*Our Management*” on page 248.

Our key performance indicators for the last three Fiscals are as follows:

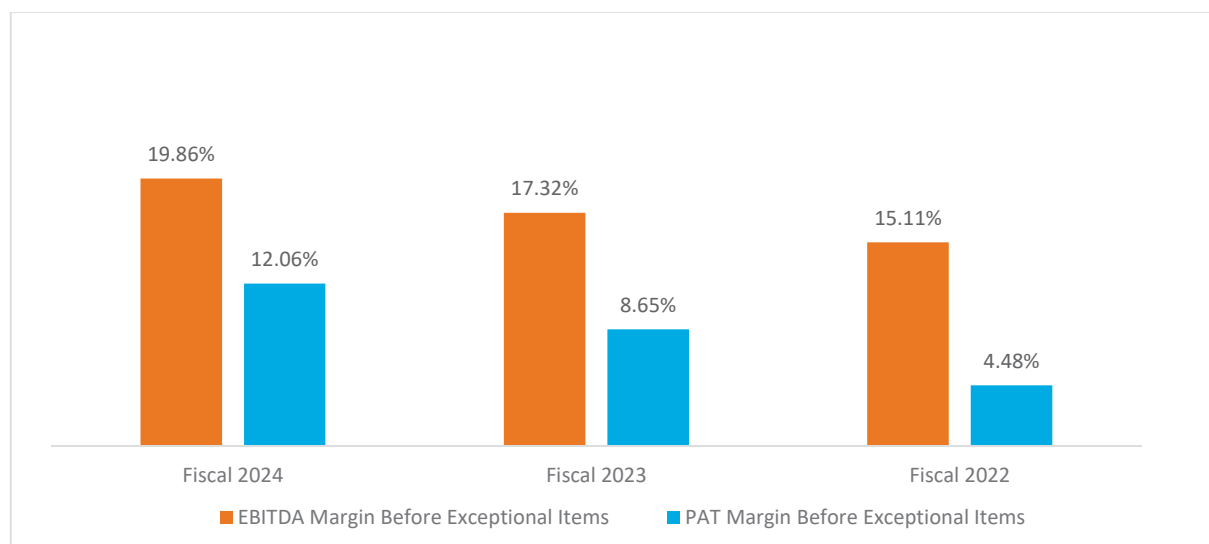
| Particulars | As of and for the Fiscal | | |
|--|--------------------------|----------|----------|
| | 2024 | 2023 | 2022 |
| Total Income (₹ in million) | 2,043.77 | 1,670.82 | 1,479.63 |
| EBITDA (₹ in million) | 405.89 | 289.41 | 223.51 |
| EBITDA margins (%) | 19.86 | 17.32 | 15.11 |
| PAT before exceptional items (₹ in million) | 243.02 | 144.53 | 66.31 |
| PAT Margin before exceptional items (%) | 11.89 | 8.65 | 4.48 |
| PAT after exceptional items (₹ in million) | 223.32 | 242.12 | 66.31 |
| PAT margin after exceptional items (%) | 10.93 | 14.49 | 4.48 |
| Return on Net Worth before exceptional items (%) | 23.27 | 17.28 | 11.18 |
| Return on Net Worth after exceptional items (%) | 21.38 | 28.94 | 11.18 |

*Not Annualised

Notes:

- EBITDA = PAT + (finance Costs+ depreciation and amortization expenses+ total tax expense) – exceptional items.
- EBITDA Margin is EBITDA as a percentage of total income.
- PAT Margin is calculated as profit/ (loss) for the year/ period as a percentage of total income.
- Return on Net Worth is PAT before exceptional items or after exceptional items, as applicable, as a % of Net Worth.

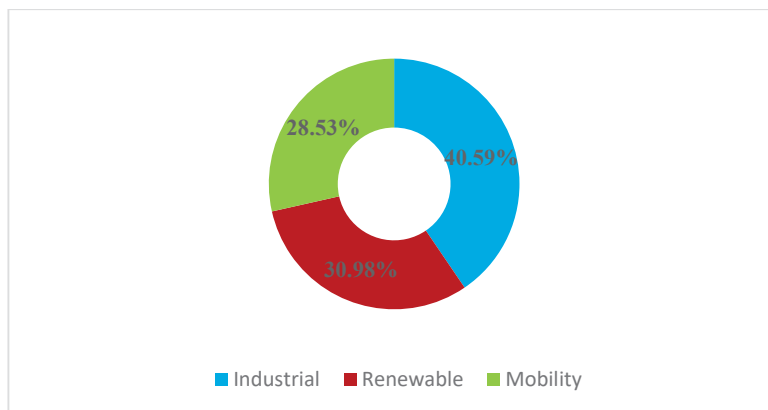
For reconciliation in relation to the Gross Profit, Gross Margin, EBITDA, EBITDA Margin, Return on Equity, Return on Capital Employed, PAT Margin, Gross Fixed Asset Turnover Ratio and Net Debt to EBITDA, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 358.



COMPETITIVE STRENGTHS

Well established manufacturer of precision engineering components with diversified product portfolio and diverse market

We have experience in designing, manufacturing and application engineering of high-performance standardised and customised disc springs and strip springs. Our products include disc and strip springs, wedge lock washers, coil and spirals springs, fastening solutions like anchor bolts, nuts and studs, etc. Our precision components and high tensile fasteners are used in sectors like renewable energy (including wind turbine and hydro plants), in various industrial sector such as electrical, off highway equipment, infrastructure and general engineering, in mobility segments such as automotive and railways. Our disc springs are of high quality meeting German DIN 2093 standards. We cooperate with global research institutes in Germany and India for new product testing and new process validations.



Our wedge lock washers which market under GALLOCK brand, have been tested by the German Institute and meet the requirements of standard DIN 25201-4 for mechanical and technological testing. Further, the railways coaches and locomotive and wind turbine manufacturers have also tested and approved our wedge lock washers. We host in-house tool design and development capacities, optimised heat treatment, along with inspection and quality control to ensure the delivery of high precision components to meet customer specifications and offer one-stop solutions to our customers.

Our wide range of products and their varied applications have helped us to develop a broad customer base across geographies and across industries. We have the ability to develop various products and solutions to meet design and specifications of our customers, as well as to cross sell multiple products to them and thereby increase our wallet share. In order to add new products in our fastener division, we are currently setting up a manufacturing facility in Vallam-Vadagal, SIPCOT, Sriperumbudur, Tamil Nadu for developing various high tensile fasteners and new products like bolts. Having a wide range of products not only enables us to meet the trends and ever changing demands of our customers but also gives our Company an edge to effectively compete with our competitors.

With a global clientele exceeding 175 customers, we export to over 25 countries, encompassing major markets such as Germany, Denmark, China, Italy, Brazil, USA, Sweden, Switzerland, contributing to 37.53% to total sales as of March 31, 2024. We are adding new customers for springs and fasteners in high value markets such as Europe and USA.

Long-standing customer relationships with both Indian and global OEM and Tier 1 players

Over three decades of operations, we have established long standing relationships with our customers. Our business originally commenced in the year 1989 and subsequently taken over by our Company through a BTA in the year 2009. Our diverse product portfolio helps cater to a broad range of customers and we have served over 175 customers in 25 countries. Our long-standing relationships with our customers indicate our commitment to high quality products and comprehensive solutions. Key factors leading to strong customer relationships are high quality products, reliability in supplies, development collaboration and meeting international standards. We engage with our clients through the different stages of product development, from the design and validation stages, until testing, final manufacturing, and delivery. We

also provide customised packaging and kitting solutions to our customers. This helps us identify their requirements better and results in increased customer satisfaction.

We have long-standing relationships with OEMs, Tier 1 and channel partners customers ranging from 4 years to more than 15 years, as set out in the table below:

| Sr. No. | Name or description of the customer | Number of years of customer relationship as of March 31, 2024 |
|---------|--|---|
| 1. | Vestas Wind Technology India Private Limited | 17 years |
| 2. | Brembo Brake India Private Limited | 14 Years |
| 3. | BUFAB India Fasteners Private Limited | 9 years |
| 4. | LPS Bossard Private Limited | 8 Years |
| 5. | MSL Driveline Systems Limited | 7 Years |
| 6. | EXEDY Clutch India Private Limited | 7 years |
| 7. | Endurance Technologies Limited | 6 years |
| 8. | Hitachi Astemo Chennai Private Limited | 5 Years |
| 9. | Schaeffler India Limited | 4 Years |
| 10. | Enercon GmbH | 4 Years |

Set out in the following table are our revenues from operations from our top five and top ten customers, based on our Restated Financial Information during the Fiscals 2024, 2023 and 2022:

| Particulars | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|--------------------|-----------------------|------------------------------------|-----------------------|------------------------------------|-----------------------|-----------------------------------|
| | Amount (in ₹ million) | % of total revenue from operations | Amount (in ₹ million) | % of total revenue from operations | Amount (in ₹ million) | % of total revenue from operation |
| Top five customers | 657.45 | 32.46 | 417.17 | 29.03 | 502.24 | 35.26 |
| Top ten customers | 961.62 | 47.48 | 679.46 | 41.86 | 647.93 | 45.48 |

Our manufacturing facilities undergo a rigorous qualification process mandated by our customers. This process encompasses supplier audits, testing, trial runs, periodic reviews, and audit of our procurement, manufacturing, logistical, and other capabilities and performance. Our customers benefit from a faster product development time on account of our in-house tooling and prototyping capabilities.

The industry we operate in has a significant entry barrier due to a lengthy and stringent qualification process for the technical springs and high tensile fasteners due to criticality of their usage. The vendors are required to go through separate qualification processes for each component that they supply. The qualification process for a new vendor is stringent and includes multiple steps including identification and understanding the vendor, assessment and audit of the technical capabilities for the vendor, evaluation and test of the product qualifications and final negotiations. This entire process is time intensive and often takes 12 to 24 months to qualify as a supplier during which the vendor is evaluated by the OEM and Tier 1. The vendors also need to institute quality and tracking procedures for all products that are supplied which demands a higher order quality control. With our substantial experience as precision component manufacturer of technical springs and high tensile fasteners, we are a qualified and established supplier to OEMs, Tier 1 and channel partners.

Furthermore, as a result of our performance, we have received numerous awards for quality, delivery, new product development, and financial management from our customers. For a list of our awards, see – “History and Certain Corporate Matters – Key awards, accreditations and recognition” on page 241.

Well-equipped manufacturing facilities along with in-house design and other capabilities which offer scale, flexibility, and comprehensive solutions

We operate in two manufacturing facilities at Wada District Palghar, Maharashtra, which are equipped with capabilities to design, develop, and manufacture diverse product portfolio. Further, we are setting up new manufacturing facility in

Vallam-Vadagal, SIPCOT, Sriperumbudur, Tamil Nadu for developing various high tensile fasteners in order to add to our existing product portfolio and new products like bolts.

Our in-house process includes tool design and development, blanking and forming, coiling, heat treatment, shot peening, surface finishing, springs grinding and chamfering, scragging, load testing along with inspection, quality control and surface treatments and coatings. This helps us to provide comprehensive solutions to our customers and manufacture high precision components with control over the processes. Our manufacturing facilities being in India, we hold a significant cost advantage in comparison to our European competitors. We are focused on undertaking dedicated design and development activity in our existing products and development of new products and designs in areas where there is significant growth potential and would cater to needs of our customers.

Our manufacturing facilities at Wada, Palghar, Maharashtra are certified with international standards such as IATF 16949 for manufacturing of disc springs, spring band clamp, stamped components, coil springs and spiral springs and ISO 9001:2015 certification for manufacturing and supply of disc springs, brush springs, spiral springs, retractor springs and spring cassette assemblies, special fasteners, anchor stud, stud, kit set, belleville washers, conical springs, plate springs, serrated washers, disc washers, wedge lock washers (Gallock), spring assemblies, spring packs, bearing series. We host state-of-the-art CNC machines, wafio Coiler from Germany and multi-side machines to ensure we meet stringent coiling bending and forming tolerances as per customer specifications. We utilize software that enables us to automate some of our processes and eliminate errors in manufacturing. Our ability to supply high precision and multi-purpose products is greatly enhanced by our in-house product development team situated at our manufacturing facilities. This team currently uses design and development tools such as CAD software and iQbestspeed software for automatically detecting the ideal production speed and process safety of the springs to be produced.

Experienced management team supported by large, diverse and skilled work force

We are led by our Promoter, Chairman and Managing Director, Kirit Vishanji Gala who has helped expand our operations within India and globally and has been associated with our Company since incorporation. Kirit Vishanji Gala has more than three decades of experience in engineering and manufacturing activities. Under his leadership we have been able to expand our operations and have established a significant presence in Indian and global markets.

We also have an experienced senior management team which includes our Whole-time Directors, Balkishan Jalan and Satish Kotwani, Smeet Kirit Gala, Associate Vice President (Marketing and Sales), Avadhut Panshikar, Chief Operating Officer (Operations), Srinivasan Giridhar, Chief Financial Officer, Prasad Gore, Vice President (Information Technology), Rajesh Charjan, Vice President (Marketing and Sales) and Mahesh Patil, Vice President (Operations – Special Fastening Solutions) with experience in a variety of fields like operations, product development and marketing in Domestic and overseas markets. Their industry experience has enabled us to anticipate and capitalize on changing market trends, manage and grow our operations and leverage and deepen customer relationships. Our leadership team has strong understanding of customer requirements combined with technical know-how that enables product innovation and new product development. For further information, see “Our Management” on page 248.

Track record of consistent financial growth and performance characterized by operational efficiency and high repeat business

We have showcased a consistent track record of growth and profitability. During Fiscal 2022 to Fiscal 2024, our total income registered CAGR of 17.53% to reach ₹2043.77 million in fiscal 2024. From Fiscal 2022 to Fiscal 2024 our gross profit margins has remained consistent at 59.26 % in Fiscal 2022 to 59.15 % in Fiscal 2024.

The table below sets forth some of key financial information and ratios for the Fiscals 2024, 2023 and 2022:

| Particulars | As of and for the Fiscal | | |
|-----------------------------|--------------------------|----------|---------|
| | 2024 | 2023 | 2022 |
| Total Income (₹ in million) | 2,043.77 | 1,670.82 | 1479.63 |

| Particulars | As of and for the Fiscal | | |
|--|--------------------------|--------|--------|
| | 2024 | 2023 | 2022 |
| EBITDA (₹ in million) | 405.89 | 289.41 | 223.51 |
| EBITDA margins (%) | 19.86 | 17.32 | 15.11 |
| PAT before exceptional items (₹ in million) | 246.41 | 144.53 | 66.31 |
| PAT Margin before exceptional items (%) | 12.06 | 8.65 | 4.48 |
| PAT after exceptional items (₹ in million) | 223.32 | 242.12 | 66.31 |
| PAT margin after exceptional items (%) | 10.93 | 14.49 | 4.48 |
| Return on Net Worth before exceptional items (%) | 23.27 | 17.28 | 11.18 |
| Return on Net Worth after exceptional items (%) | 21.38 | 28.94 | 11.18 |

*Not Annualised

Notes:

- i. *EBITDA = PAT + (finance Costs+ depreciation and amortization expenses+ total tax expense) – exceptional items.*
- ii. *EBITDA Margin is EBITDA as a percentage of total income.*
- iii. *PAT Margin is calculated as profit/ (loss) for the year/ period as a percentage of total income.*
- iv. *Return on Net Worth is PAT before exceptional items or after exceptional items, as applicable, as a % of Net Worth.*

For more information on Gross Profit, Gross Margin, EBITDA, EBITDA Margin see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 358.

STRATEGIES

Strengthening our core capabilities in precision engineering for sustainability

We are a precision component manufacturer of technical springs and high tensile fasteners supplying to original equipment manufacturers (“OEMs”), Tier 1 and channel partners. We intend to continue to enhance our capabilities across the focus industries renewable energy, industrial and mobility by continuing to strengthen our core capabilities in precision engineering for sustainability.

We are major disc springs manufacturer in domestic market and have ~10% market share in the Indian disc springs market. We have a significant presence in the DSS market for renewable industry with ~70% share in the domestic market and ~3% share in the global market. (*Source: 1Lattice Report*). We are manufacturing disc springs for more than 15 years used in yaw brakes of wind turbine and supplied to global OEMs and brake manufacturers in India and overseas. Further, we have diversified our business almost 6 years ago and introduced fastening element products such as wedge lock washers and high tensile fasteners used in wind energy and hydro power plants. Our majority of revenue from sale of wedge lock washers and high tensile fasteners are from renewable energy sectors. We are supplying products in the domestic market and to the global OEMs in Europe and USA.

Countries are becoming more inclined towards renewable energy sources like solar and wind due to concerns about energy security arising from Russia's invasion of Ukraine. Compared to CY15-20, onshore wind additions will be ~25% higher on average till CY26. IEA forecasted that the annual onshore wind addition will be 75 GW per year on an average from CY21-26. By CY26, the total offshore wind capacity is forecasted to be more than the triple current capacity and will account for one-fifth of the global wind market. The renewable energy industry is subjected to growth due to government policies focusing on mitigating international climate change. Regions like the European Union and China have aimed to increase their renewable energy production capacity significantly. (*Source: 1Lattice Report*) This increase in demand for renewables will lead to an increase in consumption of wedge lock washers and high tensile fasteners.

Our strip springs are also used in brakes of two wheelers electric vehicle and we intend to continue to penetrate more deeply by offering strip springs and fasteners for two wheelers and four wheelers electric vehicle, buses etc in order to increase our revenue and strengthening our core capabilities in precision engineering. EVs are forecasted to achieve parity with fossil fuel vehicles in Europe by CY24 and in North America by CY26. Since CY16, US EV sales have surged from ~65,000 in CY17 to over ~800,000 in CY22, with a 51% increase in the first half of CY23. Meanwhile, Europe experienced a ~62% growth in EV sales in the past year, leading European OEMs to unveil plans for over 150 new EV

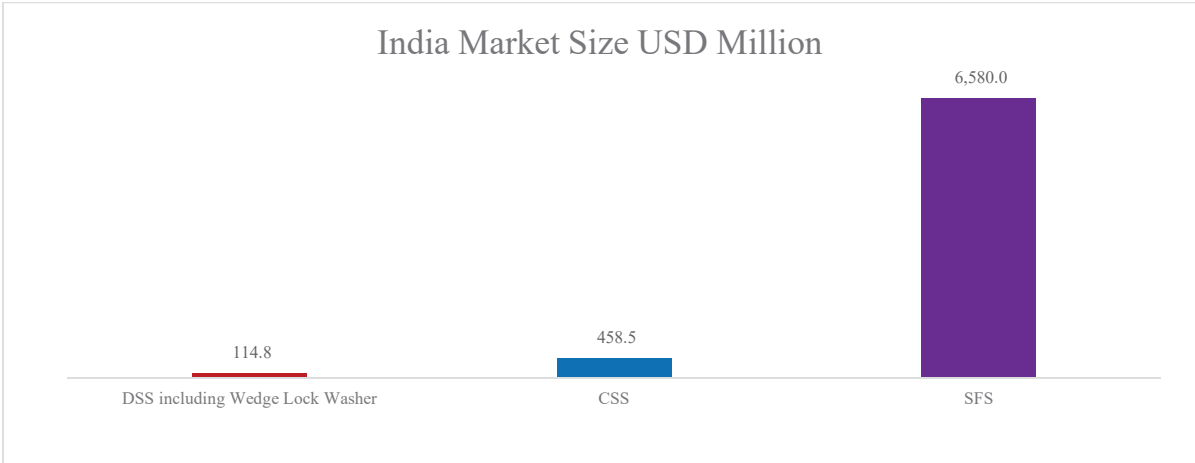
models by CY30. Recent research anticipates a ~40% drop in battery prices to reach US\$ 99/kWh of storage capacity by the year CY25, down from the levels in CY22. This decrease in prices is expected to result in a reduction in EV prices, making them more affordable. There has been prevalent growth in the mobility sector with automobile contributing a major portion of it. This growth is primarily attributed to the increasing adoption of electric vehicles in the automobile industry, along with increased demand of passenger vehicle in developing countries like Brazil and India. (Source: *ILattice Report*)

Moving up the value chain from niche markets to large addressable markets

Our operations were commenced in the year 1989 by manufacturing disc and strip springs and have since diversified to include coil and spiral springs in 2015 and special fastening solution in 2018. As on date of Prospectus, we are a precession component manufacturer of technical springs and high tensile fasteners supplying to OEMs, Tier 1 and channel partners. We believe our experience and manufacturing capabilities will help us to address cutomers from niche markets to large addressable markets.

Disc springs is a niche market with market size of USD 114.80 million in India and USD 891.20 million globally. We introduced coil and spiral springs manufacturing in the year 2015 which has much larger market size than disc springs in India. Further coil springs has market size of USD 458.50 million in India. In the year 2018, we have started providing fastening solutions used for renewable energy and industrial applications. The global market for fasteners was valued at ~US\$ 97,236M in CY23 and is expected to grow at a CAGR of 6.7% during CY23-26. The Indian market for special fasteners was valued at ~US\$ 6,580 M in FY24 and is expected to grow at a CAGR of 18% between FY24-27. (Source: *ILattice Report*)

CSS and SFS introduced by our Company were mainly focused in end industry segments like renewable energy, industrial and mobility sectors where we had strong presence decades of experience. CSS has major applications in automotive, transmission, brakes sitting and safety, in railways and industrial applications like flow control. Fastener industry is crucial across sectors, supplying essential components like screws, bolts, nuts, etc. for construction, renewables, aerospace, etc. We have widened our offering of fastening solutions for the wind segment and developed high tensile fasteners as an import substitute for leading global wind turbines manufacturers in India and increased our wallet by expanding product range and subsequently adding more OEMs including exports. We intend to further expand our products in wind segment, industrial and Railways for India and global markets and increase serviceable obtainable market substantially in coming years by setting up new manufacturing facility in Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu for developing various high tensile fasteners in order to add to our existing product portfolio and new products like bolts.



With a growing emphasis on innovation, sustainability, and technological advancements the Indian manufacturing sector is on track for dynamic growth, contributing substantially to the nation's economic resilience and competitiveness on the global stage.

Leverage in-house design and development capabilities to grow our product offerings and capitalize on future trends.

We are a technology driven company focused on using appropriate cost effective technologies for different volumes and varieties of products, to become single point solution provider to our customers for their different needs of type of technical springs and high tensile fasteners. Our design and development teams are focused on adopting emerging technologies, which improves our efficiency and our product portfolio in line with customer expectations and industry developments and standards. We plan to continue expanding our development, engineering, tool design and manufacturing, process improvements, lean manufacturing techniques, and automate them to optimize man-power to ensure zero defect products. Our dedicated product development team at our manufacturing facilities in Wada, Palghar, in Maharashtra has strengthened our ability to meet customer demands in accordance with delivery schedule. Over the past five years the product development and innovation centre has developed more than 200 products for different technical springs and high tensile fasteners.

With our expertise in design and manufacturing complex tooling components in house, we have engaged with our customers, developed and delivering over 750 stock keeping units (“SKU”) of products allowing us to meet changing customer requirements. Our in-house design and development capabilities seek to capitalize on emerging trends in renewable energy, industrial and mobility (such as automotive and railways) sectors. Our Company has taken steps towards better utilization of resources and maximising efficiency by increasing level of automation by having an in house automation team for the optimization of resources, reduction of human error and achieving economies of scale with significantly higher precision.

To further strengthen our technological capabilities, we plan to set up a new manufacturing facility in Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu for developing various high tensile fasteners in order to add to our existing product portfolio and new products like bolts. We also plan to expand our talent pool to support new design capabilities to keep up with emerging market trends.

Strengthen relationships with our existing customers and expand customer base

We have been expanding / developing new products leveraging existing customer relations in existing end industry segments. We intend to continue to expand our product portfolio by leveraging our relationship with our existing customers in India and globally, while simultaneously pursuing opportunities to develop new relationships. We aim to continue to maintain our strong track-record of repeat orders from our existing customers as well as expand and strengthen our relationships as part of our organic growth efforts.

Further, we are intending to increase our focus on emerging sectors such as renewable energy including wind turbine and hydro power plants, other industrial sectors such as electrical, off highway equipments and mobility segments such as automotive and railways. We believe that this will result in adding new customers and in an increase in the wallet share of each existing customer, including our revenues, margins, and profitability. Further, in the manufacturing ecosystem for the industries we serve, we manufacture highly complex parts which allows us to easily manufacture items which are less complex in nature and at scale, ensuring longevity of relationships with our customers. We plan to leverage our knowledge of the industry and engineering capabilities, in protecting and increasing our margins.

Expand manufacturing capacity at our existing facilities and set-up additional strategically located facility

As of June 30, 2024, we have two manufacturing facilities located in Wada, Palghar, Maharashtra. For further information, see “Our Business - Manufacturing Facilities” on page 197. In order to support our growth strategy across India, we intend to set up an additional manufacturing facility at Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu for developing various high tensile fasteners in order to add to our existing product portfolio and new products like bolts and intend to utilise an amount of ₹370.00 million from the Net Proceeds. We believe our strategically located facility near Chennai will help us to cater to OEMs in renewable energy sector located in South India. Also our facility is near the port and help us to substantially reduce our transportation cost and ensure smooth delivery’s to our export customers.

We also intend to increase manufacturing capacity of DSS and CSS products at our existing manufacturing facilities at Wada, Palghar, Maharashtra and intend to utilise an amount of ₹ 110.69 million from the Net Proceeds. For further details, see “*Objects of the Offer*” on page 114.

The following table sets forth further information relating to our proposed manufacturing facilities.

| Location | Verticals | Area (sq. ft.) | Proposed capacity |
|--|-----------|----------------|-------------------|
| Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu | SFS | 30,000 | 4600 MT |

To support our growth strategy, land has been leased for the construction of our facility at Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu. We believe that our strategy will allow us to better serve our existing customers, assist us in better addressing the business requirements of large customers, and allow us to expand into new business verticals.

History of our Business Operations

Gala Equipments Private Limited was incorporated on June 09, 1989 under the Companies Act, 1956. Gala Equipments Private Limited was converted into Gala Equipments Limited on April 26, 1995.

The name of Gala Equipments Limited was further changed to Gala Precision Technology Limited on November 10, 2004. Gala Precision Technology Limited was converted into Gala Precision Technology Private Limited on March 13, 2006.

Gala Springs Private Limited was incorporated on February 08, 1996. Gala Springs Private Limited entered into a Scheme of Amalgamation with Gala Precision Technology Limited with effect from April 01, 2004 pursuant to an Order passed by the High Court of Judicature at Bombay sanctioning the Scheme of Amalgamation under Section 391 and Section 394 of the Companies Act, 1956 dated June 24, 2005.

Our Company Gala Precision Engineering Private Limited was incorporated on February 23, 2009.

A “Business Transfer Agreement” dated May 26, 2009 was entered into by Gala Precision Technology Private Limited (“**Seller**”) and Gala Precision Engineering Private Limited (“**Buyer**”) to transfer the:

- **DS DTA** (manufacturing of disc springs for supply to local market situated at 295/II, Village Vadawali, Wada including approvals, immovable assets, liabilities, investment, movable assets, employees, contracts, intellectual property rights, accounts and funds, systems, know-how);
- **DS EOU** (manufacturing of disc springs for export to foreign parties situated at 302/II, Village Mussarne, Wada including approvals, immovable assets, liabilities, investment, movable assets, employees, contracts, intellectual property rights, accounts and funds, systems, know-how);
- **MFS** (manufacture of mass finishing systems situated at 302/2, Village Vadawali, Wada including approvals, immovable assets, liabilities, investment, movable assets, employees, contracts, intellectual property rights, accounts and funds, systems, know-how); and
- **Thane Undertaking** (collectively “**Non CV Business**”) along with benefits, goodwill, assets, rights, interests and loans & liabilities

to Gala Precision Engineering Private Limited on a slump sale basis ‘as a going concern’ against an aggregate consideration of ₹374.80 million.

Our Business Operation:

We are engaged in the manufacturing of precision component for technical springs and high tensile fasteners supplying to OEMs, in sectors like renewable energy (Wind turbine & hydro power plants), in Industrial sector (electrical, off highway equipment, infrastructure and general engineering), in Mobility (automotive & railways) in India and globally.

Our business primarily comprises of Springs technology, under which we manufacture (i) DSS including wedge lock washer and (ii) CSS; and SFS in which we manufacture studs, anchor bolts and nuts.

Key components manufactured by us in each vertical

Disc Spring, Strip Spring and Wedge Lock Washer.

Description:

We manufacture disc springs, strip springs and wedge lock washers that are critical for renewable energy, industrial and mobility sectors. Disc springs are springs and fastening solutions used for industrial applications when mechanical devices are required to apply force. Disc springs deliver powerful springs forces in a compact space. Their unique layouts in stacks boost both forces and deflections. Adjusting component geometry allows precise control of the load/deflection curve—a major advantage.

Strip springs are precision stamped and formed metal components made either from spring steel or stainless steel that store and release energy when deflected by an external load.

The pictures below are examples of our disc springs, strip springs and wedge lock washers manufactured by us.

Disc Springs



Strip Springs



Wedge Lock Washers








Manufacturing Process for Discs and Strip Spring (“DSS”)









Cold process of disc springs with thickness < 6mm


The manufacturing process starts with rigorous inspection and testing of incoming raw materials to ensure they meet quality standards. The verified materials are stored in a controlled environment. The subsequent stages include shearing, blanking, precision cutting, deburring, machining, bending and heat treatment are performed. Post heat treatment processes shot peening, deburring, descaling, phosphating and oiling or coatings are performed.

Oiling is applied for corrosion resistance, followed by a thorough inspection for compliance with specifications.

Following is the manufacturing process for DSS with cold processing through metal pressing, hammer or rolling for DSS of <6 mm. For this thickness hot forging is not required due to the greater malleability of steel. We have implemented various semi-autonomous manufacturing processes to reduce manual intervention. This has improved efficiency and helped in saving ~100 units of manpower.

| Sr. No. | Process | | Description |
|---------|---|--|--|
| 1. |  | Raw material inspection & testing ↓ | This is the initial step where the raw materials are inspected for quality and tested to ensure they meet specifications. |
| 2. |  | Shearing ↓ | Shearing refers to the process of cutting or shearing the raw material, typically a flat metal sheet into the desired shape and size to create disc springs. |
| 3. |  | Blanking ↓ | This is a process in which the disc spring is stamped out from a primary metal sheet or coil using a punch and die. The geometry of the die and punch is shaped in the form of the desired product. A punch applies pressure to the metal sheet or coil, exerting a specific amount of load to cut the product |
| 4. |  | Deburring & Drying ↓ | Deburring is a finishing process that removes burrs, sharp edges, and other imperfections from disc springs. |
| 5. |  | Machining ↓ | Machining operations may be necessary to achieve precise dimensions or to meet specific tolerances. Machining can involve |








| Sr. No. | Process | | Description |
|---------|---|------------------------------------|--|
| | | | processes such as turning, milling, or grinding. |
| 6. |  | Bending ↓ | Bending in disc spring manufacturing refers to the process of shaping or forming the disc spring to achieve the desired configuration. |
| 7. |  | Heat Treatment (austempering) ↓ | Heat treatment process is to achieve the desired final hardness, strength, and flexibility in the disc springs. |
| 8. |  | Shot Peening ↓ | Small metal particles are repeatedly directed at the surface of a material, creating controlled plastic deformation, this process induces comprehensive stresses in the material. |
| 9. |  | Scragging ↓ | Scragging involves subjecting the disc spring to a controlled plastic deformation or stress relieving process to eliminate any residual stresses and stabilise the material. |
| 10. |  | Descaling & Drying ↓ | Descaling in disc spring manufacturing refers to the process of removing scale or oxidation from the surface. |
| 11. |  | Coating ↓ | Disc springs are coated in a phosphating solution containing phosphoric acid and other chemicals and later dried by air, oven or other drying equipment. They are alternatively coated with zinc flake coating for corrosion resistance. |
| 12. |  | Oiling ↓ | Oiling refers to applying a thin layer of oil on the surface of the spring to provide lubrication and corrosion resistance to the springs. |
| 13. |  | Final inspection ↓ | A comprehensive inspection of the disc spring to ensure they meet all specified requirements before proceeding to the next stage. |







| Sr. No. | Process | | Description |
|---------|---|----------------------|--|
| 14. |  | Packaging & Dispatch | The final step involves packaging the final disc springs securely for dispatch and distribution. |

Hot process of disc springs with thickness > 6mm

The manufacturing process starts with rigorous inspection and testing of incoming raw materials to ensure quality and adherence to specifications. Inspected materials are stored in a controlled environment. The process includes rod cutting, forging, annealing, and machining, followed by heat treatment, tempering, and coating in a phosphate solution. Oiling enhances corrosion resistance and finishing. Outlined below is the manufacturing process for DSS through hot process for DSS of >6 mm in thickness due to the requirement of hot forging due to reduced malleability of relatively thicker sheets of steel.

Manufacturing process flow of disc springs with thickness >6mm

| Sr. No. | Process | | Description |
|---------|---|--|---|
| 1. |  | Raw material inspection & testing ↓ | This is the initial step where the raw materials are inspected for quality and tested to ensure they meet specifications |
| 2. |  | Rod Cutting ↓ | An optimization problem that involves cutting a rod of length into smaller pieces with different sizes |
| 3. |  | Forging ↓ | Metal shaping process that involves hammering, pressing, or rolling a metal to create a desired shape. |
| 4. |  | Annealing ↓ | Involves heating the raw material, typically a metal alloy, to a specific temperature and then allowing it to cool slowly in a controlled environment |
| 5. |  | Machining ↓ | Machining operations may be necessary to achieve precise dimensions or to meet specific tolerances. Machining can involve processes such as turning, milling, or grinding |
| 6. |  | Heat Treatment ↓ | Heat treatment process is to achieve the desired final hardness, strength, and flexibility in the disc springs, ensuring they can withstand the repetitive loading and unloading cycles |
| 7. |  | Tempering ↓ | Hardened springs are reheated to a specific, lower temperature and held at that temperature for a |

| Sr. No. | | Process | Description |
|---------|---|---------------------------|--|
| | | | certain duration to achieve final hardness |
| 8. |  | Shot Peening ↓ | Small metal particles are repeatedly directed at the surface of a material, creating controlled plastic deformation, this process induces compressive stresses in the material |
| 9. |  | Scragging ↓ | Scragging involves subjecting the disc springs to a controlled plastic deformation or stress-relieving process to eliminate any residual stresses and stabilize the material |
| 10. |  | Phosphating & Drying ↓ | Disc springs are immersed in a phosphating solution containing phosphoric acid and other chemicals and then later dried by air, oven or other drying equipment |
| 11. |  | Oiling ↓ | Oiling refers to applying a thin layer of oil on the surface of the springs to provide lubrication and corrosion resistance to the springs |
| 12. |  | Final inspection ↓ | A comprehensive inspection of the disc spring to ensure they meet all specified requirements before proceeding to the next stage |
| 13.. |  | Packaging & Dispatch | The final step involves packaging the final disc springs securely for dispatch & distribution |

Applications of Disc Spring in Renewable Energy Industry:

| Disc Spring | Wedge Lock Washer |
|--|--|
| <ul style="list-style-type: none"> Wind turbines: Disc springs are primarily used in yaw brakes to control nacelles as per the wind direction to maximize energy production. Hydroelectricity generators: Disc springs are used in thrust bearing mechanism, which connects the rotors to the stationary structure | <ul style="list-style-type: none"> Wind turbines: used in wind turbines to support the fastening of components like nacelle & blade connections - Their resistance to loosening in high-vibration environments makes them extremely useful in fastening joints of wind turbines. |

Essentiality of DSS & WLW in renewable energy industry

Disc springs: These are essential for the operation of renewable energy systems, including wind turbines and hydroelectric plants. It plays a crucial role in ensuring structural stability and minimizing the impact of dynamic load. Without these components, the system would be vulnerable to wear and damage, leading to reduced energy production and increased maintenance expenses. Disc springs offer the ability to work with high loads in small spaces.

Wedge lock washers: In renewable energy systems, the structural integrity of various components relies significantly on WLW. Its absence can lead to improperly fastened connections, thus creating safety hazards and possible failures in associated structures. The wedge-locking action of these washers ensures that the bolted joints remain secure even in high-

vibration environments. GWLW reduces the overall cost of end users by reducing the maintenance frequency of critical parts including blades.

Applications and criticality of Disc Spring and wedge lock washers in Railway Industry (Mobility)

| Disc Spring | Wedge Lock Washer |
|---|--|
| <ul style="list-style-type: none"> - Suspension systems for railways to help stabilize the rolling stock while moving on tracks - Couplers and brakes, helping to manage the dynamic loads and vibrations experienced by railway vehicles | <ul style="list-style-type: none"> - To connect crucial railway infrastructure & coaches like pull rods, compressors, traction motors, and the control arm of coaches. - Their ability to remain secure in high-vibration settings proves highly beneficial in railway infrastructure. |

Essentiality of DSS & WLW in the railway industry (Mobility)

Disc springs: These are essential for the proper functioning of railway suspension systems and applications where dynamic spring-like motion is required. They are used for bolt loading and shock absorption while ensuring passenger comfort and safety. Without these components, the ride quality of trains would be significantly compromised, with a greater risk of damage or derailment.

Wedge lock washers: WLW is essential for maintaining the reliability of railway infrastructure. They prevent loosening while maintaining bolt preload under the intense vibrations and dynamic loads generated by rail traffic. WLW enhances safety, reduces maintenance costs and extends the lifespan of essential railway equipment.

Applications of Disc springs in the off-highway Industry (Industrial)

| Disc Spring | Wedge Lock Washer |
|--|---|
| <ul style="list-style-type: none"> • DSS: plays a crucial role in parts such as transaxles, hydraulic motor, torque limiters, dual-clutch, and hydraulic attachments: - Plays an integral part in handling vibrations, offering stability, and ultimately ensuring the safety and effectiveness of these vehicles - Key components in dual-clutch in agricultural vehicles, ensuring a smoother and safer journey for passengers. | <ul style="list-style-type: none"> - Used in accessories, frame connections, and engine connections - Prevents from loosening up due to the vehicle's constant exposure to vibrations & rough terrain - Ensures that connections stay secure and safe. |

Essentiality of DSS & WLW in off-highway vehicles (Industrial)

Disc springs: Disc springs play a crucial role in keeping off-road vehicles stable and safe, especially when operating in rugged and challenging environments. They help manage vibrations, making sure the ride is comfortable and ensuring that key components like brakes function effectively.

Wedge lock washers: WLW are crucial in keeping off-road vehicles strong and safe. When connections get loose, it can cause accidents or equipment breakdowns, especially when these vehicles face heavy loads and rough terrain. WLW are essential for ensuring the safety and dependability of off-road vehicles.

Application of disc spring in electrical & power equipment (Industrial)

| Disc Spring | Wedge Lock Washer |
|--|---|
| <ul style="list-style-type: none"> • Used in push rod assembly in switchgears. They are also used in bus bars of low voltage switchgear • Used in switchgear along with transmission line wire as a spacer and as a dampening spring in transformers | <ul style="list-style-type: none"> • Used in onshore & offshore oil & gas plants, in walk-away ladders, exhaust ducts, pipe hanging equipment, cranes. |

| Disc Spring | Wedge Lock Washer |
|-------------|---|
| | <ul style="list-style-type: none"> - Help maintain the required tightness, reducing the chances of downtime, maintenance issues, and possible safety concerns • Used to evenly distribute clamping force over a wider area, necessary for electrical conductivity |

Essentiality of disc spring in electrical & power equipment (Industrial)

Disc Springs: Disc springs play a crucial role in ensuring stable electrical connections in medium-voltage switchgear.

Wedge lock washers: WLW provides better protection against vibrations compared to regular washers. This helps in decreasing downtime by reducing the need for frequent retightening of fasteners. Additionally, they enhance safety and prevent accidents leading to long-term usage and less maintenance cost.

Application of strip spring in the Automobile industry (Mobility)

| String Springs |
|---|
| <p>They find widespread utility in the automobile sector:</p> <ul style="list-style-type: none"> - Commonly employed in brake and clutch assemblies to optimize performance - Can be used in mechanisms that assist in engaging or disengaging the regenerative braking system in EVs |

Essentiality of strip spring in the automobile industry (Mobility)

Strip springs are crucial for the proper operation of clutch and brake systems. Without them, a vehicle would have difficulty changing gears and stopping effectively, jeopardizing both driver safety and the overall functionality of the automobile.

Coil and spiral springs

Coil spring is a mechanical device that stores potential energy. It is made from a wire that is twisted into a spiral shape. Coil springs can be made from variety of steels with different characteristics to meet customer's specific requirements.

Spiral springs are specific type of springs made from rectangular metal strips that are wound into a flat spiral. Spiral springs are designed to store and release rotational energy in the form of torque.

Product pictures:



Coil Springs




Spiral Spring

















Retractor Spring

Manufacturing process for coil springs








| Sr. No. | Process | Description |
|---------|---|--|
| 1. |  Raw material inspection & testing | This is the initial step where the raw materials are inspected for quality |





| Sr. No. | | Process | Description |
|---------|---|--|--|
| | | | and tested to ensure they meet specifications |
| 2. |  | Coiling ↓ | This step involves winding the raw material into the desired coil or spiral shape, it is a critical step in spring manufacturing, as it determines the spring's overall shape and characteristics |
| 3. |  | Stress Relieving – I ↓ | After coiling, the springs undergo stress relieving, which is a heat treatment process designed to reduce internal stresses in the material, improving the spring's stability and performance |
| 4. |  | Grinding ↓ | Grinding is employed at end portions (both end) to achieve precise dimensions on the springs and improve the surface finish. Grinding is employed to achieve precise dimensions on the spring and improve the surface finish |
| 5. |  | Outer Diameter Chamfering ↓ | Chamfering on the outer diameter of the springs involves cutting or grinding a beveled edge / sloped edge |
| 6. |  | Shot Peening-I ↓ | Shot peening is a process that bombards the surface of the springs with small particles to enhance strength and fatigue resistance |
| 7. |  | Shot Peening -II ↓ | Similar to the previous step, this involves a second round of shot peening for additional strengthening |
| 8. |  | Stress Relieving – II / Warm Scrapping ↓ | This step refers to an additional round of stress relieving, possibly at a different temperature or duration |
| 9. |  | Cold Scrapping ↓ | Scrapping is a process of compressing the spring to its solid height, it is done to enhance spring's mechanical properties |
| 10. |  | Length / Load / Solid Sorting & Visual Chamfer Sorting ↓ | Quality control steps involving sorting and visual inspection for length, load, solid features, and chamfer details |
| 11. |  | Identification marking ↓ | Springs are marked for identification purposes, which can include information about the manufacturer, specifications, strength or other relevant details |
| 12. |  | Oiling ↓ | Springs are coated with oil to provide corrosion resistance and improve their overall finish |
| 13. |  | Inner & Outer Diameter & Visual Sorting ↓ | More quality control steps involving sorting and visual inspection of the inner and outer diameters of the springs |

| Sr. No. | | Process | Description |
|---------|---|---------------------------|--|
| 14. |  | Final Inspection ↓ | A comprehensive inspection to ensure that the coil and spiral springs meet all the required specifications |
| 15. |  | Packaging & Dispatch ↓ | The final step involves packaging the springs for shipment |

Manufacturing process for spiral springs

| Sr. No. | | Process | Description |
|---------|---|--|---|
| 1. |  | Raw material inspection & testing ↓ | This is the initial step where the raw materials are inspected for quality and tested to ensure they meet specifications |
| 2. |  | Forming ↓ | Forming, a mechanical manufacturing step, alters the shape of an unfinished product. In the production of spiral springs, a spring former or CNC spring former machine with multiple tooling slides are utilized for bending, creating hoops, and spring coils, resulting in a diverse range of spring shapes |
| 3. |  | Stress Relieving ↓ | After forming, the springs undergo stress relieving, which is a heat treatment process designed to reduce internal stresses in the material, improving the spring's stability and performance |
| 4. |  | Bonderlube coating ↓ | Sodium stearate film is applied after phosphate coating, resulting in a lubricating finish for components subjected to cold forming, blanking, or cold drawing |
| 5. |  | Auto Scragging ↓ | Scragging is a process of compressing the spring to its solid height, it is done to enhance spring's mechanical properties |
| 6. |  | Cleaning ↓ | While cleaning, springs are placed on a designated mold to prevent deformation. The initial phase involves immersing them in a low-temperature solvent with enhanced cleaning through ultrasonic agitation. The second stage includes a vapor cleaning step for the parts. |
| 7. |  | Pad printing ↓ | Pad printing an indirect offset printing process that uses a silicone pad to transfer a 2-D image onto a 3-D on spiral spring for labeling |

| Sr. No. | Process | | Description |
|---------|---|-----------------------|--|
| 8. |  | Final inspection ↓ | A comprehensive inspection to ensure that the coil and spiral springs meet all the required specifications |
| 9. |  | Packing | The final step involves packaging the springs for shipment |

Applications for coil & spiral springs in automobile industry (Mobility)

| Coil Spring | Spiral Spring |
|---|--|
| <ul style="list-style-type: none"> Coil springs are used in the engine, suspension, clutch & transmission of both 4-wheelers & 2-wheelers in the automobile industry | <ul style="list-style-type: none"> Spiral springs are also used in reclination of car seats <ul style="list-style-type: none"> It performs the basic function of storing & releasing energy spiral & linear springs, stabilizer plate, & lever are used to enable seat reclining Used in retractor of safety belts, maintaining strength & tension under different environmental conditions or stress levels |

Essentiality of coil & spiral springs in automobile industry (Mobility)

Coil springs are a key part of a vehicle's suspension system. They are made of wound metal and are designed to support the vehicle's weight. They absorb shocks from bumps and dips in the road, allowing the frame and body of the vehicle to experience minimal disturbances. They ensure the quality of the ride by providing stability for the vehicle as it travels over uneven surfaces.

Spiral springs are used in seat recline mechanisms to perform the basic function of storing and releasing energy and are used as equalizing springs for smaller angles of rotation in seat recliners. Spiral spring in a vehicle's seatbelt retractor maintains webbing tension. Attached to a spool above the shoulder, the spring winds and stores energy when the seatbelt is unwound. This stored energy retracts the seatbelt tightly against the body when the buckle is secured.

Applications for coil springs in commercial vehicle industry (Mobility)

| Coil Springs |
|--|
| <ul style="list-style-type: none"> Coil springs are commonly used in clutch assemblies to aid the engagement and disengagement of clutch plates These springs, integral to the pressure plate assembly, release pressure on the clutch plate when the pedal is pressed, facilitating smooth transmission disengagement from the engine. Coil springs are also used in cabin shock absorption systems to minimize the effects of terrain on the cabin of the vehicle, they are also used in braking system including slack adjusters |

Essentiality of coil springs in the commercial vehicle industry (Mobility)

Coil springs are crucial for improving the performance and durability of clutch and engine systems in buses and HCVs. They absorb shocks and vibrations during clutch engagement, ensuring smooth operation and protecting components from wear. These springs can also be used in engine mounts or suspension, isolating the engine from vibrations and shocks for a smoother ride and reduced stress on engine parts.

Applications for coil springs in railway infrastructure (Mobility)

| Coil Springs |
|---|
| <p>Coil springs have various applications in locomotives, wagons, and the transit of railways, also utilized in railway infrastructure, including track construction & signaling</p> <ul style="list-style-type: none"> - Primary coil springs establish a connection between the axle box & the bogie frame, while a secondary coil spring system links this frame to the train. Coil springs are used in bogie mounted braking system and in metro track railway fastening system - The primary suspension system, consisting of both springs & dampers, is a crucial component for all types of railway rolling stock, including freight wagons. It serves to mitigate forces and vibrations, playing a crucial role in preventing derailments |

Essentiality of coil springs in railway infrastructure (Mobility)

Coil springs, employed in railway vehicles, serve to absorb shock and vibration, thereby ensuring a smoother ride for passengers and safeguarding cargo from damage. Additionally, coil springs play a crucial role in enhancing safety and ride quality. Coil springs that exhibit resistance to corrosion, along with exceptional durability, demonstrate outstanding longevity, enabling them to withstand the substantial loads of railway transportation systems over extended periods.

Applications for coil springs in the off-highway vehicle industry (Industrial)

| Coil Springs |
|--|
| <ul style="list-style-type: none"> • Coil springs serve various roles in off-highway vehicle systems. <ul style="list-style-type: none"> - In manual transmission clutches, they help engage and disengage the clutch smoothly by maintaining pressure on the clutch plate - In engines, coil springs act as valve springs, ensuring valves open and close at the correct times. - Additionally, they can be used in engine mounts to isolate vibrations, particularly in off-highway vehicles navigating rough terrains. This enhances the suspension system's flexibility and damping capabilities. |

Essentiality of coil spring in off-highway vehicle industry (Industrial)

Coil springs absorb shock from crankshaft vibration, sudden clutch engagement, and driveline impact. Meanwhile, clutch springs sustain pressure on clutch plates, influencing smooth shifting. These springs also help support the vehicle at the preferred height and ensure proper alignment. By exerting axial force, coil springs establish contact between clutch plates, the flywheel, and the pressure plate. Additionally, they serve as torsional vibration dampers, absorbing variations in the engine's power delivery.

Application for coil springs in industrial segment

| Coil Springs |
|--|
| <ul style="list-style-type: none"> • Coil springs play a vital role pneumatic or hydraulic control valves, providing precise force for accurate positioning. <ul style="list-style-type: none"> - They are essential in processes where regulating flow control, pressure, or temperature is crucial for efficient operation. - These springs are commonly used in spring-return actuators, using stored energy to return valves to their default position during power failures or loss of control signals, ensuring safety and reliability - In pressure relief valves, coil springs regulate the valve's opening and closing based on pressure conditions, determining the set pressure for releasing excess pressure and protecting equipment from damage |

Essentiality of coil springs in industrial segment

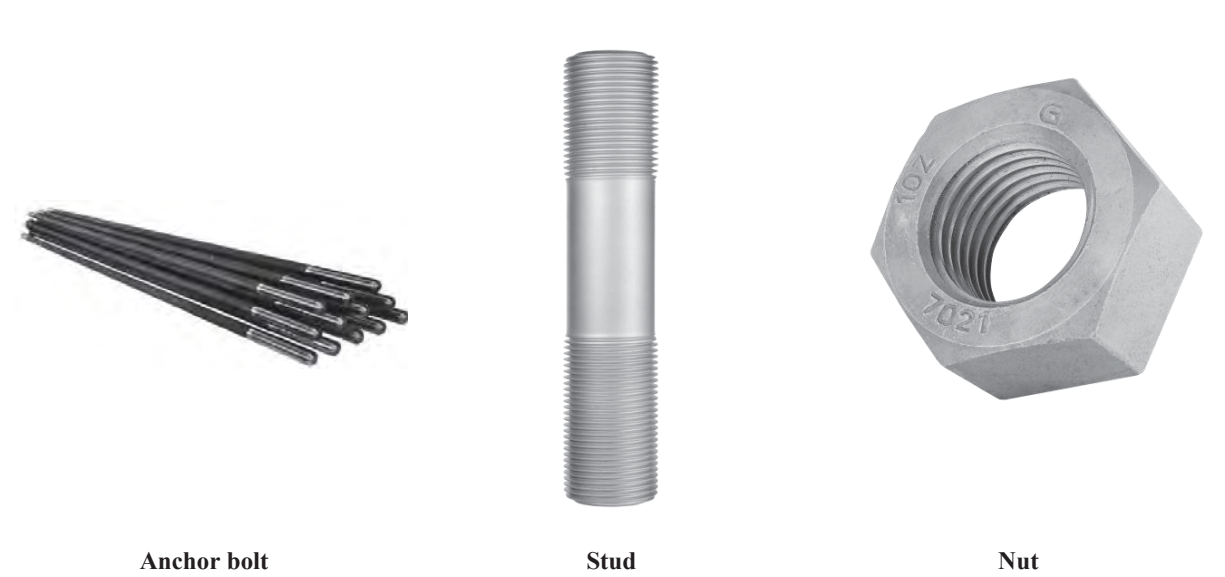
Coil springs in actuators store energy when compressed, releasing potential energy to actuate valves. They provide the force needed to move valves, overcoming friction and resistance. In emergencies or shutdowns, rapid valve closure is

crucial. Coil springs enable quick closure, ensuring prompt shutdown during malfunctions. Designed for repeated cycles, they prevent fatigue failure, ensuring long-term reliability in industrial settings.






Special Fastening Solutions:







Fastener is a hardware device that mechanically joins or affixes two or more objects together. In general, fasteners are used to create non-permanent joints; that is, joints that can be removed or dismantled without damaging the joining components

Some examples of fasteners include: Anchor bolts, studs and nuts



Manufacturing process flow for Studs:

| Sr. No. | Process | | Description |
|---------|---|--|--|
| 1. |  | Raw material inspection & testing ↓ | This is the initial step where the raw materials are inspected for quality and tested to ensure they meet specifications |
| 2. |  | Raw material storage ↓ | Storage of the inspected raw materials in a controlled environment to maintain their quality |
| 3. |  | Cutting ↓ | Material is cut to the desired lengths in preparation for further processing |
| 4. |  | Chamfering & machining ↓ | Chamfering involves cutting or grinding a beveled edge on the fastening solutions. Machining may include additional processes to achieve specific dimensions |
| 5. |  | Marking ↓ | Applying marks or identifiers on the fastening solutions for traceability and identification purposes |

| Sr. No. | | Process | Description |
|---------|--|--|---|
| 6. |  | Thread rolling ↓ | Using a thread rolling process to form threads on the marking & non-marking side of the fastener |
| 7. |  | Surface treatment ↓ | Applying surface treatments such as zinc flake coating, hot-dip galvanizing (HDG), or oiling to enhance corrosion resistance and improve the overall finish |
| 8. |  | Final inspection ↓ | A comprehensive inspection of the fastening solutions to ensure they meet all specified requirements before proceeding to the next stage |
| 9. |  | Thread protection sleeve assembly ↓ | Assembly of thread protection sleeves to safeguard the threads during transportation and handling |
| 10. |  | Identification labelling ↓ | Applying labels or identification markers on the fastening solutions for clear identification and documentation |
| 11. |  | Packaging & Dispatch | The final step involves packaging the final fastening solutions securely for dispatch & distribution |

Application for special fasteners in renewable energy industry:

| Fasteners |
|---|
| <ul style="list-style-type: none"> Fasteners play a crucial role in linking the flange, blades, rotor, foundation, hub, & tower in wind turbines Hydroelectric plants need bolts and fasteners to build dams, penstocks, and turbines, as they are essential to create reliable seals & preventing leaks Fasteners affix PV modules to the mounting structure, safeguarding electrical components, & preventing movement |

Essentiality of special fasteners in renewable energy industry:

Fasteners are crucial in wind turbines and hydroelectricity plants:

Wind: Fasteners are crucial in wind turbines, keeping the blades securely attached to hub, ensure the tower's strength and durability and strong foundation. Well-secured fasteners are essential to maintain the turbine's structural integrity, preventing any damage or disassembly of components. They also help in keeping the blades aligned for efficient wind capture.

Hydro: Fasteners are crucial in hydropower facilities, enduring water, moisture, and intense pressures. Specially designed components provide excellent protection against corrosion, erosion, and fatigue. In hydropower plants, leak-free connections are vital for optimizing energy transmission.

Solar: Fasteners play a crucial role in upholding the structural stability of photovoltaic (PV) systems. PV Tracking Systems refer to solar panel modules that track the sun's movement, fasteners employed for the installation of these

systems must possess permanent attributes, exceptional corrosion resistance, and the ability to endure substantial vibrations in extreme weather conditions.

Application for special fasteners in off-highway vehicle industry (Industrial)

| Fasteners |
|---|
| <ul style="list-style-type: none">• Fasteners play a crucial role by keeping the suspension system intact, linking it to the vehicle or trailer• They are also used to secure trim, panels, dashboards, and door cards in position• Fasteners are employed within the realm of off-highway vehicles to secure the wheels onto the hub |

Essentiality of special fasteners in off-highway vehicle industry (Industrial)

Fasteners are used in various parts of off-highway vehicles such as:

Engine and steering: Engine fasteners play a crucial role in uniting components, guaranteeing stability and structural integrity. Steering system fasteners play a crucial role in stabilizing the weighty engine components and securing suspension.

Body and Interior Trim: Fasteners play a crucial role in maintaining a dependable connection among different parts, ensuring their stability while the vehicle is in operation. Moreover, they contribute to preventing potential leaks in automotive components.

Wheels: Fasteners are essential for attaching wheels to a vehicle, preventing wobbling or accidental detachment, and ensuring safety. Wheel fasteners not only secure the connection but also make it easy to assemble and disassemble different components.

Application for special fasteners in electrical & power equipment industry (Industrial)

| Fasteners |
|--|
| <ul style="list-style-type: none">• Fasteners play a vital role in connecting and securing pole line hardware to transmission lines• They are also used in fastening onshore & offshore oil & gas connection pipes, electrical panels, and control cabinets, attaching motors and conveyor systems, connecting wires and cables, and contributing to electricity generation and storage• Critical fasteners are crucial in foundation of electrical towers, providing overall strength |

Essentiality of special fasteners in electrical & power equipment industry (Industrial)

Fasteners: Fasteners play a crucial role in the electrical and power equipment sector by supporting components, facilitating efficient machine assembly and disassembly, and ensuring high levels of strength, safety, electrical insulation, and overall quality. They are employed to prevent loose connections, mitigate electrical hazards, minimize the risk of short circuits and potential accidents, and create contact points with minimal transition resistance. Within the energy industry, critical fasteners are relied upon in essential systems to support electricity generation. In both renewable and non-renewable power generation segments, specialized material fasteners that adhere to stringent design and manufacturing standards are a fundamental requirement.

Application for special fasteners in railway industry (Mobility)

| Fasteners |
|--|
| <ul style="list-style-type: none">• Fasteners are crucial for securing the rail to the sleeper, distributing pressure evenly to the ballast and sleepers• Fasteners serve the purpose of securing the bridges and gantry trolleys to an aluminum frame and connecting the intersecting barrier sections in traffic control products |

Essentiality of special fasteners in railway industry (Mobility)

Fasteners are pivotal in ensuring structure integrity of railway infrastructure:

Tracks: Rail fasteners keep the rails in place on the sleeper, preventing them from moving vertically or horizontally, which could lead to train derailment. These fastenings help maintain stability, and alignment, and absorb forces and vibrations from moving trains. This reduces the need for track maintenance and extends the lifespan of the railway infrastructure.

Infrastructure: Fasteners play a crucial role in signal and crossing systems by imparting the essential strength and stability required to endure external forces, vibrations, and various stressors. They are pivotal in upholding the stability and dependability of traffic control equipment, ensuring that barriers can withstand the impact of a collision.

Operating Metrics

The following table sets forth certain of our operating metrics for the periods indicated:

| Particulars | As at and for the Financial Year ended March 31, 2024 | As at and for the Financial Year ended March 31, 2023 | As at and for the Financial Year ended March 31, 2022 |
|---|---|---|---|
| Customer concentration (Top 5) ^{(1)*} (in %) | 32.46 | 29.03 | 35.26 |
| Customer concentration (Top 10) ^{(2)*} (in %) | 47.48 | 41.86 | 45.48 |
| Trade Receivable Days ⁽³⁾ (in days) | 69.32 | 61.13 | 58.70 |
| Trade Payable Days ⁽⁴⁾ (in days) | 19.62 | 24.16 | 30.47 |
| Inventory Days ⁽⁵⁾ (in days) | 102.18 | 116.34 | 112.12 |
| Cash conversion cycle ⁽⁶⁾ (in days) | 151.88 | 153.31 | 140.35 |

* Customers include affiliates or group entities of our customers, as applicable

Notes:

1. Customer concentration (Top 5) % indicates total revenue from top five customers in terms of descending order of revenue generation for a year / period shown as percent of revenue from operations for that year / period.
2. Customer concentration (Top 10) % indicates total revenue from top ten customers in terms of descending order of revenue generation for a year / period shown as percent of revenue from operations for that year / period.
3. Trade Receivable Days is calculated as average trade receivables divided by revenue from operations multiplied by 365 for Fiscal years
4. Trade Payable Days is calculated as average trade payables divided by revenue from operations multiplied by 365 for Fiscal years
5. Inventory Days is calculated as average inventory divided by revenue from operations multiplied by 365 for Fiscal years
6. Cash conversion cycle is calculated Days of inventory outstanding plus days of sales outstanding minus days payables outstanding.

Business operations

The following narrative describes our business operations including details of our manufacturing facilities, manufacturing process, design and development etc.

Manufacturing Facilities

We operate out of two manufacturing facilities in Wada, Palghar, Maharashtra, which are equipped with capabilities to design, develop and manufacture our product portfolio. We are setting up a new manufacturing facility in Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu for developing high tensile fasteners and hex bolts in order to add to our existing capacity for high tensile fasteners at Wada, Palghar, Maharashtra.

Set forth is brief description of our manufacturing facilities:

| Manufacturing units | Address | Land area (in sq. meters) |
|--|---|---------------------------|
| DSS facility at Wada, Palghar, Maharashtra | Plot No. 302, Part 1 and 2, Musarne Village, Musarne Road, Post MET, Wada, Palghar, Maharashtra | 16,000 |
| CSS and SFS facility at Wada, Palghar, Maharashtra | Plot No. 295, Village Vadavli, Musarne Road, Post MET, Wada, Palghar, Maharashtra | 12,800 |

DSS facility, Wada, Palghar, Maharashtra



CSS and SFS facility Wada, Palghar, Maharashtra





SFS workshop at Wada, Palghar, Maharashtra



Installed capacity and capacity utilization

The following table sets forth the installed capacity, actual production, and utilization of our manufacturing facilities for the periods indicated. Given that our products undergo customisation to meet specific customer requirements and have varying shapes and weights, we are unable to determine the capacity on a product-by-product basis.

| Facility | As of and for the financial year ended March 31, | | | | | | | | |
|--|--|-----------------------------|-----------------|------------------------------|-----------------------------|-----------------|------------------------------|-----------------------------|-----------------|
| | 2024 | | | 2023 | | | 2022 | | |
| | Installed Capacity (Numbers) | Actual Production (Numbers) | Utilisation (%) | Installed Capacity (Numbers) | Actual Production (Numbers) | Utilisation (%) | Installed Capacity (Numbers) | Actual Production (Numbers) | Utilisation (%) |
| DSS facility, Wada, Palghar, Maharashtra | 225,517,000 | 191,326,820 | 84.84 | 179,023,589 | 152,170,051 | 85.00 | 143,184,773 | 121,707,057 | 85.00 |
| CSS facility Wada, Palghar, Maharashtra | 20,941,200 | 16,309,200 | 77.88 | 20,369,245 | 11,814,162 | 58.00 | 18,239,271 | 10,578,777 | 58.00 |
| SFS facility Wada, Palghar, Maharashtra | 420,000 | 292,500 | 69.64 | 149,643 | 112,232 | 75.00 | 107,693 | 80,770 | 75.00 |

(Source : Report dated August 02, 2024 issued by chartered engineer M/S M.C Punjwani)

Also, see “Risk Factors – Information relating to the installed capacity, actual production and capacity utilization of our manufacturing facilities included in this Prospectus are based on various assumptions and estimates and future production and capacity may vary.” on page 36.

Design, Development and Technological Capabilities

We believe that design and development is critical in maintaining our competitive position in the engineering industry in which we operate, including in order to address changing customer trends, be updated with technological advancements, industry developments and business models. Our design and development capabilities focus on technology development, costs and operating efficiencies, product design and development, production processes and environmental management by understanding current market demands and evolving customer trends. We believe that the engineering industry is rapidly evolving due to technological advancements and deeper penetration of information technology.

Manpower: As of June 30, 2024, we have 22 personnel engaged as part of our design and development and engineering operations. We also have 77 engineers on our payroll. Through our design and development and innovation capabilities, we have successfully designed and developed a portfolio of wide ranging products that are used across various industry verticals. We have the ability to manufacture most of our products from the concept and design stage until the final delivery thereby covering the entire manufacturing value chain.

Quality Control, Testing and Certifications

Our quality policy is focused on fulfilling customer requirements through reliable products and services aimed at meeting all regulatory requirements and through continual improvement of our quality management systems. Our products undergo a qualification process throughout the entire value chain to ensure that quality products are being provided to customers. Our quality control programs at most of our manufacturing facilities involve subjecting the manufacturing processes and quality management systems to periodic reviews and observations for various periods. In addition, our manufacturing facilities are subject to compliance audits in relation to quality management by third party agencies as well as by our customers.

| Certification | Facility | Scope |
|---------------|--|--|
| IATF 16949 | CSS facility at Wada, Palghar, Maharashtra | Manufacturing of Coil Springs and Spiral Springs |
| IATF 16949. | DSS facility at Wada, Palghar, Maharashtra | Manufacturing of Disc Springs, Spring Band Clamp & Stamped Components |
| ISO 9001:2015 | CSS and SFS facility at Wada, Palghar, Maharashtra | Manufacture and supply of Coil Springs, Brush Springs, Spiral Springs, Retractor Springs & Spring Cassette Assemblies, Special Fasteners, Anchor Stud, Stud, Kit Set |
| ISO 9001:2015 | DSS facility at Wada, Palghar, Maharashtra | Manufacture and supply of Disc Springs, Belleville Washers, Conical Springs, Plate Springs, Serrated Washers, Disc Washers, Wedge Lock Washers (Gallock), Spring Assemblies, Spring Packs, Bearing Series Disc Springs, Hose Clamp, Strip Spring, Spiral Springs, Slotted Spring Pin |

Our customers expect us to undertake extensive product approvals and/or certification process and some of our customers also perform their own quality checks to ensure that our products meet their demands and comply with the requirements.

Customers

We have a diversified customer base and we served 175 customers across industries in 25 countries. We have long-established relationships with most of our customers. The table below sets forth details of revenues generated from our top 5 customers and our top 10 customers for the periods indicated:

| Particulars | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|--------------------|-----------------------|------------------------------------|-----------------------|------------------------------------|-----------------------|-----------------------------------|
| | Amount (in ₹ million) | % of total revenue from operations | Amount (in ₹ million) | % of total revenue from operations | Amount (in ₹ million) | % of total revenue from operation |
| Top five customers | 657.45 | 32.46 | 417.17 | 29.03 | 502.24 | 35.26 |
| Top ten customers | 961.62 | 47.48 | 679.46 | 41.86 | 647.93 | 45.48 |

The table below sets forth details of some of our major customers and products supplied by us to them:

| Segment | Customers | Major Products Supplied |
|-------------------|--|--|
| Renewable Energy | Vestas Wind Technology India Private Limited, Enrecon GmbH, GE India Industrial Private Limited, Altra Industrial Motion India Private Limited | Disc springs, Wedge lock washers, High tensile fasteners |
| Industrial Sector | L&T Electrical & Automation Products (a unit of Schneider Electric Private Limited), Schneider Electric India Private Limited, Wuerth Industrial Services India, Bufab India Private Limited | Disc springs, Wedge lock washers |
| Automotive | Schaeffler India Limited, Brembo Brake India Private Limited, Hitachi Astemo Chennai Private Limited, Exedy Clutch India Private Limited, Endurance Technologies Limited | Disc springs, Strip springs & Coil springs |
| Railways | Faiveley Transport Rail Technologies India Private Limited (a Wabtec Company) | Coil springs |

Raw Materials and Suppliers

The primary raw material used in the manufacture of our products is steel, procured in the form of coils, bars, wires and flat sheets. We have successfully forged alliances with our suppliers of steel, which is vital in maintaining consistency for quality and delivery.

The cost of raw materials and components consumed and changes in inventory accounted for 40.85%, 40.36% and 40.75%, respectively, amounting to ₹ 827.47 million, ₹ 667.89 million and ₹ 591.93 million respectively, of our revenue from operations for the Fiscals 2024, 2023 and 2022. Our suppliers undergo a qualification process and performance rating to ensure that the raw materials supplied are of satisfactory quality.

We have a centralized system across our manufacturing facilities for procurement of raw material. We procure raw material from various domestic and foreign vendors. About 20.83 % of our raw materials are imported from leading steel mills in Europe, China, South Korea, etc. Further, we subject our suppliers to a qualification process to ensure that the supplied raw materials are of appropriate quality.

The purchase price of our raw materials generally follows market prices. We typically purchase raw materials based on the historical levels of sales, actual sales orders on hand and the anticipated production requirements taking into consideration any expected fluctuation in raw material prices and delivery delay. Moreover, we do not rely on a single source or vendor for components, instead, have alternative sources for vendors for each component category. This offers us leverage to ensure availability of materials and negotiate better credit terms at cost-effective rates.

Utilities

Our manufacturing processes require uninterrupted supply of power and fuel in order to ensure that we are able to manufacture high quality products. While we rely on the state electricity grids for meeting our power requirements, we also have installed roof-top solar panels at both manufacturing facilities under operating expense model. We have installed generators in our manufacturing facilities to ensure constant supply of power.

For further information, see “*Risk Factors - Our manufacturing facilities are dependent on adequate and uninterrupted supplies of electricity, water and fuel; shortage or disruption in electricity or fuel supplies may lead to disruption in operations, higher operating cost and consequent decline in operating margins.*” on page 36.

Marketing, Sales and Distribution

Our principal markets are India, Germany, Switzerland, Finland, Italy, Denmark, USA, China and Brazil. Our diversified customer base enables us to reduce our dependence on any particular segment or market. Our marketing activities involve our development and engineering teams far working closely with customers or prospective customers. Our design and manufacturing facilities are flexible to design products tailored to meet specific customer requirements.

We supply our products and services directly to the Indian and global OEMs, Tier 1 and channel partners. Our sales and marketing team is regularly in contact with our OEM customers, distributors, sales representatives and agents to understand the evolving needs of customers as well as market trends. We also engage in a variety of marketing and promotional activities tailored to different customers groups to promote brand recognition of our products, including by participating in technical shows and events as well as through periodic interactions and by direct marketing to existing and potential OEM customers. We also use digital marketing platforms such as LinkedIn for the marketing of our products.

Our dedicated Sales and Marketing team currently comprises of 16 full time employees. Our Business development, sales team and key account managers are responsible for getting new business from new and existing customers, maintaining and growing our relationships with our key customers and creating strategies that ensure we engage in the right projects and develop such products as are in line with the market trends and our business strategy. We have also implemented Customer Relationship Management digital platform to track customer inquiries, which has helped to improve efficiency and effectiveness.

For our OEM & Tier 1 customers

We undergo a vendor selection process with our new customers, which can take a significant period from the date of issue of a request for quote (“RFQ”) to supply of products. Over the course of this process, we are required to submit a technical proposal that includes product features, performance specifications, proposed development timeline, product validation plan, and performance and durability expectations. We may also be required to develop and supply concept prototypes for the customer based on initial design plans. Once our prototype is confirmed to have met the customer’s specifications and clears the testing phase, we may receive firm orders. We invest in securing new customer relationships through this detailed, time-consuming, and costly vendor selection process as it ensures that we better understand our customers’ design and performance needs and demonstrate our capabilities in providing technologically advanced customized solutions for developing components. If we are successful in converting the RFQ process into firm orders, it leads to a long-term relationship with the customer as the cost to the customer of switching vendors after qualification in the RFQ process is high. Same process is also followed for existing customers when we receive new RFQ for components from them.

Through a seamless process of ongoing engagement and long-standing relationships, our teams collaborate closely with the leadership of our clientele. Customer insights are interwoven with our engineering and design teams, ensuring that our offerings consistently align with the requisite specifications and industry regulations.

Our commitment to cultivating customer relationships extends beyond traditional approaches – we organise regular site visits, training programs for our technical experts at our own facilities, active participation in international client gatherings, conferences and exhibitions. This proactive involvement ensures that our teams are finely attuned to the distinctive challenges and requirements of our valued clients. By participating in industry exhibitions, domestic and global, we have established ourselves as trusted partners to our customers' leadership teams.

Exports

A portion of our revenue is generated from export of our products to Germany, Switzerland, Finland, Italy, Denmark, USA, China and Brazil. We generated ₹ 760.22 million, ₹ 612.08 million and ₹ 543.40 million export sales as on Fiscals 2024, 2023 and 2022, respectively, which represented 37.53 %, 36.99% and 37.40% of our revenue from operations for the respective periods.

Health, Safety and Environment

Our activities are subject to the environmental laws and regulations of India, which govern, among other things, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites, natural resource damages, and employee health and employee safety.

We aim to ensure safe and healthy environment and further provide for medical check-ups and safety measures in order to achieve zero accidents on a sustainable basis. We take initiatives to reduce the risk of accidents at our manufacturing facilities including by providing training and safety manuals to our employees and conducting safety audits periodically. We implement work safety measures to ensure a safe working environment including general guidelines for health and safety at our office, accident reporting, wearing safety equipment and maintaining clean and orderly work locations. To ensure workplace safety, we also provide personal protective equipment to our employees, which include safety shoes and goggles.

Environmental requirements imposed by the regulatory authorities in India will continue to have an effect on our operations. We believe that we have materially complied, and will continue to comply, with all applicable environmental laws, rules and regulations. We have obtained, or are in the process of obtaining or renewing, environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business.

For information regarding applicable health, safety and environmental laws and regulations, see “*Key Regulations and Policies*” on page 235.

Inventory Management

Our finished products are stored on-site at our manufacturing facilities. We typically keep up to three four months of inventory including raw materials, work in progress and finished good at our facilities to mitigate the risks. These inventory levels are planned based on historical trends and expected orders, which are confirmed due to our long-standing relationships with customers. We maintain a lead time material requirement planning system and utilize our SAP system to manage our levels of inventory on a real-time basis.

Logistics

We transport our finished products by road, sea and air. We rely on freight forwarders to deliver our products. We do not have formal contractual relationships with our freight forwarders. The pricing for freight is negotiated and agreed. We sell our products on a cost, insurance and freight basis, on a consignee basis and on a door delivery/ delivery at place basis. Where we are responsible for shipping the products to the customer, our freight forwarders arrange for the finished products to be trucked to our customers in India or to the port for export, as applicable. Our custom house agents handle the requisite clearance procedures. For exports, our freight forwarders co-ordinate with the shipping line/ airline to file and release the necessary bills of lading/ air waybills. Incoterms determine the exact delivery terms, which would include how the goods will be delivered, who pays, who is responsible and who handles specific procedures such as loading and unloading.

Information Technology

Our information technology systems support key aspects of our business, from manufacturing, sales, planning, operations and documentation to accounts and customer service. We have implemented enterprise resource planning system (SAP ECC 6 EHP 8) to leverage business value by centralizing accounting systems across all locations in India, leading to cost optimization, covering production, finance, sales, purchase and inventory activities, across all our office and manufacturing facilities. We have centralised data center at Wada, Palghar, Maharashtra and remote users are provided access through VPN. Our IT infrastructure enables us to track procurement of raw materials, sale of finished goods, payments to vendors and contract suppliers, receivables from customers and distribution network.

Intellectual Property

As of the date of this Prospectus, our Company does not have any intellectual property rights. However, we have two applications pending for the registration of trademarks and two applications pending for patents. For further information, see “*Government and Other Approvals – Intellectual Property Rights*” on page 397.

Insurance

Our operations are subject to hazards inherent in storing and transporting our products such as work accidents, fire, explosions, earthquakes, marine cargo, exports, productivity, cyber security etc. Our principal types of insurance coverage include fire and burglary. We believe that the insurance coverage currently maintained by us represents an appropriate level of coverage required to insure our business and operations and is in accordance with industry standards in India.

Details of our total insurance coverage vis-à-vis our net fixed assets excluding intangibles as at March 31, 2024, March 31, 2023 and March 31, 2022 is set out below:

(in ₹ million, unless stated otherwise)

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|----------------------|
| Insurance Coverage vis-à-vis our net fixed assets (A) | 1446.20 | 910.33 | 852.78 |
| Net fixed assets* as per Restated Consolidated Financial Statements (B) | 490.24 | 443.71 | 395.88 |
| Insurance coverage times the net fixed assets (A/B) | 2.95 | 2.05 | 2.15 |

* Sum of Property, Plant and Equipment (net block), capital work in progress, right of use assets and investment property (buildings net block).

For more details, see “Risk Factors – Our Company’s operations are subject to varied business risks and our Company’s insurance cover may prove inadequate to cover the economic losses of our Company” on page 36.

Competition

Our competition varies by markets, geographies and types of products manufactured. As a result, to remain competitive in our markets, we must continuously strive to reduce our cost of production, transportation and distribution and improve our operating efficiencies. We compete with a variety of independent suppliers and distributors, as well as the in-house operations of certain OEMs. We compete primarily on the basis of product quality, technology, cost, delivery and service, as well as quality and depth of senior level relationships as well as the operating level relationships.

As per Lattice Report, Cooper & Turner Limited, Rose Holm A/S, August Friedberg GmbH are key players in the global SFS market and Randack Fasteners India Private Limited, Sundram Fasteners Limited and Hiten Fasteners Private Limited are key players in the Indian SFS market. Stumpp Schuele & Somappa Springs Private Limited, NHK Springs India Limited, and Muhr und Bender KG are the key players in the CSS India market. Further, Muhr und Bender KG, Schnorr GmbH & Christian Bauer GmbH + Co. KG. are the key players in the global disc springs market and International Industrial Springs in disc springs in India.

Due to our diversified product portfolio, we cater to various segments in the renewable energy, in various industrial sectors such as electrical, off highway equipment’s, infrastructure and general engineering, in mobility segments such as automotive and railways, and as a result, we compete with various companies for each of our business segments. For further information, see, “Risk Factors – We face competition from both domestic as well as international players and our inability to compete effectively may have a material adverse impact on our business and results of operations.” on page 36.

Human Resources

As of June 30, 2024, we have 294 permanent employees and 390 persons employed as contract employees. The following table provides information about our full-time employees, as of June 30, 2024:

| Name of the Department | Headcount |
|---------------------------------------|------------|
| Manufacturing | 182 |
| HR & Admin | 22 |
| Marketing & Sales | 19 |
| Accounts and Finance | 12 |
| General Management and Strategic | 3 |
| Information Technology | 4 |
| Quality Assurance | 19 |
| Stores and Logistics | 19 |
| Tool Room Development and Maintenance | 14 |
| Total | 294 |

The following table provides information about our contract employees, as of June 30, 2024:

| Name of the Department | Headcount |
|---------------------------------------|------------|
| Manufacturing | 337 |
| HR & Admin | 8 |
| Quality Assurance | 14 |
| Stores and Logistics | 24 |
| Tool Room Development and Maintenance | 7 |
| Total | 390 |

**On retainer basis*

We also have 77 engineers on our payroll. Our human resource practices are aimed at recruiting talented individuals, ensuring continuous development and addressing their grievances, if any, in a timely manner. We annual training programs and regular workshops for our employees to develop a variety of skill sets and organize modules at regular intervals to promote teamwork and personal growth of employees. We train all our employees in our manufacturing operations, including machine utilization, operations flow, quality management and work safety. Also, many staff members are sent for management development programs at institutes.

Our human resource department continuously focuses on employee engagement and motivation, which further helps in achieving the strategic objectives of the organization. As on the date of this Prospectus, we have 2 labour unions in our manufacturing facilities located at Wada, Palghar, Maharashtra namely, Shramik Sena and Bharatiya Kamgar Sena. We have entered into wage settlement agreements with our unions. Further, we have not experienced any strikes or labour unrest at any of our manufacturing facilities in the past or experienced any major work stoppages due to labour disputes or cessation of work in the last three years. We have also received Great Place to Work Certification for the period November 2023 to November 2024 in the mid-size organisation category by Great Place to Work Institute, India. For further information, see “*Risk Factors –Our business is manpower intensive. Our business may be adversely affected by work stoppages, increased wage demands by our employees, or increase in minimum wages across various states, and if we are unable to engage new employees at commercially attractive terms.*” on page 36.

Corporate Social Responsibility

We have constituted a Corporate and Social Responsibility Committee of our Board of Directors and have adopted and implemented a CSR policy which encapsulates our Company’s philosophy for defining its responsibility as a corporate citizen and lays down the mechanism for undertaking socially useful activities for the benefit of the community at large.

Our Corporate and Social Responsibility expenditure aggregated to ₹ 2.35 million and ₹ 1.06 million for the Fiscal 2024 and for Fiscal 2023 respectively.

Property

Our Registered and Corporate Office is located at A-801, 8th Floor, Thane One DIL Complex, Ghodbunder Road Majiwade, Thane (West), Maharashtra, India, 400610 and is held on leasehold basis. We also have a representative in the USA. The following table sets forth details of our principle properties as on the date of this Prospectus:

| Location | Primary Purpose | Lessor Name | Ownership Status | Tenure of the Lease |
|--|---------------------------------|--------------------------|------------------|--|
| Unit No A-801, 8 th Floor, Thane One’, DIL Complex, Ghodbunder Road, Majiwade Thane (West), Maharashtra | Registered and Corporate office | Redbrick Life Spaces LLP | Leased Property | October 1 2022 until September 30,2027 |
| Gut No 295 (Part) Hissa No 2, Mauje Vilage Vadavali, Taluka Wada, Bhiwandi/Wada | Manufacturing Facility | - | Owned Property | — |
| Gut No 302 (Part) Khata No 205 and No 206, Plot no 1 and 2, Mauje Vilage Musarne, Taluka Wada, Bhiwandi/Wada | Manufacturing Facility | - | Owned Property | — |

| Location | Primary Purpose | Lessor Name | Ownership Status | Tenure of the Lease |
|--|------------------------|--|------------------|---|
| Plot No G-18/2, SIPCOT Industrial Park, Vallam Vadagal, Sriperumbudur, Tamil Nadu | Manufacturing facility | State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT) | Leased Property | Lease of 99 years Starting from December 28, 2022 |
| Office no. 14 on 16 th Floor of the building Lyoner Strabe 14, 60528 Frankfurt, Germany | Branch office | IHR BÜRO Frankfurt GmbH | Leased Property | July 16, 2009 for indefinite period |

Further, there are no conflict of interest between the lessor of the immovable properties, (crucial for operations of the Company) and the Company, Promoter, Promoter Group, Key Managerial Personnel, Directors and Subsidiaries/Group Company and its directors.

Also see, “*Risk Factors –Certain of our immovable properties, including our registered and corporate office, are leased. If we are unable to renew existing leases or relocate our operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition and operations.*” on page 36.

KEY REGULATIONS AND POLICIES

The following description is a summary of certain sector specific key laws and regulations in India, which are applicable to our Company and our Subsidiaries. The information detailed in this section has been obtained from publications available in the public domain. The regulations set forth may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The information detailed in this section is based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Key regulations applicable to our company in India

GENERAL

Bureau of Indian Standards Act, 2016 (the “BIS Act”)

The Bureau of Indian Standards Act, 2016 provides for the establishment of bureau for the standardisation, marking and quality certification of goods. Functions of the bureau include, inter alia, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license. A person may apply to the bureau for grant of license or certificate of conformity, if the articles, goods, process, system or service conforms to an Indian Standard.

The Legal Metrology Act, 2009 (“Legal Metrology Act”)

The Legal Metrology Act, along with the relevant rules, establishes and enforces standards of weights and measures, regulates trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or numbers. Any transaction relating to goods or a class of goods shall be as per the weight, measurements or numbers prescribed by the Legal Metrology Act. The Central Government is empowered to appoint a director to exercise the powers and to discharge duties. The Legal Metrology Act prohibits the manufacture, packing, selling, importing, distributing, delivering, offer for sale of any pre-packaged commodity if such does not adhere to the standard regulations set out.

The Legal Metrology (Packaged Commodities) Rules, 2011, with amendments up to June 2017 (“Legal Metrology Rules”)

The Legal Metrology Rules are ancillary to the Legal Metrology Act, and set out to define various manufacturing and packing terminology. It lays out specific prohibitions where manufacturing, packing, selling, importing, distributing, delivering, offering for sale would be illegal and requires that any form of advertisement where the retail sale price is given must contain a net quantity declaration. Circumstances which are punishable are also laid out.

Electricity Act, 2003

The Electricity Act is the central legislation which covers, among others, generation, transmission, distribution, trading and use of electricity. Under the Electricity Act, the transmission, distribution and trade of electricity are regulated activities that require licenses from the Central Electricity Regulatory Commission (“CERC”), the State Electricity Regulatory Commissions (“SERCs”) or a joint commission (constituted by an agreement entered into by two or more state governments or the central government in relation to one or more state governments, as the case may be).

Under the Electricity Act, the appropriate commission, guided by, inter alia, the methodologies specified by the CERC, with the aim of promotion of co-generation and generation of electricity from renewable sources of energy shall specify the terms and conditions for the determination of tariff. The Electricity Act currently requires the GoI to, from time to time, prepare the national electricity policy and tariff policy, in consultation with the state governments and Central Electricity Authority.

ENVIRONMENTAL LAWS

The Environment (Protection) Act, 1986 (“EPA”) read with The Environment (Protection) Rules, 1986

The EPA has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emit any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution. Penalties for violation of the EPA include fines up to ₹1.00 million or imprisonment of up to five years, or both. As per the Environment Protection Rules, every person who carries on an industry, operation or process requiring consent under Water Act or Air Act or both or authorization under the Hazardous Wastes Rules is required to submit to the concerned state pollution control board an environmental audit report for that financial year in the prescribed form.

Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the relevant state pollution control boards. Under the Water Act, any individual, industry or institution discharging industrial or domestic waste into water must obtain the consent of the relevant state pollution control board, which is empowered to establish standards and conditions that are required to be complied with. The Water Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)

Under the Air Act, the relevant state pollution control board may inspect any industrial plant or manufacturing process and give orders, as it may deem fit, for the prevention, control and abatement of air pollution. Further, industrial plants and manufacturing processes are required to adhere to the standards for emission of air pollutants laid down by the relevant state pollution control board, in consultation with the Central Pollution Control Board. The relevant state pollution control board is also empowered to declare air pollution control areas. Additionally, consent of the state pollution control board is required prior to establishing and operating an industrial plant. The consent by the state pollution control board may contain provisions regarding installation of pollution control equipment and the quantity of emissions permitted at the industrial plant. Whoever contravenes any of the provisions of the Air Act or any order or direction issued is punishable with imprisonment for a term which may extend to 3 months or with a fine of ₹10,000 or with both, and in case of a continuing offence, with an additional fine which may extend to ₹5,000 for every day during which such contravention continues after initial conviction.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Wastes Rules”)

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste. Under the Hazardous Waste Rules, “hazardous waste”, inter alia, means any waste which by reason of characteristics such as physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive, causes danger or is likely to cause danger to health or environment, whether alone or in contact with other wastes or substances. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment or third party resulting from the

improper handling and management and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 (“Hazardous Chemical Rules”)

Pursuant to the Environment Protection Act, the Central Government is empowered to make rules pertaining to any industry which deals with any hazardous chemical, including flammable gases and liquids. An elaborate list of chemicals, and the quantity limits is provided under the Schedules of the rules. The Hazardous Chemical Rules also deal with the procedure to be followed in the case a major accident occurs, including whom to notify and how. Further, a full safety report on the concerned activity must be submitted with the information specified to the concerned authority, within the time limit.

Plastic Waste Management Rules, 2016

The Ministry of Environment, Forest and Climate Change published the Plastic Waste Management Rules, 2016 with the aim of facilitating collection and recycling of plastic waste. It delegates responsibility to the waste generators for waste segregation and disposal. Plastic Waste Management (Amendment) Rules, 2018 prescribed a central registration system for the registration of the producer/importer/brand owner. Recently, the government has proposed draft Plastic Waste Management Rules, 2021 which aims to ban the manufacture, import, stocking, distribution, sale and use of specific single use plastic from January 1, 2022. The draft has also extended the applicability of rules to brand owner, plastic waste processor, including the recycler and co-processor etc.

The Noise Pollution (Regulation & Control) Rules, 2000 (“Noise Regulation Rules”)

The Noise Regulation Rules regulate noise levels in industrial, commercial, residential and silence zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near educational institutions, courts, hospitals, or other institutions.

LABOUR RELATED LEGISLATIONS

The employment of workers, depending on the nature of the activity, is currently regulated by a wide variety of generally applicable labour legislations, including the Industrial Disputes Act, 1947, the Contract Labour (Regulation and Abolition) Act, 1970, Industrial Employment (Standing Orders) Act, 1946, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Employees’ State Insurance Act, 1948, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, Employee’s Compensation Act, 1923, the Trade Unions Act, 1926, the Payment of Bonus Act, 1965, the Equal Remuneration Act, 1976, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Child Labour (Protection Regulation) Act, 1986, the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Apprentices Act, 1961.

In order to rationalise and reform labour laws in India, the Government has enacted the following codes:

- Code on Wages, 2019, which regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees. It subsumes four existing laws, namely the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, and the Equal Remuneration Act, 1976.
- Industrial Relations Code, 2020, which consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes. It subsumes the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.
- Code on Social Security, 2020, which amends and consolidates laws relating to social security. It governs the constitution and functioning of social security organisations such as the employees’ provident fund and the employees’

state insurance corporation, regulates the payment of gratuity, the provision of maternity benefits, and compensation in the event of accidents to employees, among others. It subsumes various legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, and the Payment of Gratuity Act, 1972.

- Occupational Safety, Health and Working Conditions Code, 2020, amends and consolidates laws regarding the occupational safety, health and working conditions of persons employed in an establishment. It subsumes various legislations including the Factories Act, 1948, and the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.

Certain portions of the Code on Wages, 2019, have come into force upon notification by the Ministry of Labour and Employment. The remainder of these codes shall come into force on the day that the Government shall notify for this purpose.

Shops and establishments legislations

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. All industries have to be registered under the shops and establishments legislations of the state where they are located. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

FOREIGN INVESTMENT LAWS

Foreign Exchange Management Act, 1999 (the “FEMA”)

Foreign investment in India is primarily governed by the provisions of FEMA. Pursuant to FEMA, the GoI and the RBI have promulgated various regulations, rules, circulars and press notes in connection with various aspects of foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India.

FEMA Rules

The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 by Notification No. FEMA. 395/2019-RB dated October 17, 2019 (“FEMA Rules”) to prohibit, restrict, or regulate transfer by or issue security to a person resident outside India. As laid down by the FEMA Rules, no prior consents and approvals are required from the RBI for Foreign Direct Investment (“FDI”) under the “automatic route” within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the RBI. At present, the FDI Policy does not prescribe any cap on the foreign investments in the sector in which the Company operates. Therefore, foreign investment up to 100% is permitted in the Company under the automatic route.

Foreign Trade (Development and Regulation) Act, 1992 (“FTA”)

In India, the main legislation concerning foreign trade is FTA. The FTA read along with relevant rules provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the Act, the Government: (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; and (iii) is authorized to formulate and announce an export and

import policy and also amend the same from time to time, by notification in the Official Gazette. FTA read with the Indian Foreign Trade Policy 2015 –2020 (extended up to September 30, 2021) provides that no export or import can be made by a company without an Importer-Exporter Code (“IEC”) unless such person or company is specifically exempt. An application for an importer exporter code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract penalty under the FTA.

Export Promotion Capital Goods Scheme (“The EPCG Scheme”)

The EPCG Scheme provides that importers can benefit from reduced duties on the import of capital goods provided that they fulfil an export obligation to export a prescribed amount of their goods manufactured or services rendered (such amount being a multiple of the duty saved) within a specified period. Export obligations can be fulfilled by physical exports or by way of “deemed exports”, which are transactions deemed to be exports.

INTELLECTUAL PROPERTY LAWS

Trade Marks Act, 1999 (“Trade Marks Act”)

The Trade Marks Act provides for the registration and better protection of trade marks for goods and services and for the prevention of the use of fraudulent marks. The registration of a trademark under the Trade Marks Act confers on the proprietor the exclusive right to the use of the trade mark, and the right to obtain relief in respect of infringement of the trade mark. The registration of a trademark shall be for a period of ten years, but may be renewed from time to time as prescribed under the Trade Marks Act. The Trade Marks Act also prescribes penalties for the falsification or false application of trade marks. Further, pursuant to the notification of the Trademarks (Amendment) Act, 2010, simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. It also seeks to simplify the law relating to the transfer of ownership of trademarks by assignment or transmission and to bring the law in line with international practices.

The Patents Act, 1970 (“Patents Act”)

The Patents Act governs the patent regime in India. A patent is an intellectual property right relating to inventions and grant of exclusive right, for limited period, provided by the Government to the patentee, for excluding others from making, using, selling and importing the patented product or process or produce that product. In addition to the broad requirement that an invention must satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria.

Designs Act, 2000 (“DA”) and the Designs Rules, 2001 (“DR”)

The DA regulates and protects the originality of an article’s design and prohibits the piracy of registered designs. The primary objective of the DA is to protect new or original designs from getting copied, and ensure that the creator, originator or artisan of the design is not deprived of their rightful gains for the creation of their design. The central government also drafted the DR under the authority of the DA for the purposes of specifying certain prescriptions regarding the practical aspects related to designs such as payment of fees, register for designs, classification of goods, address for service, restoration of designs, etc. A registered design is valid for a period of ten years from the date of registration and can be renewed for a second period of 5 years.

OTHER LAWS

The Goods and Services Tax (“GST”) is levied on supply of goods or services or both jointly by the Central Government and State Governments. GST provides for imposition of tax on the supply of goods or services and will be levied by the Central Government and by the state government including union territories on intra-state supply of goods or services. Further, Central Government levies GST on the inter-state supply of goods or services. The GST law is enforced by

various acts viz. Central Goods and Services Act, 2017 (“CGST”), relevant state’s Goods and Services Act, 2017 (“SGST”), Union Territory Goods and Services Act, 2017 (“UTGST”), Integrated Goods and Services Act, 2017 (“IGST”), Goods and Services (Compensation to States) Act, 2017 and various rules made thereunder.

Further, the Income-tax Act, 1961 (the “**Income Tax Act**”) is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or rules made there under depending upon its “Residential Status” and “Type of Income” involved. The Income Tax Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the Income Tax Act is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax, etc. In 2019, the Government has also passed an amendment act pursuant to which concessional rates of tax are offered to a few domestic companies and new manufacturing companies.

The Customs Act, 1962 as amended, regulates import of goods into and export of goods from India by providing for levy and collection of customs duties on goods in accordance with the Customs Tariff Act, 1975. Any Company requiring to import or export goods is first required to get registered under the Customs Act and obtain an Importer Exporter Code under FTDR. Customs duties are administrated by Central Board of Indirect Tax and Customs under the Ministry of Finance.

In addition to the above, our Company is also required to comply with the provisions of the Companies Act and rules framed thereunder, and other applicable statutes imposed by the Centre or the State Government and authorities for our day-to-day business and operations.

Further, presently we carry on our operations and business in foreign jurisdictions and may continue to expand our operations. For further details, see “*Our Business*” on page 197. Our business and operations in such foreign jurisdictions are and will be subject to applicable local laws.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of Our Company

Our Company was incorporated as ‘*Gala Precision Engineering Private Limited*’ under the Companies Act, 1956, as a private limited company pursuant to the certificate of incorporation issued by the RoC on February 23, 2009. Our Company entered into a Business Transfer Agreement dated May 26, 2009 to transfer the business operations from Gala Precision Technology Private Limited. The name of our Company was subsequently changed to ‘*Gala Precision Engineering Limited*’, upon conversion into a public company, pursuant to a board resolution dated September 5, 2023 and a shareholder’s resolution dated October 3, 2023, and a fresh certificate of change of name was issued on October 25, 2023 by the RoC.

Changes in the registered office of our Company

Except as disclosed below, there has been no change in the registered office of our Company since incorporation:

| Date of change of registered office | Details of change | Reasons for change |
|-------------------------------------|---|--|
| December 1, 2022 | The registered office of our Company was changed from A-59, Road No. 10, Wagle Industrial Estate, Thane – 400604, to A-801, Thane One DIL Complex, Ghodbunder Road, Majiwade, Thane (West) - 400610 | For administrative and operational convenience |

Main Objects of our Company

The main objects contained in our Memorandum of Association are as follows:

- To manufacture, fabricate, assemble, Install, alter, improve, repair , maintain, buy, deal, import, export, hire exchange in all types of springs, disc springs, washer, precision metal parts and assemblies, deburring and finishing machines, centrifugal finishing machines, special purpose machines, vibrating deburring and finishing machines, dryer and separators, flow through finishing machines, truff vibrating machines, disc finishing machines, deburring and polishing media and chemicals, packing, shot blasting machines and surface preparation machines and all types of machinery and parts of machines and to undertake engineering jobwork.*
- To carry on the business of fabricating, assembling, altering, improving, manufacturing, repairing, installing, processing, buying, selling, importing, exporting, hiring other equipments or machines for engineering, chemical, pharmaceutical, food processing industries and raw materials required for the mentioned in clause (a) hereinabove.*

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried out.

Amendments to our Memorandum of Association in the last 10 years

Set out below are the amendments to our Memorandum of Association since incorporation of our Company:

| Date of Shareholders’ resolution | Nature of amendment |
|----------------------------------|--|
| October 3, 2023 | Conversion of Company from private to public and change of name of Company from Gala Precision Engineering Private Limited to Gala Precision Engineering Limited |

| Date of Shareholders' resolution | Nature of amendment |
|----------------------------------|--|
| September 05, 2023 | Clause V of the MoA was amended to reflect the reclassification of the authorised share capital of the Company from 18,00,00,000 (Rupees Eighteen Crores Only) divided into 11,00,00,000 (Eleven Crores Only) comprising of 11,00,00,000 Equity shares of 10 (Rupees Ten only) each and 7,00,00,000 (Rupees Seven Crores Only) comprising of 70,00,00,000 Preference shares of 10 (Rupees Ten only) each to 18,00,00,000 (Rupees Eighteen Crores Only) divided into 1,80,00,000 Equity Shares of 10 (Rupees Ten only) each |
| May 23, 2009 | Clause V of the MoA was amended to reflect the increase in the authorized share capital of the Company from ₹1,00,000 divided into 10,000 Equity Shares of ₹ 10 each to ₹ 18,00,00,000 divided into 1,10,00,000 Equity Shares of ₹10 each and 70,00,000 Preference Shares of ₹ 10 each |

Major events and milestones of our Company

The table below sets forth the major events and milestones in the history of our Company and its Subsidiaries:

| Year | Particulars |
|------|--|
| 2013 | Started offering complete range of Parts washing and cleaning systems including Ultrasonic cleaning |
| 2014 | Expanded products range of Disc springs by adding Bearing series Disc springs and Serrated washers |
| 2015 | Development of Spring assemblies for Power sector. Development of Spiral springs and Brush springs. |
| 2016 | New Plant commissioned for coil springs. Award from ABB, Germany for disc springs as one of their top 10 suppliers. |
| 2017 | Best Supplier award for Quality & Delivery Performance from leading Automotive Transmission manufacturer Endurance Technologies for Strip springs |
| 2017 | Springs Plant audited by Global Automotive Tier 1 companies like Hitachi, Continental, Schaeffler, Wabco, ZF-TRW, Knorr Bremse. |
| 2018 | Gallock Supplies started to Indian Railways. |
| 2018 | SFS plant audited & approved by leading global wind turbine manufacturer for High Tensile studs & Foundation anchor studs |
| 2020 | Started supplying Compression springs for Metro Rail for an European customer, on approval in their German Lab |
| 2022 | Export started of fastener to USA and Europe markets |
| 2022 | Purchased land in Vallam-Vadagal, SIPCOT, Sriperumbuddur, Tamil Nadu for future expansion of fastener business. |
| 2022 | Sold manufacturing of and activities relating to Surface Engineering Solutions (“SES”), including goodwill and technical knowhow in relation to supplies, intangible assets of mass finishing equipments and parts cleaning equipments, except for supplies to Public Sector Undertakings and Government Organizations |
| 2023 | Sold manufacturing of and activities relating to Surface Engineering Solutions (“SES”), including technical knowhow in relation to supplies to Public Sector Undertakings and Government Organizations, and intangible assets of mass finishing equipments and parts cleaning equipments |

Key Awards, Accreditations and Recognition

The table below sets forth the some of the key awards, accreditation, and recognition

| Year | Particulars |
|------|---|
| 2015 | Supplier of the year from ABB, Germany in DSS product group |
| 2017 | Star Performer 2015-2016 Metal Fasteners, Springs and Miscellaneous Articles made from Metal Wire Large Enterprise by EEPC India at 34 th Export Awards (Western Region) |

| Year | Particulars |
|------|---|
| | Gala Precision Engineering Private Limited has undergone Business Excellence Site Assessment at 1 st Business Excellence Competition |
| 2018 | Gold Category Award from Endurance Technologies Limited, India Certificate of Appreciation from Rane TRW (ZF) for Positive Accomplishments and Progress towards Supplier Development Program |
| 2019 | Certificate of Merit awarded to Gala Precision Engineering Private Limited at IMTMA-ACE Micromatic Productivity Championship Awards 2019 at National Productivity Summit |
| 2020 | Silver Award at CCQC-20, Mumbai |
| 2021 | Award Par Excellence awarded at National Convention on Quality Concepts, Coimbatore |
| 2022 | Winner (SME Sector) under Best Energy Efficient Case Study Category in the 6 th Edition of CII National Energy Efficiency Circle Competition |
| 2023 | Award for High Quality and reliability of Supply of the Year 2022 by Wuerth Industrie Service GmbH & Co KG, Germany Great Place to Work certified by the Great Place to Work Institute, India. Category- Mid-Size Organizations |
| 2024 | India's Best Workplace in Manufacturing (Top 26-50) by the Great Place to Work Institute, India. |

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, or revaluation of assets in the last 10 years

Except as stated below, our Company has not acquired any material business or undertaken any mergers or amalgamations or divestments of business or undertaking in the last 10 years preceding the date of this Prospectus:

1. Sale Agreement dated May 30, 2022 between our Company, Gala Precision Engineering Private Limited (“**Seller**”) and S.M. Systems Private Limited (“**Purchaser**”) for the sale of manufacturing of and activities relating to Surface Engineering Solutions (“**SES**”), including goodwill and technical knowhow in relation to supplies, intangible assets of mass finishing equipments and parts cleaning equipments, except for supplies to Public Sector Undertakings and Government Organizations, for an aggregate consideration of ₹30.00 million plus applicable taxes.
2. Sale Agreement dated October 2, 2023 between our Company, Gala Precision Engineering Private Limited (“**Seller**”) and Gala Finishing Solutions Private Limited (“**Purchaser**”) for the sale of manufacturing of and activities relating to Surface Engineering Solutions (“**SES**”), including technical knowhow in relation to supplies to Public Sector Undertakings and Government Organizations, and intangible assets of mass finishing equipments and parts cleaning equipments against an aggregate consideration of ₹3.5 million plus applicable taxes.
3. A “Share Transfer Agreement” dated March 31, 2023 between Gala Precision Engineering Private Limited (“**Seller**”) and Gala Springs LLP (“**Purchaser**”) to transfer all the shares of Gala Precision Components Shanghai Limited from the Seller to the Purchaser for a consideration of ₹1.00 million.

Time and cost over-runs

There have been no material time and cost over-runs in respect of our business operations.

Defaults or re-scheduling, restructuring of borrowings with financial institutions/banks

There have been no defaults on repayment of any loan availed from any banks or financial institutions. Further, there has been no re-scheduling/ re-structuring in relation to borrowings availed by our Company from any financial institutions or banks.

Lock-out and strikes

As on the date of this Prospectus, there have been no lockouts or strikes at any time in our Company.

Accumulated Profits or Losses

Except as stated under “*Our Subsidiaries*” on page 246, there are no accumulated profits and losses of any of our Subsidiary that are not accounted for by our Company in the Restated Financial Information.

Significant financial and strategic partners

As of the date of this Prospectus, our Company does not have any significant financial or strategic partners.

Material Agreements in relation to business operations of our Company

1. Business Transfer Agreement dated May 26, 2009 between our Company, Gala Precision Engineering Private Limited (“**Buyer**”) and Gala Precision Technology Private Limited (“**Seller**”) for transfer of the manufacturing of disc springs for supply to local market situated at 295/II, Village Vadawali, including approvals, immovable assets, liabilities, investment, movable assets, employees, contracts, intellectual property rights, accounts and funds, systems, know-how (“**DS DTA**”), manufacturing of disc springs for export to foreign parties situated at 302/II, Village Mussarne, Wada including approvals, immovable assets, liabilities, investment, movable assets, employees, contracts, intellectual property rights, accounts and funds, systems, know-how (“**DS EOU**”), manufacture of mass finishing systems situated at 302/2, Village Vadawali, Wada including approvals, immovable assets, liabilities, investment, movable assets, employees, contracts, intellectual property rights, accounts and funds, systems, know-how (“**MFS**”) and manufacturing of disc springs, which is operated and/or situated at A-59, Road No. 10, Wagle Industrial Estate including approvals, immovable assets including liabilities, investment, movable assets, employees, contracts, intellectual property rights, accounts and funds, systems, know-how (“**Thane Undertaking**”) (DS DTA, DS EOU, MFS and Thane Undertaking collectively “**Non CV Business**”) along with benefits, goodwill, assets, rights, interests and loans & liabilities to the buyer on a slump sale basis ‘as a going concern’ for an aggregate consideration of INR 374.80 million.
2. Sale Agreement dated May 30, 2022 between our Company, Gala Precision Engineering Private Limited (“**Seller**”) and S.M. Systems Private Limited (“**Purchaser**”) for the sale of manufacturing of and activities relating to Surface Engineering Solutions (“**SES**”), including goodwill and technical knowhow in relation to supplies, intangible assets of mass finishing equipments and parts cleaning equipments, except for supplies to Public Sector Undertakings and Government Organizations, for an aggregate consideration of ₹30.00 million plus applicable taxes.
3. Sale Agreement dated October 2, 2023 between our Company, Gala Precision Engineering Private Limited (“**Seller**”) and Gala Finishing Solutions Private Limited (“**Purchaser**”) for the sale of manufacturing of and activities relating to Surface Engineering Solutions (“**SES**”), including technical knowhow in relation to supplies to Public Sector Undertakings and Government Organizations, and intangible assets of mass finishing equipments and parts cleaning equipments against an aggregate consideration of ₹3.5 million plus applicable taxes.
4. An “Admission Cum Retirement Deed of Limited Liability Partnership” (“**Agreement**”) dated March 18, 2023 between Smeet Kirit Gala (“**Continuining Partner**”), Gala Precision Engineering Private Limited (“**Incoming Partner**”), and the “**Retiring Partner(s)**” namely Kirit Vishanji Gala, Vishanji Harshi Gala, Taramati Vishanji Gala, Rumie Kirit Gala, Saloni Kirit Gala, Alpa Kiran Chheda, and Nayna Gala (“**Retiring Partner(s)**”) for admitting the Incoming Partner as Partner in Gala Springs LLP (the “**LLP**”) and for simultaneously retiring the Retiring Partners upon payment of amounts standing to the credit of their respective capital accounts on the date of this Agreement. The initial fixed capital of the LLP shall be ₹2.61 million with ₹2.4 million and ₹0.21 million being contributed by Gala Precision Engineering Private Limited and Smeet Kirit Gala respectively and profit/loss sharing percentage as 92% and 8%.

5. A “Share Transfer Agreement” dated March 31, 2023 between Gala Precision Engineering Private Limited (“**Seller**”) and Gala Springs LLP (“**Purchaser**”) to transfer all the shares of Gala Precision Components Shanghai Limited from the Seller to the Purchaser for a consideration of ₹1.00 million.

Details of subsisting shareholders’ agreements

As on the date of this Prospectus, our Company does not have any subsisting shareholders’ agreements.

Other material agreements

Our Company has not entered into any subsisting material agreements, other than in the ordinary course of business of our Company. As on date of this Prospectus, no special rights are available to the shareholders of our Company. As on date of this Prospectus, no special rights are available to the Promoter/ Shareholders in the Article of Associations of our Company. There are no material clause of Article of Association which have been left out from disclosure having bearing on the IPO/disclosure. For details on business agreements of our Company, see “*Our Business*” on page 197.

Launch of key products or services, entry into new geographies or exit from existing markets, capacity/ facility creation or location of plants

For information on key products or services launched by our Company, please see “*Our Business*” on page 197.

Our Company has not exited from existing markets. For details of capacity, facility creation or location of plant, see “*Our Business*” on page 197.

Agreements with Key Managerial Personnel, Director, or any other employee

There are no agreements entered into by a Key Managerial Personnel or Director or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Details of loans taken from related parties

We had certain loans from our related parties, the interest of these loans range from 9% to 12% per annum. These loans are repayable on demand. Further as at March 31, 2024, there is no outstanding amount from the loans of related parties.

Holding Company

As on the date of this Prospectus, our Company does not have a holding company.

Subsidiaries

As of the date of this Prospectus, our Company has two Subsidiaries. For details see “*Our Subsidiaries*” on page 246.

Associate Company

As on date of this Prospectus, our Company does not have any associate companies.

Joint Venture

As on date of this Prospectus, our Company does not have any joint ventures.

OUR SUBSIDIARIES

As of the date of this Prospectus, our Company has one direct Subsidiaries and one step down subsidiary in terms of the Companies Act, 2013, and the details of our Subsidiaries are stated below:

Gala Springs LLP

Corporate information

Gala Springs Private Limited was incorporated on April 14, 1988. Subsequently it was converted to a Limited Liability Partnership named, Gala Springs LLP under the Limited Liability Partnership Act, 2008, pursuant to a certificate of incorporation dated August 5, 2016 issued by the Registrar of Companies, Maharashtra at Mumbai. Its registered office is situated at A-801, 8th Floor, Thane One DIL Complex, Ghodbunder Road Majiwade, Thane (West), Maharashtra, India, 400610.

Nature of business

Gala Springs LLP is authorised to engage in the business to manufacture, fabricate, assemble, install, alter, improve, repair, maintain, buy, deal, import, export, hire, exchange or otherwise deal in all types of springs, spring plates, disc springs, valves, valve plates, compressor valves and parts, all types of machinery, parts, components, accessories of machines, auto parts and components and to undertake engineering and fabricating and foundry job works of all types.

Capital structure

The initial contribution of Gala Springs LLP is ₹1.25 million.

Shareholding pattern

The partnership pattern of Gala Springs LLP as on the date of this Prospectus is as follows:

| Name of the Partner | Amount Contributed (in ₹ million) | Percentage of partnership (%) |
|------------------------------------|-----------------------------------|-------------------------------|
| Gala Precision Engineering Limited | 2.40 | 92.00 |
| Smeet Kirit Gala | 0.21 | 8.00 |

Accumulated Profits or Losses

There are no accumulated profits and losses of Gala Springs LLP, not accounted for, by our Company in the Restated Financial Statements.

Gala Precision Components Shanghai Limited

Corporate information

Gala Precision Components Shanghai Limited was incorporated under the Companies Law of the People's Republic of China on April 24, 2006 pursuant to an approval by the industry and business administration of Shanghai Municipality and its business license is numbered 913100007872393723. Currently its registered office is situated at Ground Floor, Building 1, No. 668, Yuandong Road, Fengxian District, Shanghai.

Nature of business

The principal business of Gala Precision Components Shanghai Limited is importing and selling of disc & strip spring of various sizes to local customers in China.

Capital structure

The registered share capital of Gala Precision Components Shanghai Limited is ₹131.39 million.

Shareholding pattern

The shareholding pattern of Gala Precision Components Shanghai Limited as on the date of this Prospectus is as follows:

| Name of the shareholder | Percentage of total shareholding (%) |
|--------------------------------|---|
| Gala Springs LLP | 100.00 |

Accumulated Profits or Losses

There are accumulated losses of ₹121.51 million accounted for, by our Company in the Restated Financial Statements.

Interest in our Company

Except as disclosed in the section see “*Financial Information – Annexure VI - Note 31(e) – Related Party Disclosures*” 283, our Subsidiaries do not have or propose to have any business interest in our Company.

Common Pursuits

Our Subsidiaries have common pursuits with our Company and each other and are engaged in similar lines of business to that of our Company. However, we do not perceive any conflict of interest with our Subsidiaries as our Subsidiaries are controlled by us. For details, see “*Our Business*” on page 197. We shall adopt necessary procedures and practices as permitted by law to address any situations of conflict of interest, as and when they may arise.

Confirmations

None of our Subsidiaries are listed on any stock exchange in India or abroad.

Further, none of the securities of our Subsidiaries have been refused listing by any stock exchange in India or abroad, nor have any of our Subsidiaries failed to meet the listing requirements of any stock exchange in India or abroad, to the extent applicable.

OUR MANAGEMENT

Board of Directors

The Articles of Association require that our Board shall comprise of not less than three Directors and not more than fifteen Directors, provided that our Shareholders may appoint more than fifteen Directors after passing a special resolution in a general meeting.

As on the date of this Prospectus, our Board comprises of eight Directors, including three Executive Directors (Including our Chairman and Managing Director), one Non – Executive Director and four Independent Directors including two Independent woman Director. Our Company is in compliance with the corporate governance laws prescribed under the SEBI Listing Regulations and the Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof.

| Sr. No. | Name, designation, date of birth, address, occupation, nationality, period and term and DIN | Age (years) | Directorships in other companies |
|---------|--|-------------|--|
| 1. | <p>Kirit Vishanji Gala</p> <p>Designation: Chairman and Managing Director</p> <p>Date of birth: August 25, 1962</p> <p>Address: Flat no 1700 17 Floor, Lodha Aristo, Majiwada, Near Rustomjee Complex, Thane West, Thane, Maharashtra – 400 601</p> <p>Occupation: Business</p> <p>Current term: Five years commencing from November 30, 2023</p> <p>Period of directorship: Director since June 1, 2009</p> <p>DIN: 01540274</p> | 61 | <p>1. Kutchi Angel Network Private Limited; and</p> <p>2. Deltecs Infotech Private Limited</p> |
| 2. | <p>Balkishan Jalan</p> <p>Designation: Whole-time Director, Executive Director</p> <p>Date of birth: August 23, 1970</p> <p>Address: 1206, B wing, Raj Grandeur, Ayyappa Temple lane, behind Hiranandani Hospital, Tirandaz village, Chandivali, Mumbai – 400 076, Maharashtra.</p> <p>Occupation: Service</p> <p>Current term: Five years commencing from November 30, 2023</p> <p>Period of directorship: Director since November 1, 2009</p> <p>DIN: 02876873</p> | 53 | 1. Nil |

| Sr. No. | Name, designation, date of birth, address, occupation, nationality, period and term and DIN | Age (years) | Directorships in other companies |
|---------|--|-------------|---|
| 3. | <p>Satish Kotwani</p> <p>Designation: Whole-time Director (Marketing)</p> <p>Date of birth: July 17, 1973</p> <p>Address: Flat No. 502, Mahesh, Madhav Srishti, Khadak Pada, Godrej Hill Road, Kalyan West, Thane – 421 301, Maharashtra.</p> <p>Occupation: Service</p> <p>Current term: Five years commencing from November 30, 2023</p> <p>Period of directorship: Director since June 1, 2010</p> <p>DIN: 03154231</p> | 51 | 1. Nil |
| 4. | <p>Rajendra Gogri</p> <p>Designation: Non – Executive Director</p> <p>Date of birth: December 15, 1959</p> <p>Address: 2402 Richmond Cliff Avenue, Near Forest Club, Hiranandani Gardens, Powai, Mumbai – 400 076, Maharashtra.</p> <p>Occupation: Business</p> <p>Current term: Liable to retire by rotation</p> <p>Period of directorship: Director since August 28, 2018</p> <p>DIN: 00061003</p> | 64 | 1. Aarti Industries Limited; 2. Relacion Trusteeship Services Private Limited; 3. Gloire Trusteeship Services Private Limited 4. Kutchi Angel Network Private Limited; 5. Crystal Millennium Realtors Private Limited; 6. Alchemie Finserv Private Limited; 7. Safechem Enterprises Private Limited; 8. Prince Pipes and Fittings Limited; 9. Aarti Polychem Private Limited; and 10. Aarti Pharmalabs Limited |
| 5. | <p>Snehal Shah</p> <p>Designation: Independent Director</p> <p>Date of birth: December 18, 1969</p> | 54 | 1. Nil |

| Sr. No. | Name, designation, date of birth, address, occupation, nationality, period and term and DIN | Age (years) | Directorships in other companies |
|---------|--|-------------|---|
| | <p>Address: 1103, Radha Krishna, Radha Residency, Siddharth Nagar, Magathane, opposite Dheeraj Savera, Borivali East, Mumbai – 400 066, Maharashtra.</p> <p>Occupation: Self-employed</p> <p>Current term: Three years commencing from November 30, 2023</p> <p>Period of directorship: Director since November 30, 2023</p> <p>DIN: 00128595</p> | | |
| 6. | <p>Varsha Galvankar</p> <p>Designation: Independent Director</p> <p>Date of birth: August 01, 1967</p> <p>Address: C-28 Bhavani Bhavan, Bhavani Shankar, Road Opp. Shardashram School, Dadar West, Mumbai – 400 028, Maharashtra</p> <p>Occupation: Service/Employed</p> <p>Current term: Two years commencing from November 30, 2023</p> <p>Period of directorship: Director since November 30, 2023.</p> <p>DIN: 00124603</p> | 57 | 1. Ghalla Bhansali Consultancy Private Limited |
| 7. | <p>Neha Gada</p> <p>Designation: Independent Director</p> <p>Date of Birth: March 22, 1976</p> <p>Address: 701, Krishna Kunj, Plot No. 49, Road No. 9, Near Vasupujya Jain Temple, Brahmanwada Matunga Central Railway, Mumbai – 400 019, Maharashtra</p> <p>Occupation: Professional Consultant</p> <p>Current term: Three years commencing from November 30, 2023</p> <p>Period of directorship: Director since November 30, 2023</p> <p>DIN: 01642373</p> | 48 | 1. Sejal Glass Limited 2. Asian Star Company Limited; 3. Aarti Drugs Limited; 4. Tamboli Industries Limited (formerly known as Tamboli Capital Limited); 5. MSE Enterprises Limited; 6. Motilal Oswal Home Finance Limited; 7. Dhhanish Advisors Private Limited; and |

| Sr. No. | Name, designation, date of birth, address, occupation, nationality, period and term and DIN | Age (years) | Directorships in other companies |
|---------|---|-------------|---|
| | | | 8. JITO Mumbai Midtown Chapter Foundation |
| 8. | <p>Sudhir Gosar</p> <p>Designation: Independent Director</p> <p>Date of Birth: April 1, 1962</p> <p>Address: 101 – Ostwal Apartments, P.K. Road, Near Raja Industrial Estate, Mulund – West, Mumbai 400 080, Maharashtra, India</p> <p>Occupation: Business</p> <p>Current term: Three years commencing from January 11, 2024</p> <p>Period of directorship: Director since January 11, 2024</p> <p>DIN: 10460551</p> | 62 | 1. Nil |

Brief biographies of our Directors

Kirit Vishanji Gala is the Chairman and Managing Director of our Company. He has been associated with our Company as its Managing Director since its incorporation. He became part of our Company pursuant to the BTA. He is also one of the Promoters of our Company. He holds a bachelor's degree in engineering (mechanical) from University of Bombay (1984). He also holds a master's degree in management studies from University of Bombay (1986). He has also completed a short course on Orchestrating Winning Performance from IMD, Switzerland (2022). He has received Pride of Welingkar Institute of Management award (2023). He regularly speaks on topics such as next generation of professional entrepreneurs, change management in VUCA world and strategy shastra. He currently oversees business strategies and marketing in our Company.

He was promoter and Managing Director of Gala Precision Technology Limited which was funded by India value fund (private equity) in 2005. Subsequently, Gala Precision Technology Limited entered in to a Share Purchase Agreement in March 20, 2009 with Hoerbiger Deutschland Holding GmbH. In May 26, 2009, our Company entered in to a BTA with Gala Precision Technology Private Limited to acquire DSS, MFS Business and Thane Undertaking. For further details, see “*Our Business*” on page 197.

Balkishan Jalan is the Executive Director of our Company. He has been associated with our Company since its incorporation. He joined our Company pursuant to the BTA. He holds a bachelor's degree in commerce from University of Bombay (1989). He also qualified as a chartered accountant from the Institute of Chartered Accountants of India (1994). He is also a recipient of SAP ACE Excellence Awards (2010). He was previously associated with Gala Equipments Limited with effect from September 07, 1998, subsequently the name of Gala Equipments Limited was changed to Gala Precision Technology Private Limited where he has also held the position of chief operating officer. He has 25 years of experience in operations. He currently oversees operations, finance and overall management of our Company.

Satish Kotwani is the Whole time Director of our Company. He has been associated with our Company since its incorporation. He joined our Company pursuant to the BTA. He holds a diploma in mechanical engineering from Board

of Technical Examinations, Maharashtra (1991). He also holds a diploma in management (materials) from N.G. Bedekar College of Commerce (1992). He further holds a diploma in marketing management from the Bombay Institute of Management Studies (1996). He has also participated in executive education programmes from Indian Institute of Management Bangalore and Indian School of Business. He was previously associated with Born Marketers Private Limited with effect from June 10, 1993. He then joined Gala Equipments Limited with effect from June 01, 1995 subsequently whose name was changed to Gala Precision Technology Private Limited where he has also held the position of senior manager (business development). He has 30 years of experience in marketing. He currently oversees global business development, marketing and sales in our Company.

Rajendra Gogri is a non-executive and non-independent Director of our Company. He has been associated with our Company since August 28, 2018. He is currently the chairman and managing director of Aarti Industries Limited. He holds a bachelor degree in chemical engineering from UDCT (*now known as ICT*), Mumbai (1981). He also holds a masters of science degree with a major in chemical engineering from Iowa State University of Science and Technology (1983). He is also recipient of recipient of UDCT distinguished alumnus award (1995).

Snehal Shah is an Independent Director of our Company. He has been associated with our Company since November 30, 2023. He holds a bachelor's degree in engineering (electrical) from University of Vallabh Vidyanagar, Gujarat (1992). He also holds a post graduate diploma in management from the Indian Institute of Management, Bangalore (1995). He has previously been associated with Fairwinds Asset Managers Limited as a consultant and ICICI Venture Funds Management Company Limited as a manager.

Varsha Galvankar is an Independent Director of our Company. She has been associated with our Company since November 30, 2023. She holds a bachelor's degree in commerce from the University of Bombay (1988) and she is also a registered income tax practitioner. She has over 31 years of experience across various financial domains at GBCA & Associates LLP, a chartered accountant firm. She also is an active member of the Chamber of Tax Consultants since 2004 and has been part of the managing council of the chamber during the years 2019-2020 and 2020-2021.

Neha Gada is an Independent Director of our Company. She has been associated with our Company since November 30, 2023. She holds a bachelor's degree in commerce from the University of Mumbai (1996). She has also qualified as a Chartered Accountant from the Institute of Chartered Accountants of India (1997) and further, she has passed the Limited Insolvency examination from the Insolvency and Bankruptcy Board of India (2017). Currently, she is on the board of directors at Dhhanish Advisors Private Limited. She is also a recipient of CA Woman Independent Director Award (first position) from the Institute of Chartered Accountant India in (2023)

Sudhir Gosar is an Independent Director of our Company. He has been associated with our Company since January 11, 2024. He holds a bachelor's degree in chemical engineering from Indian Institute of Technology, Bombay (1983). He has over 33 years of experience in various technology roles across companies such as Reliance Communications Limited, Sterlite Technologies Limited, IndusInd Media & Communications Limited and In2cable (India) Limited.

Arrangement or understanding with major shareholders, customers, suppliers or others

None of our Directors have been appointed to our Board pursuant to any arrangement or understanding with major Shareholders, customers, suppliers or others.

Service contract with Directors

No officer of our Company, including our Directors have entered a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Details of directorships in companies suspended or delisted

None of our Directors is or was, during the last five years preceding the date of this Prospectus, a director of any listed company whose shares have been or were suspended from being traded on the stock exchanges during their tenure as a director in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange, during their tenure as a director in such company.

Confirmations

None of our Directors have given any guarantees to any third party, with respect to the Equity Shares, as of the date of this Prospectus.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

Further, none of our Directors has been identified as Wilful Defaulters or Fraudulent Borrower as defined under the SEBI ICDR Regulations.

None of our Directors has been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.

None of our Directors is prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Relationships between our Directors, Key Managerial Personnel and Senior Managerial Personnel

| Sr. No. | Name of Director | Relative | Relationship |
|----------------|-------------------------|------------------|---------------------|
| 1. | Kirit Vishanji Gala | Smeet Kirit Gala | Son |

Except as disclosed above, none of our Directors are related to each other or to any of our Key Managerial Personnel or the Senior Management.

Payment or benefit to Directors of our Company

Remuneration to Executive Directors:

1. Kirit Vishanji Gala

Kirit Vishanji Gala has been a Director on the Board of our Company since June 01, 2009. He was appointed as Chairman and Managing Director of our Company pursuant to a Board resolution dated November 30, 2023 for a period of 5 (five) years with effect from November 30, 2023 up to November 29, 2028. Further, his appointment was ratified by Shareholders' resolution dated January 15, 2024 for a period of 5 (five) years with effect from November 30, 2023 up to November 29, 2028. Pursuant, to the Shareholder's resolution dated January 15, 2024, Kirit Vishanji Gala is entitled to the following perquisites for Financial Year 2024:

Perquisites: Kirit Vishanji Gala is eligible to receive the following perquisites –

- a. House rent allowance not exceeding 50% of the basic salary per month.
- b. Leave travel allowance at one month's basic salary.

- c. Company cars for official and personal use, including fuel, maintenance and other expenses.
- d. Reimbursements of expenses towards telephones, telefax and other communication facilities at the residence.
- e. Expenses/reimbursement towards driver's salary, food vouchers, gas, electricity, water, furnishings and repairs and membership fees/subscription of clubs.
- f. Expenses incurred towards travelling, boarding and lodging including for actual medical expenses incurred in India and/or abroad including hospitalisation for self and family, medical insurance (for self and family) and personal accident insurance, term life insurance or any other insurance premium paid as per the policy of the Company.
- g. Contribution to Provident fund, Superannuation fund, National Pension Scheme or Annuity fund as per the rules of the Company to the extent these either singly or put together do not exceed the limit laid down in the Income Tax Act, 1961 or any statutory modification or re-enactment thereof.
- h. Such other perquisites and allowances as per the policy/rules of the Company in force and/or as may be approved by the board from time to time

In Fiscal 2024, he received an aggregate compensation of ₹9.44 million.

2. **Balkishan Jalan**

Balkishan Jalan has been a Director on the Board of our Company since November 01, 2009. He was reappointed as Whole-time Director of our Company pursuant to Board Resolution dated November 30, 2023 for a period of 5 (five) years with effect from November 30, 2023 up to November 29, 2028. Further, his appointment was ratified by Shareholders' resolution dated January 15, 2024 for a period of 5 (five) years with effect from November 30, 2023 to November 29, 2028. Balkishan Jalan is entitled to the following perquisites for Financial Year 2024:

Perquisites: Balkishan Jalan is eligible to receive the following perquisites –

- a. House rent allowance not exceeding 50% of the basic salary per month.
- b. Leave travel allowance at one month's basic salary.
- c. Company cars for official and personal use, including fuel, maintenance and other expenses.
- d. Reimbursements of expenses towards telephones, telefax and other communication facilities at the residence.
- e. Expenses/reimbursement towards driver's salary, food vouchers, gas, electricity, water, furnishings and repairs and membership fees/subscription of clubs.
- f. Expenses incurred towards travelling, boarding and lodging, actual medical expenses incurred in India and/or abroad including hospitalisation for self and family, medical insurance (for self and family) and personal accident insurance, term life insurance or any other insurance premium paid as per the policy of the Company.
- g. Contribution to Provident fund, Superannuation fund, National Pension Scheme or Annuity fund as per the rules of the Company to the extent these either singly or put together do not exceed the limit laid down in the Income Tax Act, 1961 or any statutory modification or re-enactment thereof.
- h. Such other perquisites and allowances as per the policy/rules of the Company in force and/or as may be approved by the board from time to time

In Fiscal 2024, he received an aggregate compensation of ₹ 9.59 million.

3. **Satish Kotwani**

Satish Kotwani has been a Director on the Board of our Company since June 01, 2010. He was reappointed as Whole-time Director of our Company pursuant to Board Resolution dated November 30, 2023 for a period of 5 (five) years with effect from November 30, 2023 up to November 29, 2028. Further, his appointment was ratified by Shareholders' resolution dated January 15, 2024 for a period of 5(five) with effect from November 30, 2023 up to November 29, 2028. Satish Kotwani is entitled to the following perquisites for Financial Year 2024:

Perquisites: Satish Kotwani is eligible to receive the following perquisites –

- a. House rent allowance not exceeding 50% of the basic salary per month.

- b. Leave travel allowance at one month's basic salary.
- c. Company cars for official and personal use, including fuel, maintenance and other expenses.
- d. Reimbursements of expenses towards telephones, telefax and other communication facilities at the residence.
- e. Expenses/reimbursement towards driver's salary, food vouchers, gas, electricity, water, furnishings and repairs and membership fees/subscription of clubs.
- f. Expenses incurred towards travelling, boarding and lodging actual medical expenses incurred in India and/or abroad including hospitalisation for self and family, medical insurance (for self and family) and personal accident insurance, term life insurance or any other insurance premium paid as per the policy of the Company.
- g. Contribution to Provident fund, Superannuation fund, National Pension Scheme or Annuity fund as per the rules of the Company to the extent these either singly or put together do not exceed the limit laid down in the Income Tax Act, 1961 or any statutory modification or re-enactment thereof.
- h. Such other perquisites and allowances as per the policy/rules of the Company in force and/or as may be approved by the board from time to time

In Fiscal 2024, he received an aggregate compensation of ₹ 7.52 million.

Sitting fees of Non – Executive and Independent Directors:

Pursuant to the Board resolution dated November 30, 2023, each Non-Executive Independent Director, is entitled to receive sitting fees of ₹45,000 (*Rupees Forty Five Thousand only*) per meeting for attending meetings of the Board, ₹5,000 (*Rupees Five Thousand only*) per meeting for attending meetings of the committee of the Company.

Details of the remuneration paid to the Independent Directors of our Company for the Financial Year 2024 are as follows:

The table below sets forth the details of the sitting fees paid to our Independent Directors for the Fiscal 2024:

| Name of Director | Sitting fees for the Fiscal 2024 (in ₹ million) |
|-------------------------|--|
| Snehal Shah | 0.10 |
| Varsha Galvankar | 0.10 |
| Neha Gada | 0.10 |
| Sudhir Gosar | 0.05 |

Remuneration of our Directors from our Subsidiaries

None of the Directors of our Company has been paid any remuneration by our Subsidiaries, including any contingent or deferred compensation accrued for Financial Year 2024.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification shares. Except as disclosed below, none of our Directors hold any Equity Shares in our Company:

| Name of Director | Number of Equity Shares held |
|------------------------------|-------------------------------------|
| Kirit Vishanji Gala | 2,791,488 |
| Satish Kotwani ^{\$} | 2,66,760 |
| Balkishan Jalan [#] | 62,760 |
| Snehal Shah | 30,000 |

[#] Held as first shareholder with second shareholder being Vela Jalan.

^{\$} Held as first shareholder with second shareholder being Anjali Kotwani.

Interest of Directors

All our Independent Directors may be deemed to be interested to the extent of sitting fees payable, if any, to them for attending meetings of our Board and committees thereof, and reimbursement of expenses available to them. Our Executive Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them as stated in “*Our Management – Remuneration to Executive Directors*” on page 248.

The Directors may also be regarded as interested in the Equity Shares held by them or by their relatives, if any, or that may be subscribed by or allotted to them or the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares.

Bonus or profit-sharing plan of the Directors

None of our Directors are party to any bonus or profit-sharing plan of our Company.

Changes in the Board in the last three years

Except as stated below, there has been no change in the Board in the three preceding years:

| Name | Date of change | Reason for change |
|------------------|-----------------------|--------------------------|
| Taramati Gala | November 30, 2023 | Resignation |
| Vishanji Gala | November 30, 2023 | Resignation |
| Snehal Shah | November 30, 2023 | Appointment |
| Varsha Galvankar | November 30, 2023 | Appointment |
| Neha Gada | November 30, 2023 | Appointment |
| Sudhir Gosar | January 11, 2024 | Appointment |

Note: This table does not include details of regularisations of additional Directors and changes in designation.

Borrowing powers of Board

In accordance with the Articles of Association and applicable provisions of the Companies Act, 2013, and pursuant to the special resolution dated January 15, 2024 passed by the Shareholders, the Board may borrow as and when required from any Bank and/or other Financial Institutions and/or foreign lender and/or anybody corporate/entity/entities and/or authorities either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding a sum of ₹200,00,00,000 (Rupees Two Thousand Million Only) (notwithstanding that the monies to be borrowed, together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company’s bankers in the ordinary course of business), may exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserves not set apart for any specific purpose.

Corporate Governance

The corporate governance provisions of the SEBI Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof, as applicable. The corporate governance framework is based on an effective independent Board and constitution of the Board committees, as required under law.

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following committees of the Board of directors:

- a. Audit Committee;

- b. Nomination and Remuneration Committee
- c. Stakeholders' Relationship Committee;
- d. Corporate Social Responsibility Committee; and
- e. IPO Committee

Audit Committee

The Audit committee was constituted by a resolution of our Board dated November 30, 2023. The current constitution of the Audit Committee is as follows:

| Name of the Director | Position in the Committee | Designation |
|-----------------------------|----------------------------------|----------------------|
| Snehal Shah | Chairman | Independent Director |
| Neha Gada | Member | Independent Director |
| Balkishan Jalan | Member | Whole Time Director |

The Company Secretary and Compliance Officer of the Company will act as the Secretary of the Committee.

The constitution, scope and function of the Audit Committee are in compliance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations.

The terms of reference of the Audit Committee include:

Powers of Audit Committee

The Audit Committee shall have powers, including the following:

1. to investigate any activity within its terms of reference;
2. to seek information from any employee of the Company;
3. to obtain outside legal or other professional advice; and
4. to secure attendance of outsiders with relevant expertise, if it considers necessary.
5. such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

Role of Audit Committee

The role of the Audit Committee shall include the following:

1. Overseeing the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation to the Board for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company including the internal auditor, cost auditor and statutory auditor of the Company, and fixation of the audit fee;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - changes, if any, in accounting policies and practices and reasons for the same;

- major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions; and
 - modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
 6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 8. Formulating a policy on related party transactions, which shall include materiality of related party transactions;
 9. Approval or any subsequent modification of transactions of the Company with related parties; All related party transactions shall be approved by only Independent Directors who are the members of the committee and the other members of the committee shall reuse themselves on the discussions related to related party transactions;
Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.
 10. Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
 11. Scrutiny of inter-corporate loans and investments;
 12. Valuation of undertakings or assets of the Company, wherever it is necessary; Appointment of Registered Valuer under Section 247 of the Companies Act, 2013.
 13. Evaluation of internal financial controls and risk management systems;
 14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 15. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 16. Discussion with internal auditors of any significant findings and follow up thereon;
 17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 18. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 19. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

20. To review the functioning of the whistle blower mechanism;
21. Approval of appointment of chief financial officer (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
22. Carrying out any other function as is mentioned in the terms of reference of the audit committee;
23. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
24. To formulate, review and make recommendations to the Board to amend the Terms of Reference of Audit Committee from time to time;
25. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
26. the Audit Committee shall review compliance with the provisions of the SEBI Insider Trading Regulations, at least once in a financial year and shall verify that the systems for internal control under the said regulations are adequate and are operating effectively;
27. to consider the rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc. of the Company and provide comments to the Company's shareholders; and carrying out any other functions as provided under the provisions of the Companies Act, the SEBI Listing Regulations and other applicable laws, and
28. carrying out any other functions as may be required / mandated and/or delegated by the Board as per the provisions of the Companies Act, 2013, SEBI Listing Regulations, uniform listing agreements and/or any other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Management letters/letters of internal control weaknesses issued by the statutory auditors;
3. Internal audit reports relating to internal control weaknesses; and
4. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
5. Statement of deviations:
 - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
 - annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.
6. The financial statements, in particular, the investments made by any unlisted subsidiary; and
7. Such information as may be prescribed under the Companies Act and SEBI Listing Regulation.

Nomination and Remuneration Committee

The Nomination and Remuneration committee was constituted by a resolution of our Board dated November 30, 2023. The current constitution of the Nomination and Remuneration Committee is as follows:

| Name of the Director | Position in the Committee | Designation |
|-----------------------------|----------------------------------|--------------------------|
| Varsha Galvankar | Chairperson | Independent Director |
| Snehal Shah | Member | Independent Director |
| Rajendra Gogri | Member | Non - Executive Director |
| Kirit Vishanji Gala | Member | Managing Director |

The constitution, scope and function of the Nomination and Remuneration Committee are in compliance with Section 178 of the Companies Act and Regulation 19 of the SEBI Listing Regulations.

The terms of reference of the Nomination and Remuneration Committee include:

- a. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- b. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may
 - use the services of an external agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - consider the time commitments of the candidates

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- i. The level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
- ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals
- iv. Formulating criteria for evaluation of performance of independent directors and the Board;
- v. Devising a policy on diversity of Board;
- vi. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

- vii. Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- viii. Recommending to the board, all remuneration, in whatever form, payable to senior management;
- ix. Analysing, monitoring and reviewing various human resource and compensation matters, including the compensation strategy;
- x. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- xi. Recommending the remuneration, in whatever form, payable to non-executive directors and the senior management personnel and other staff (as deemed necessary);
- xii. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- xiii. Administering, monitoring and formulating detailed terms and conditions of the Employees Stock Option Scheme of the Company;
- xiv. Framing suitable policies and systems to ensure that there is no violation, as amended from time to time, of any securities laws or any other applicable laws in India or overseas, including:
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
 - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended.
- xv. Carrying out any other function as is mandated by the Board from time to time and / or enforced/mandated by any statutory notification, amendment or modification, as may be applicable;
- xvi. Performing such other functions as may be necessary or appropriate for the performance of its duties; and
- xvii. Perform such functions as are required to be performed by the Compensation Committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2022.
- xviii. Administering the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("**ESOP Scheme**") including the following:
 - Determining the eligibility of employees to participate under the ESOP Scheme;
 - Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
 - Date of grant;
 - Determining the exercise price of the option under the ESOP Scheme;
 - The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
 - The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
 - The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
 - The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
 - Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered

- unattractive due to fall in the market price of the equity shares;
 - The grant, vest and exercise of option in case of employees who are on long leave;
 - Allow exercise of unvested options on such terms and conditions as it may deem fit;
 - The procedure for cashless exercise of options;
 - Forfeiture/ cancellation of options granted;
 - Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
 - The number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action; and
 - For this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.
- xix. Construing and interpreting the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan (“**ESOP Scheme**”) and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme.

Stakeholders’ Relationship Committee

The Stakeholders’ Relationship Committee was reconstituted by a resolution of our Board dated November 30, 2023. The current constitution of the Stakeholders Relationship Committee is as follows:

| Name of the Director | Position in the Committee | Designation |
|-----------------------------|----------------------------------|------------------------|
| Rajendra Gogri | Chairman | Non-Executive Director |
| Balkishan Jalan | Member | Whole Time Director |
| Neha Gada | Member | Independent Director |

The constitution, scope and function of the Stakeholders’ Relationship Committee is in compliance with Section 178 of the Companies Act and Regulation 20 of the SEBI Listing Regulations.

The terms of reference of the Stakeholders’ Relationship Committee include:

1. Redressal of all security holders’ and investors’ grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, dematerialization and re-materialisation of shares, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., assisting with quarterly reporting of such complaints and formulating procedures in line with statutory guidelines to ensure speedy disposal of various requests received from shareholders;
2. Resolving the grievances of the security holders of the Company including complaints related to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
3. Giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
4. Reviewing the adherence to the service standards adopted by the Company with respect to various services rendered by the registrar and transfer agent of our Company and to recommend measures for overall improvement in the quality of investor services;

5. Review of measures taken for effective exercise of voting rights by shareholders;
6. To approve allotment of shares, debentures or any other securities as per the authority conferred / to be conferred to the Committee by the Board of Directors from time to time;
7. To approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization, re-materialisation etc. of shares, debentures and other securities;
8. To monitor and expedite the status and process of dematerialization and re-materialisation of shares, debentures and other securities of the Company;
9. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
10. Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted by our Board at its meeting held on November 30, 2023 in accordance with Section 135 of the Companies Act. The current constitution of the Corporate Social Responsibility Committee is as follows:

| Name of the Director | Position in the Committee | Designation |
|-----------------------------|----------------------------------|----------------------|
| Kirit Vishanji Gala | Chairman | Managing Director |
| Satish Kotwani | Member | Whole Time Director |
| Varsha Galvankar | Member | Independent Director |

The terms of reference of the Corporate Social Responsibility Committee include the following:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy stipulating, amongst others, the guiding principles for selection, implementation and monitoring the activities as well as formulation of the annual action plan which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;
2. To review and recommend the amount of expenditure to be incurred on the activities referred to in (1) and amount to be incurred for such expenditure shall be as per the applicable law;
3. To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
4. To review and recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
5. To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
6. To review and monitor the Corporate Social Responsibility Policy of the company and its implementation from time to time, and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

7. To do such other acts, deeds and things as may be required to comply with the applicable laws; and
8. To take note of the Compliances made by implementing agency (if any) appointed for the corporate social responsibility of the Company.
9. The Corporate Social Responsibility Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its corporate social responsibility policy, which shall include the following:
 - the list of corporate social responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act;
 - the manner of execution of such projects or programmes as specified in the rules notified under the Companies Act;
 - the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - monitoring and reporting mechanism for the projects or programmes; and
 - details of need and impact assessment, if any, for the projects undertaken by the Company.
10. To perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.

IPO Committee

The IPO Committee was constituted by a meeting of our Board held on November 30, 2023. The members of the IPO Committee are:

| Name of the Director | Position in the Committee | Designation |
|-----------------------------|----------------------------------|----------------------|
| Kirit Vishanji Gala | Chairman | Managing Director |
| Balkishan Jalan | Member | Whole Time Director |
| Neha Gada | Member | Independent Director |

The terms of reference of the IPO Committee include the following:

1. To decide, negotiate and finalize, in consultation with the book running lead manager appointed in relation to the Offer (the “BRLM”), all matters regarding the Pre-Offer Placement, if any, out of the fresh issue of Equity Shares by the Company in the Offer, decided by the Board, including entering into discussions and execution of all relevant documents with Investors;
2. To amend the terms of participation by the Selling Shareholders in the Offer for Sale;
3. To take all actions as may be necessary and authorised in connection with the offer for sale and to approve and take on record the approval of the selling shareholder(s) for offering their Equity Shares in the offer for sale and the transfer of Equity Shares in the offer for sale;
4. To decide on other matters in connection with or incidental to the Offer, including the pre-Offer placement, timing, pricing and terms of the Equity Shares, the Offer price, the price band, the size and all other terms and conditions of the Offer including the number of Equity Shares to be offered and transferred in the Offer, the bid / Offer opening and bid/Offer closing date, discount (if any), reservation, determining the anchor investor portion, issue price for anchor investors and allocating such number of Equity Shares to anchor investors in consultation with the BLRMs and in accordance with the SEBI ICDR Regulations and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including to make any amendments, modifications, variations or alterations in relation to the Offer and to constitute such other committees of the Board, as may be required under Applicable Laws, including as provided in the SEBI Listing Regulations;

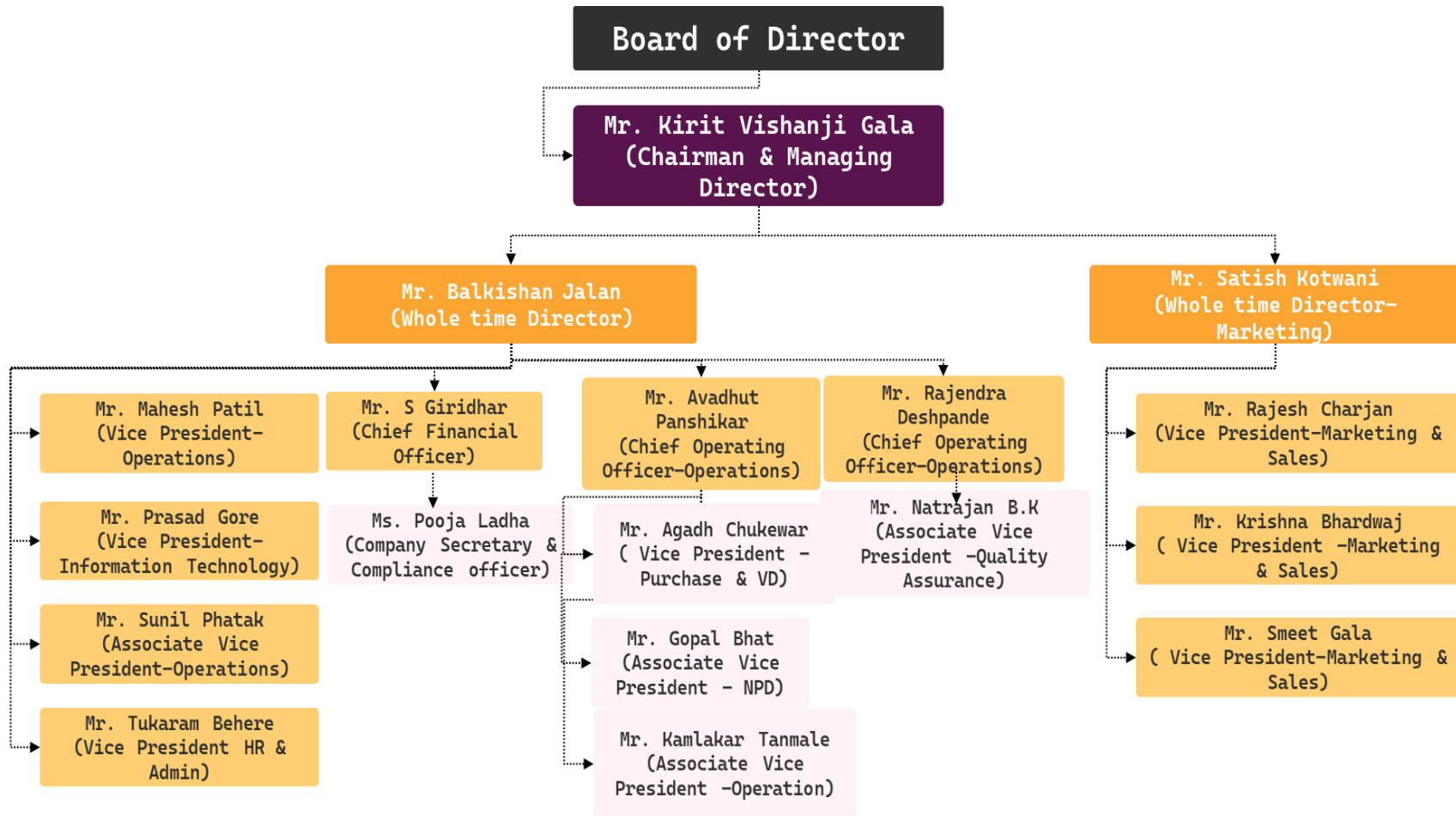
5. To make applications, seek clarifications, obtain approvals and seek exemptions from, where necessary, SEBI, the RoC and any other governmental or statutory authorities as may be required in connection with the Offer and accept on behalf of the Company such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications / amendments as may be required in the draft red herring prospectus (the “DRHP”), the red herring prospectus (the “RHP”) and the Prospectus as applicable;
6. To finalize, settle, approve, adopt and file in consultation with the BRLM where applicable, the DRHP, the RHP the Prospectus, the preliminary and final international wrap and any amendments (including dating of such documents), supplements, notices, addenda or corrigenda thereto, and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/corrections/modifications as may be required by SEBI, the RoC or any other relevant governmental and statutory authorities or in accordance with Applicable Laws;
7. To invite the existing shareholders of the Company to participate in the Offer by offering for sale the Equity Shares held by them at the same price as in the Offer;
8. To approve the relevant restated financial statements to be issued in connection with the Offer;
9. To appoint and enter into and terminate arrangements with the BRLM, and appoint and enter into and terminate arrangements in consultation with the BRLM with underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, registrars, public offer account bankers to the Offer, sponsor bank, legal advisors, auditors, independent chartered accountants, advertising agency, registrar to the Offer, depositories, custodians, grading agency, monitoring agency, industry expert, credit rating agencies, printers, and any other agencies or persons or intermediaries whose appointment is required in relation to the Offer including any successors or replacements thereof, and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLM and negotiation, finalization, execution and, if required, amendment or termination of the Offer agreement with the BRLM;
10. To decide the total number of Equity Shares to be reserved for allocation to eligible categories of investors, if any, and on permitting existing shareholders to sell any Equity Shares held by them;
11. To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the DRHP, the RHP, the Prospectus, Offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow and sponsor bank agreement, ad agency agreement, agreements with the registrar to the issue and all other documents, deeds, agreements and instruments whatsoever with the registrar to the Offer, legal advisors, auditors, stock exchange(s), BRLM and any other agencies/intermediaries in connection with the Offer with the power authorize one or more officers of the Company to execute all or any of the aforesaid documents or any amendments thereto as may be required or desirable in relation to the Offer;
12. To authorise the maintenance of a register of holders of the Equity Shares;
13. To seek, if required, the consent and/or waiver of the lenders of the Company, customers, suppliers, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents and/or waivers that may be required in relation to the Offer or any actions connected therewith;
14. To open and operate bank accounts in terms of the escrow agreement and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
15. To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013, as

amended, and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

16. To authorize and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;
17. To accept and appropriate the proceeds of the Offer in accordance with the Applicable Laws;
18. To approve code of conduct as may be considered necessary or as required under Applicable Laws, regulations or guidelines for the Board, officers of the Company and other employees of the Company;
19. To implement any corporate governance requirements that may be considered necessary by the Board or the any other committee or as may be required under the Applicable Laws, including the SEBI Listing Regulations and listing agreements to be entered into by the Company with the relevant stock exchanges, to the extent allowed under law;
20. To issue receipts/allotment letters/confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchanges, with power to authorize one or more officers of the Company or the Registrar to the Offer to sign all or any of the aforesaid documents;
21. To authorize and approve notices, advertisements in relation to the Offer, in accordance with the SEBI ICDR Regulations and other Applicable Laws, in consultation with the relevant intermediaries appointed for the Offer;
22. To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/confirmation of allotment notes, share certificates in accordance with the relevant rules, in consultation with the BRLM;
23. To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and / or modify, as the case maybe, agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of the Company to execute all or any of the afore-stated documents;
24. To make applications for listing of the Equity Shares in one or more stock exchanges for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchanges in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of the Company where necessary;
25. To settle all questions, difficulties or doubts that may arise in regard to the Offer, including such issues or allotment, terms of the Offer, utilisation of the Offer proceeds and matters incidental thereto as it may deem fit;
26. To authorize any concerned person on behalf of the Company to give such declarations, affidavits, undertakings, certificates, consents and authorities as may be required from time to time in relation to the Offer or provide clarifications to the SEBI, the RoC and the relevant stock exchanges where the Equity Shares are to be listed;
27. To negotiate, finalize, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the Board or any other committee thereof may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the Board or any other committee thereof shall be conclusive evidence of their authority in so doing;

28. To approve suitable policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under the SEBI Listing Regulations or any other Applicable Laws;
29. To approve the list of 'group companies' of the Company, identified pursuant to the materiality policy adopted by the Board, for the purposes of disclosure in the DRHP, RHP and Prospectus;
30. To withdraw the DRHP or the RHP or to decide to not proceed with the Offer at any stage in accordance with Applicable Laws and in consultation with the BRLM; and
31. To delegate any of its powers set out under (1.) to (30.) hereinabove, as may be deemed necessary and permissible under Applicable Laws to the officials of the Company.

Management Organisation Chart



Key Managerial Personnel

In addition to Kirit Vishanji Gala, our Chairman and Managing Director, and Balkishan Jalan and Satish Kotwani, our Whole-time Directors, whose details are provided in “Brief biographies of our Directors” on page 248, the details of the Key Managerial Personnel of our Company are as follows:

Srinivasan Giridhar is the Chief Financial Officer of the Company. He holds a bachelor’s degree in commerce from University of Bombay (1987). He also qualified as a chartered accountant from the Institute of Chartered Accountants of India (1993). He was previously associated with the Company from May 26, 2014 to May 31, 2021 as Vice President – Finance and Accounts. He rejoined our company on 01 April, 2022 as Vice President – Finance and Accounts. He was promoted to the position of Chief Financial Officer with effect from November 30, 2023. He has 27 years of experience in his field. He currently oversees accounts, finance and taxation in our Company. He received a remuneration of ₹2.90 million from our Company in Fiscal 2024.

Pooja Ladha is the Company Secretary of our Company with effect from October 9, 2023. She is appointed as Compliance Officer of our Company with effect from November 2, 2023. She holds a bachelor’s degree in Commerce from the University of Calcutta (2013). She has also qualified as a company secretary from the Institute of Company Secretaries of India (2016). Prior to joining our Company, she was associated with Pushkar Banijya Limited for a period of 2 years as a Company Secretary. She received a remuneration of ₹0.41 million from our Company in Fiscal 2024.

Senior Management Personnel

In addition to Chief Financial Officer and Company Secretary and Compliance Officer of our Company, whose details are provided in “Key Managerial Personnel” on page 269, the details of our other Senior Management Personnel are set forth below:

Smeet Kirit Gala is the Vice President (Marketing and Sales) of our Company. He is also one of the promoters of our Company. He has been associated with our Company since April 19, 2021. He holds a bachelor’s degree in technology (production engineering branch) from Veermata Jijabai Technological Institute, University of Mumbai (2016). He is associated with Workamp Spaces Private Limited and Slate Workspaces as a director. He received a remuneration of ₹2.34 million from our Company in Fiscal 2024.

Rajendra Deshpande is the Chief Operating Officer (CSS Unit) of our Company. He joined our Company pursuant to the BTA. He joined Gala Precision Engineering Private Limited with effect from April 01, 2006. He was promoted to the position of Associate Vice President (Business Development) with effect from April 01, 2008. He was then promoted to the position of Vice President (International Marketing) on April 01, 2011. He was further promoted to the position of Chief Operating Officer (CSS Unit) with effect from April 01, 2017. He retired from our Company on December 31, 2022 after which he rejoined our Company on retainer basis with effect from August 28, 2023. He holds a bachelor degree in engineering (mechanical) from Nagpur University (1985). He has previously been associated with Roto Pumps Limited as regional manager. He has over 20 years of experience in his field. He received a consultancy fees of ₹1.30 million from our Company in Fiscal 2024.

Prasad Gore is the Vice President (Information Technology) of our Company. He joined our Company pursuant to the BTA. He was previously associated with Gala Precision Technology Private limited from September 05, 2005. He remained a part of our Company up until December 31, 2012 after which he rejoined our Company as Associate Vice President (Information Technology) on November 15, 2018. He was promoted to the position of Vice President (Information Technology) with effect from April 01, 2023. He holds a Diploma in computer technology from the board of technical examinations, Government of Maharashtra (1996). He also holds a bachelor’s degree in engineering (computer engineering) from University of Mumbai (1999). He has been associated with Capgemini India Private Limited as an SCM consultant, Sandip Academy of Engineering as a software engineer, Aegis Logistics Limited as manager (IT) and he has 20 years of experience in his field. He received a remuneration of ₹2.27 million from our Company in Fiscal 2024.

Tukaram Behere is the Vice President (Human Resources and Administration) of our Company. He joined our Company as Senior Manager (Human Resources and Administration) on September 01, 2014. He was promoted to the position of Associate Vice President (Human Resources and Administration) with effect from April 01, 2019. He holds a bachelor's degree in Geography from Shivaji University, Kolhapur (1998). He also holds a master's degree in social welfare from Shivaji University, Kolhapur (2001). He has been previously associated with companies such as Tiger Steel Engineering (India) Private Limited, Grauer & Weil (India) Limited, NRC Limited, Indokem Limited. He has 19 years of experience in his field. He received a remuneration of ₹2.12 million from our Company in Fiscal 2024.

Avadhut Panshikar is the Chief Operating Officer (Operations - DSS) of our Company. He joined our Company pursuant to the BTA. He joined Gala Precision Technology Private Limited with effect from February 22, 2006. He remained a part of our Company until December 04, 2013 after which he rejoined our Company as Associate Vice President with effect from June 05, 2014. He was promoted to the position of Vice President (Operations) with effect from April 01, 2018. He was further promoted to the position of Chief Operating Officer (Operations - DSS) effective from April 01, 2023. He holds a diploma in mechanical engineering from the board of technical examinations, Government of Maharashtra, (1993). He also holds a bachelor's degree in engineering (mechanical) from Shivaji University, Kolhapur (1996). He was previously associated with companies such as SKF India Limited, Mahindra and Mahindra Limited and Bharat Bijlee Limited and has over 25 years of experience in his field. He received a remuneration of ₹3.23 million from our Company in Fiscal 2024.

Agadh Chukewar is the Vice President (Purchase and Vendor Development) of our Company. He joined our Company as Manager (Purchase and Vendor Development) with effect from May 08, 2010. He was promoted to the position of Associate Vice President (Purchase and Vendor Development) with effect from April 01, 2018. He holds a bachelor's degree in engineering (mechanical) from Amravati University (2000). He was previously associated with Stromag India Private Limited as assistant manager: sourcing and has 16 years of experience in his field. He received a remuneration of ₹2.67 million from our Company in Fiscal 2024.

Gopal Bhat is the Associate Vice President (New Product Development) of our Company. He joined our Company pursuant to the BTA. He joined Gala Precision Technology Private Limited with effect from June 12, 2006. He remained a part of our Company until September 23, 2014 after which he rejoined our Company as Associate Vice President (New Product Development) with effect from April 18, 2022. He holds diploma in tool and die making from Government Tool Room & Training Centre, Bangalore (2001). He also holds a post graduate diploma in Operations Management from Welinkar Institute of Management Development & Research (2008). He was previously associated with companies such as KDDL Limited, Hytronics Enterprises, Epc Dies & Moulds Engineers Private Limited, Advance Power Display System Limited, Jewalex India Private Limited, Shivalik Bimetal Controls Limited as Assistant General Manager. He has 19 years of experience in his field. He received a remuneration of ₹1.99 million from our Company in Fiscal 2024.

Rajesh Charjan is the Vice President (Marketing and Sales) of our Company. He joined our Company pursuant to the BTA. He joined Gala Precision Technology Private Limited with effect from November 07, 2007. He was promoted to the position of Associate Vice President (Business Development) with effect from April 01, 2018. He was further promoted to the position of Vice President (Marketing and Sales) with effect from April 01, 2023. He holds a bachelor's degree in engineering (production engineering) from Nagpur University (2001). He was previously associated with Josts Engineering Company Limited and has 18 years of experience in his field. He received a remuneration of ₹2.56 million from our Company in Fiscal 2024.

Mahesh Patil is the Vice President (Operations – Special Fastening Solutions) of our Company. He joined our Company pursuant to the BTA. He was previously associated with Gala Precision Technology with effect from August 20, 2005. He was promoted to the position of Associate Vice President (New Product Development) with effect from April 01, 2018. He was further promoted to the position of Vice President (Operations – Special Fastening Solutions) with effect from April 01, 2022. He holds a bachelor's degree in engineering (mechanical) from University of Mumbai (1998). He was previously associated with Mahindra Ugin Steel Company Limited as Senior Engineer and has 24 years of experience in his field. He received a remuneration of ₹2.18 million from our Company in Fiscal 2024.

Sunilkumar Pathak is the Associate Vice President (Operations) of our Company. He joined our Company as Senior Manager (Operations) with effect from April 01, 2019. He was promoted to the position of Associate Vice President (Operations) with effect from April 01, 2021. He has a diploma in mechanical engineering from Maharashtra State Board of Technical Education (2006). He also holds a diploma in CAD from the Central Institute of Tool Design and Electronics Corporation of India Limited (2007). He was previously associated with Custom Capsules Private Limited as Assistant Manager – Capsule Production and has 11 years of experience in his field. He received a remuneration of ₹2.37 million from our Company in Fiscal 2024.

Nataraja B. K. is the Associate Vice President (Quality Assurance) of our Company. He joined our Company as Senior Manager (Quality Assurance) with effect from December 01, 2014. He was promoted to the position of Associate Vice President (Quality Assurance) with effect from April 01, 2022. He holds a diploma in mechanical engineering (1991). He also holds a bachelor's degree in Engineering Technology from Birla Institute of Technology & Science (2020). He was previously associated with Mubea Suspension India Limited as Head (Quality) and has 28 years of experience in his field. He received a remuneration of ₹2.40 million from our Company in Fiscal 2024.

Krishna Bhardwaj is the Vice President (Marketing) of our Company. He joined our Company as Manager (Marketing) for disc spring division with effect from January 03, 2014. He was promoted to the position of Associate Vice President (Marketing) with effect from April 01, 2019. He has a bachelor's degree Commerce from P.P.N College, Kanpur (2002). He also holds a master's degree in business administration from Uttar Pradesh Technical University (2008). He was previously associated with Diamond International Private Limited as Assistant Manager and has over 15 years of experience in his field. He received a remuneration of ₹2.29 million from our Company in Fiscal 2024.

Kamlakar Tarmale is the Associate Vice President (Operations) of our Company. He joined our Company pursuant to the BTA. He joined Gala Precision Technology Private Limited with effect from April 05, 2007. He was promoted to the position of Associate Vice President (Operations) with effect from April 01, 2024. He has completed his diploma in production technology from Maharashtra State Board of Technical Education. He has also completed his post graduate diploma in management (operations management) from Prin. L.N. Welingkar Institute of Management Development & Research. He was previously associated with Central Railways and Liberty Oil Mills Limited and has over 20 years of experience in his field. He received a remuneration of ₹ 1.69 million from our Company in Fiscal 2024.

Status of Key Managerial Personnel and Senior Management Personnel

Except Rajendra Deshpande who is on our retainership, all our Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company.

Relationship among Key Managerial Personnel and Senior Management Personnel and Directors

Except as disclosed in “*Relationships between our Directors, Key Managerial Personnel and Senior Managerial Personnel*” on page 253, none of our Key Managerial Personnel and Senior Management Personnel are related to each other.

Arrangements and understanding with major shareholders

None of our Key Managerial Personnel and Senior Management Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

Shareholding of the Key Managerial Personnel and Senior Management Personnel

Other than as disclosed under “*Capital Structure – Details of Shareholding of our Directors, Key Managerial Personnel and Senior Management in our Company*” on page 83, none of our Key Managerial Personnel or Senior Management hold any Equity Shares as on the date of this Prospectus.

Service contracts with Key Managerial Personnel and Senior Management

Other than statutory benefits upon termination of their employment in our Company on retirement and, none of our Key Managerial Personnel or Senior Management have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Contingent and deferred compensation payable to Key Managerial Personnel and Senior Management Personnel

As on the date of this Prospectus, there is no contingent or deferred compensation which accrued to our Key Managerial Personnel and Senior Management Personnel for Fiscal 2023, which does not form part of their remuneration for such period.

Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management Personnel

None of the Key Managerial Personnel or Senior Management is party to any bonus or profit-sharing plan of our Company. The management may from time to time decide to give performance bonus to its employees.

Interest of our Key Managerial Personnel and Senior Management Personnel

Our Key Managerial Personnel and Senior Management are interested in our Company to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service. Further, our KMPs are also interested in our Company to the extent of the unsecured loans provided by them to our Company

Our Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held by them in our Company.

For further details please see the section titled “*Our Management – Interest of Directors*” on page 248.

Changes in the Key Managerial Personnel and Senior Management Personnel in last three years

Other than as disclosed under “*Changes to the Board in the last three years*” on page 256, the details of the changes in the Key Managerial Personnel and Senior Management Personnel of our Company in the last three years are as follows:

| Name | Designation | Date of change | Reason of change |
|---------------------|---|-------------------|---|
| Sunilkumar Pathak | Associate Vice President (Operations) | April 01, 2021 | Promoted as Associate Vice President (Operations) |
| Smeet Kirit Gala | Associate Vice President (Marketing & Sales) | April 19, 2021 | Appointment |
| Srinivasan Giridhar | Vice President | May 31, 2021 | Resignation |
| Chiragkumar Rupala | Associate Vice President | December 30, 2021 | Resignation |
| Mahesh Patil | Vice President (Operations – Special Fastening Solutions) | April 01, 2022 | Promoted as Vice President (Operations – Special Fastening Solutions) |
| Nataraja B. K. | Associate Vice President | April 01, 2022 | Promotion |
| Srinivasan Giridhar | Vice President | April 01, 2022 | Appointment |
| Kapil Budhdev | Associate Vice President | April 30, 2022 | Resignation |
| Anand Kaundanya* | Chief Operating Officer | May 31, 2022 | Sale of SES Division |
| Prasad Gore | Associate Vice President | April 01, 2023 | Promotion |

| Name | Designation | Date of change | Reason of change |
|---------------------|---|--------------------|-------------------------------------|
| K Dinesh | Associate Vice President | September 07, 2023 | Resignation |
| Pooja Ladha | Company Secretary | October 09, 2023 | Appointment |
| Srinivasan Giridhar | Chief Financial Officer | November 30, 2023 | Promoted as Chief Financial Officer |
| Tukaram Behere | Vice President (Human Resources and Administration) | April 01, 2024 | Promotion |
| Krishna Bharadwaj | Vice President (Marketing) | April 01, 2024 | Promotion |
| Smeet Gala | Vice President (Marketing and Sales) | April 01, 2024 | Promotion |
| Kamlakar Tarmale | Associate Vice President (Operations) | April 01, 2024 | Promotion |
| Agadh Chukewar | Vice President (Purchase and Vendor Development) | April 01, 2024 | Promotion |

* We have sold the intangible assets of the surface engineering solutions business to SM Systems Private Limited through a sale agreement dated May 30, 2022.

Payment or benefits to the Key Managerial Personnel and Senior Management Personnel

Except as disclosed in this section and in the sub-section titled “*Capital Structure – Details of Equity Shares granted under employee stock option scheme*” on page 83 in relation to the employee stock option plans, no non-salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company’s officers and Key Managerial Personnel and Senior Management Personnel within the two preceding years from the date of filing of this Prospectus, other than in the ordinary course of their employment.

Conflict of Interest

There are no conflict of interest between the suppliers of raw materials and third party service providers (crucial for operations of the company) and the company, Promoter, Promoter Group, Key Managerial Personnel, Directors and subsidiaries/ Group Company and its directors

Employee stock option plan

For details of the ESOP Schemes implemented by our Company, see “*Capital Structure –Employee Stock Option Schemes*” on page 83

OUR PROMOTERS AND PROMOTER GROUP



Our Promoters

The Promoters of our Company are Kirit Vishanji Gala and Smeet Kirit Gala.

As on date of this Prospectus, our Promoters, in aggregate, hold 3,380,632 Equity Shares in our Company, representing 26.68% of the issued, subscribed and paid-up Equity Share capital of our Company.

For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure – History of the Equity Share capital held by our Promoters*" on page 83.

Details of our Promoters:

| | |
|---|--|
|  | <p>1. Kirit Vishanji Gala</p> <p>Kirit Vishanji Gala, aged 61 years, is one of our Promoters and is also the Chairman and Managing Director on the Board.</p> <p>Date of Birth: August 25, 1962</p> <p>Address: Flat no 1700 17 Floor, Lodha Aristo, Majiwada, Near Rustomjee Complex, Thane West, Thane, Maharashtra – 400 601</p> <p>For a complete profile of Kirit Vishanji Gala i.e., his educational qualifications, professional experience, positions / posts held in the past and other directorships, interest in other entities, special achievements, business and financial activities, see "<i>Our Management</i>" on page 248.</p> <p>His permanent account number is ADTPG2708D</p> |
|  | <p>2. Smeet Kirit Gala</p> <p>Smeet Kirit Gala, aged 30 years, is one of our Promoters and is also a Senior Management Personnel of our Company.</p> <p>Date of Birth: April 05, 1994</p> <p>Address: Flat no 1600 16 Floor, Lodha Aristo, Majiwada, Near Rustomjee Complex, Thane West, Thane, Maharashtra – 400 601</p> <p>For a complete profile of Smeet Kirit Gala i.e., his educational qualifications, professional experience, positions and posts held in the past and other directorships, interest in other entities, special achievements, business and Financial activities, see "<i>Our Management</i>" on page 248.</p> <p>His permanent account number is ARDPG4055D</p> |

Our Company confirms that the permanent account number, bank account number(s), the passport number, Aadhaar card number and driving license number of each of our Promoters have been submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus.

Other ventures of our Promoters

Other than as disclosed in “– *Entities forming part of our Promoter Group*” below and in section “*Our Management – Other Directorships*” on page 248, our Promoters are not involved in any other ventures.

Interest of our Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective shareholding and the shareholding of the members of the Promoter Group in our Company, directly and indirectly, the dividend payable, if any, and any other distributions in respect of the Equity Shares held by them in our Company, directly or indirectly, from time to time. For details of the shareholding of our Promoters in our Company, please see the section entitled “*Capital Structure*” and “*Our Management – Interests of Directors*” on page 83 and 248 respectively.

Our Promoters, who are also Directors, may be deemed to be interested to the extent of their remuneration/fees and reimbursement of expenses, payable to them, if any. For further details, please see the section entitled “*Our Management – Payment or benefit to the Directors of our Company*” on page 248.

Our Promoters have no interest in any property acquired by our Company during the three years immediately preceding the date of this Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Our Promoters do not have any direct or indirect interest in the properties that our Company has taken on lease.

No sum has been paid or agreed to be paid to any of our Promoters or to the firms or companies in which our Promoters are interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by our Promoters or by such firms or companies in connection with the promotion or formation of our Company.

Payment or benefits to Promoters or Promoter Group

Except in the ordinary course of business and as disclosed in the sections entitled “*Other Financial Information - Related Party Disclosures*” and “*Financial Information –Notes to Restated Financial Information – Annexure VI - Note 31(e) – Related party Disclosures*” on pages 355 and 283, respectively, no amount or benefit has been paid or given to our Promoters or any of the members of the Promoter Group during the two years preceding the filing of this Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or any of the members of the Promoter Group other than in the ordinary course of business.

Disassociation by our Promoters in the last three years

Except as disclosed below, our Promoters have not disassociated themselves from any companies or firms during the preceding three years from the date of filing of this Prospectus:

| Name of the Promoters(s) | Companies or firms with which Promoters(s) have disassociated | Reasons and circumstances of disassociation | Date of disassociation |
|---------------------------------|--|--|-------------------------------|
| Smeet Kirit Gala | Gala Finishing Solutions Private Limited | Disassociation on account of sale of entire stake | November 21, 2023 |

Material guarantees given by our Promoters to third parties with respect to Equity Shares of our Company

Our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Prospectus.

Confirmations

Our Promoters and members of our Promoter Group have not been declared Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on Wilful Defaulters or Fraudulent Borrowers issued by Reserve Bank of India.

Our Promoters have not been declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

Our Promoters and members of our Promoter Group have not been prohibited or debarred from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other securities market regulator or any other authority, court or tribunal inside and outside India.

Our Promoters are not and have not been promoters or directors of any other company which is debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Change in the control of our Company

While there has been no change in control of our Company in the last five years immediately preceding the date of this Prospectus. Smeet Kirit Gala has been identified as the Promoter of our Company pursuant to the resolution dated December 26, 2023 approved by our Board.

Promoter Group

In addition to our Promoters, the individuals and entities that form part of the Promoter Group of our Company in terms of the SEBI ICDR Regulations are set out below:

Individuals forming part of the Promoter Group

The individuals forming a part of our Promoter Group are as follows:

| Members of the Promoter Group | Relationship with the Promoter |
|-------------------------------|--------------------------------|
| Kirit Vishanji Gala | |
| Taramati V Gala | Mother |
| Rumie Kirit Gala | Spouse |
| Smeet Kirit Gala | Son |
| Saloni Kirit Gala | Daughter |
| Nayna Gala | Sister |
| Alpa Chheda | Sister |
| Vaibhavi Gala | Sister |
| Madhu Ashar | Spouse's Father |
| Manisha Ashar | Spouse's Mother |
| Rajiv Madhu Ashar | Spouse's Brother |
| Smeet Kirit Gala | |
| Kirit Vishanji Gala | Father |
| Rumie Kirit Gala | Mother |
| Anubhuti Gandhi | Spouse |
| Saloni Kirit Gala | Sister |
| Sanjay Mahendra Gandhi | Spouse's Father |
| Shefali Sanjay Gandhi | Spouse's Mother |

Entities forming part of the Promoter Group

Entities forming part of our Promoter Group are as follows:

1. Kirit Gala (HUF);
2. Rajiv and Anupa Ashar Family Trust;
3. Workamp Spaces Private Limited; and
4. Slate Workspaces Private Limited.

Brief details of bodies corporates, partnership firms forming part of the promoter group

1. Kirit Gala (HUF)
Karta: Kirit Vishanji Gala

Members:

1. Rumie Gala
2. Smeet Gala
3. Saloni Gala

2. Rajiv and Anupa Ashar Family Trust

Rajiv Ashar and Anupa Ashar are the settlors and original trustees of the Rajiv and Anupa Ashar Family Trust. The effective date of the trust is from December 29, 2008.

3. Workamp Spaces Private Limited;

Workamp Spaces Private Limited was incorporated on September 21, 2015 under the Companies Act, 2013

The main objects of Workamp Spaces Private Limited are as per the MoA:

To carry on in India or elsewhere the business to provide, develop, establish, handle, operate, organise, promote and arrange array of business support services including physical work spaces and facilities such as furniture & fixtures, air conditioning, Wi- Fi, internet, conference rooms, pantry services, printing, scanning and related facilities and be business incubator to start-ups to meet their economic and socioeconomic policy needs, to provide mentoring sessions, networking opportunities, pooling of resources for better synergize and faster growth

The initial subscribers to the memorandum of association of Workamp Spaces Private Limited were Smeet Kirit Gala subscribing to 5,000 shares and Kirit Vishanji Gala subscribing to 5,000 shares.

4. Slate Workspaces Private Limited.

Slate Workspaces Private Limited was incorporated on December 09, 2020 under the Companies Act, 2013

The main objects of Slate Workspaces Private Limited are as per the MoA:

To carry on in India or elsewhere the business to provide, develop, establish, handle, operate, organise, promote and arrange an array of workspace solution service including sourcing, designing, building and managing of the workspaces. We make tailored and managed workspace solutions for enterprises with 100+ employees.

We make workspaces that compliment your organisation's personality, culture and workflow while you focus on what matters. We use our real estate portfolio to match businesses with property owners around the city and the country, meeting their unique and complex workspace needs. We tailor holistic workspace offerings at the intersection of workflows and brand identity to design spaces that meet and respond to our customers' needs. We offer dedicated space management services that evolve as and when our customers' needs change.

To engage in the realty business like Buying & Selling lands, building, houses, flats, bungalows, shops, offices, factories including Leasing, renting and Land development including office workspaces by various modes and with the use of IT and its applications

The initial subscribers to the memorandum of association of Slate Workspaces Private Limited were Smeet Kirit Gala subscribing to 5,500 shares and Kirit Vishanji Gala subscribing to 4,500 shares

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term “group companies”, includes:

- (i) such companies (other than promoter(s) and subsidiary(ies)) with which the relevant issuer company had related party transactions, during the period for which financial information is disclosed in the offer document, as covered under applicable accounting standards, and
- (ii) any other companies considered material by the board of directors of the relevant issuer company.

Accordingly, for (i) above, all such companies (except subsidiaries) with which the Company had related party transactions during the period covered in the Restated Financial Information included in the offer document, as covered under the applicable accounting standards, shall be considered as ‘group companies’ of the Company in terms of the SEBI ICDR Regulations.

Further, for (ii) above, the Board pursuant to the Materiality Policy, has determined that a company (other than the companies covered under the schedule of related party transactions as per the Restated Financial Information included in the offer document) shall be considered “material” and will be disclosed as a ‘group company’ in the offer documents, if it is a member of the Promoter Group Companies (other than the Promoters, in case the Promoters are companies) in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, and the Company has entered into one or more transactions with such company during the last completed fiscal year (or relevant stub period, if applicable), which individually or cumulatively in value exceeds 10% of the revenue from operations of the Company for the last completed fiscal year and the relevant stub period, as applicable, as per the Restated Financial Information.

Accordingly, the Board has identified following company as our Group Company:

1. Workamp Spaces Private Limited; and
2. Slate Workspaces Private Limited

In terms of the SEBI ICDR Regulations, the following information based on the audited financial statements, in respect of Group Company, for the last three years shall be hosted on the website of our Company:

- reserves (excluding revaluation reserve)
- sales
- profit after tax
- earnings per share
- diluted earnings per share; and
- net asset value

Details of our Group Company

Workamp Spaces Private Limited

Registered Office

The registered office of Workamp Spaces Private Limited is situated at A-801, 8th Floor, Thane One DIL Complex, Ghodbunder Road Majiwade, Thane (West), Maharashtra, India, 400610.

Financial Information

The financial information derived from the audited financial statements of Workamp Spaces Private Limited for the last three financial years, as required by the SEBI ICDR Regulations, are available on www.galagroup.com.

It is clarified that such details available on the websites of our Company do not form part of this Prospectus. Anyone placing reliance on any other source of information, including the websites of our Group Company, would be doing so at their own risk.

Slate Workspaces Private Limited

Registered Office

The registered office of Workamp Spaces Private Limited is situated at A-801, 8th Floor, Thane One DIL Complex, Ghodbunder Road Majiwade, Thane (West), Maharashtra, India, 400610.

Financial Information

The financial information derived from the audited financial statements of Slate Workspaces Private Limited for the last three financial years, as required by the SEBI ICDR Regulations, are available on www.galagroup.com.

It is clarified that such details available on the websites of our Company do not form part of this Prospectus. Anyone placing reliance on any other source of information, including the websites of our Group Company, would be doing so at their own risk.

Litigation which has a material impact on our Company

There is no pending litigation involving our Group Company which has or will have a material impact on our Company.

Nature and extent of interest of Group Company

Interest in the promotion of our Company

Our Group Company do not have any interest in the promotion of our Company.

Interest in the properties acquired by our Company in the preceding three years before filing of Herring Prospectus or proposed to be acquired by our Company.

Our Group Company is not interested in the properties acquired by our Company in the three preceding years before the filing of this Prospectus or proposed to be acquired by our Company.

Interest in transactions for acquisition of land, construction of building and supply of machinery

Our Group Company are not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits

There are no common pursuits amongst our Group Companies and our Company or its Subsidiaries.

Related Business Transactions within the group and significance on the financial performance of our Company

Other than the transactions disclosed in the section “*Financial Information – Annexure VI - Note 31(e) – Related Party Disclosures*” on page 283, there are no other business transactions between our Company and Group Companies which are significant to the financial performance of our Company.

Business interests or other interests

Except in the ordinary course of business and as disclosed in section “*Financial Information – Annexure VI - Note 31(e) – Related Party Disclosures*” on page 283, our Group Companies do not have any business interest in our Company.

Other Confirmations

Our Group Companies do not have any securities listed on a stock exchange.

Brief details of our Group Companies:

1. Workamp Spaces Private Limited;

Workamp Spaces Private Limited was incorporated on September 21, 2015 under the Companies Act, 2013

The main objects of Workamp Spaces Private Limited are as per the MoA:

To carry on in India or elsewhere the business to provide, develop, establish, handle, operate, organise, promote and arrange array of business support services including physical work spaces and facilities such as furniture & fixtures, air conditioning, Wi- Fi, internet, conference rooms, pantry services, printing, scanning and related facilities and be business incubator to start-ups to meet their economic and socioeconomic policy needs, to provide mentoring sessions, networking opportunities, pooling of resources for better synergize and faster growth

The initial subscribers to the memorandum of association of Workamp Spaces Private Limited were Smeet Kirit Gala subscribing to 5,000 shares and Kirit Vishanji Gala subscribing to 5,000 shares.

2. Slate Workspaces Private Limited.

Slate Workspaces Private Limited was incorporated on December 09, 2020 under the Companies Act, 2013

The main objects of Slate Workspaces Private Limited are as per the MoA:

To carry on in India or elsewhere the business to provide, develop, establish, handle, operate, organise, promote and arrange an array of workspace solution service including sourcing, designing, building and managing of the workspaces. We make tailored and managed workspace solutions for enterprises with 100+ employees.

We make workspaces that compliment your organisation's personality, culture and workflow while you focus on what matters. We use our real estate portfolio to match businesses with property owners around the city and the country, meeting their unique and complex workspace needs. We tailor holistic workspace offerings at the intersection of workflows and brand identity to design spaces that meet and respond to our customers' needs. We offer dedicated space management services that evolve as and when our customers' needs change.

To engage in the realty business like Buying & Selling lands, building, houses, flats, bungalows, shops, offices, factories including Leasing, renting and Land development including office workspaces by various modes and with the use of IT and its applications.

The initial subscribers to the memorandum of association of Slate Workspaces Private Limited were Smeet Kirit Gala subscribing to 5,500 shares and Kirit Vishanji Gala subscribing to 4,500 shares”

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and the applicable laws including the Companies Act, read with the rules notified thereunder, each as amended. We may retain all our future earnings, if any, for purposes to be decided by our Company, subject to compliance with the provisions of the Companies Act. The quantum of dividend, if any, will depend on a number of factors, including but not limited to profits earned and available for distribution during the relevant Financial Year, accumulated reserves including retained earnings, expected future capital/expenditure requirements, organic growth plans/expansions, proposed long-term investment, capital restructuring, debt reduction, crystallization of contingent liabilities, cash flows, current and projected cash balance, and external factors, including but not limited to the macro-economic environment, regulatory changes, technological changes and other factors like statutory and contractual restrictions.

Our Company has, by way of a resolution of the Board of Directors dated November 30, 2023 adopted a formal dividend distribution policy.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under our current or future loan or financing documents. The amounts declared as dividends in the past are not necessarily indicative of our dividend amounts, if any, in the future. For more information on restrictive covenants under our current loan agreements, see “*Financial Indebtedness*” on page 388. Our Company may pay dividend by cheque, or electronic clearance service, as will be approved by our Board in the future. Our Board may also declare interim dividend from time to time.

Further, our Company has not paid any dividend in the Fiscal Years ended March 31, 2022, March 31, 2023 and March 31, 2024, and until the date of this Prospectus.

There is no guarantee that any dividends will be declared or paid or the amount thereof will not be decreased in the future. For details, see “*Risk Factors - Our ability to pay dividends in the future will depend on our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.*” on page 36.

SECTION V – FINANCIAL INFORMATION

| Sr. No. | Particulars |
|---------|--|
| 1. | Independent Auditors Examination Report on Restated Financial Statements |
| 2. | Restated Financial Statements |

[The remainder of this page has intentionally been left blank]

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL STATEMENT

The Board of Directors

Gala Precision Engineering Limited

A-801, 8th Floor,

Thane One DIL Complex,

Ghodbunder Road Maji wade,

Thane (west), Mumbai 400610

Maharashtra, India

Dear Sirs,

1. We M M Nissim & Co LLP, Chartered Accountants ("we", or "us") have examined the attached Restated Consolidated Financial Statement of **Gala Precision Engineering Limited** ("Company") and its subsidiaries (collectively referred to as 'the Group') which comprise of the Restated Ind AS Consolidated Statement of Assets and Liabilities as at 31 March 2024, 31 March 2023, and 31 March 2022, the Restated Ind AS Consolidated Statement of Profit and Loss (including Other Comprehensive Income, as applicable) and the Restated Ind AS Consolidated Statement of Cash Flows for each of the years ended 31 March 2024, 31 March 2023, and 31 March 2022 and the Restated Ind AS Consolidated Statement of Changes in Equity for each of the years ended 31 March 2024, 31 March 2023, and 31 March 2022 and the summary of material accounting policies, (collectively, the 'Restated Consolidated Financial Statement'), as approved by the Board of Directors of the Company at their meeting held on 1st August, 2024 for the purpose of inclusion in the Offer Documents prepared by the Company in connection with its proposed initial public offer of equity shares of face value of Rs. 10 each by way of fresh issue of equity shares and offer for sale by the selling shareholders of the Company (the "Offer") and is prepared in terms of the requirements 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 (the 'ICDR Regulations'); and
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ('ICAI') (the 'Guidance Note').

Management's Responsibility for the Restated Consolidated Financial Statements

2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the RHP to be filed with Securities and Exchange Board of India, BSE Limited and National Stock Exchange

of India Limited (collectively, the “Stock Exchanges”) in connection with the IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Annexure V to the Restated Consolidated Financial Information. The respective Board of Directors of the companies included in the Group are responsible for designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the respective restated financial information, which have been used for the purpose of preparation of this Restated Consolidated Financial Information by the Board of Directors of the Company, as aforesaid. The respective Board of Directors are also responsible for identifying and ensuring that the Group / each company within the Group complies with the Act, the ICDR Regulations and the Guidance Note read with the SEBI Communication, as applicable.

Auditors' Responsibilities

3. We have examined the Restated Consolidated Financial Statement taking into consideration:
 - a) The terms of reference and terms of our engagement agreed upon with you vide our engagement letter dated September 18, 2023 requesting us to carry out work on such Restated Ind AS Consolidated Statements, proposed to be included in the offer documents of the Company in connection with the proposed IPO of the Company;
 - b) The guidance note. The guidance note also requires that we comply with the ethical requirements of code of ethics issued by the institute of Chartered Accountants of India
 - c) Concepts of test checks & materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Ind AS Consolidated Financial Statement; and
 - d) The requirement of Section 26 of the Act & 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 read with the SEBI Communication, as applicable, in connection with the IPO.

Restated Consolidated Financial Statements

4. These Restated Consolidated Financial Statement have been compiled by the management from:
 - a) the audited consolidated financial statements of the Group as at and for the year ended March 31, 2024 prepared in accordance with Indian Accounting Standards as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally

accepted in India, which were approved by the Board of Directors at their meetings held on June 12, 2024.

- b) the audited special purpose consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2023 and March 31, 2022 (the “Special Purpose Consolidated Ind AS Financial Statements”) prepared in accordance with basis described in Annexure V of the Restated Consolidated Financial Information, which have been approved by the Board of Directors at their meeting held on November 30, 2023.

5. For the purpose of our examination, we have relied on:

- a. Auditor’s report issued by us dated June 12, 2024 on the Consolidated Financial Statements of the Group as at and for the year ended March 31, 2024 as referred to in paragraph 4(a) above.
- b. Auditor’s report issued by us dated November 30, 2023 on the Special Purpose Consolidated Ind AS Financial Statements of the Group as at and for the year ended March 31, 2023 and March 31, 2022 as referred in paragraph 4(c) above, which included an Emphasis of Matter paragraph as mentioned below:

Emphasis of Matter: “We draw attention to Note 1 to the special Purpose Consolidated Ind AS Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Consolidated Ind AS Financial Statements have been prepared by the Company solely for the purpose of preparation of the restated consolidated financial information in relation to the proposed initial public offering of the Company. As a result, the Special Purpose Consolidated Ind AS Financial Statements may not be suitable for any another purpose. The Special Purpose Consolidated Ind AS Financial Statements cannot be referred to or distributed or included in any offering document or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the restated consolidated financial information and to comply with SEBI Communication and is not to be used, referred to or distributed for any other purpose without our prior written consent. Our opinion is not modified in respect of this.”

The statutory audits of the consolidated financial statements of the Group as at and for the years ended March 31, 2023 and March 31, 2022 prepared in accordance with the accounting standards notified under the section 133 of the Act (“Indian GAAP”) (the “Statutory Consolidated Indian GAAP Financial Statements”), which were approved by Board at their meeting held on 12th June, 2023 and 10th July, 2022 respectively, were conducted by us.

6. As indicated in our audit reports referred in paragraphs 5(a) and 5(b) above

- a. we did not audit the financial statements of the subsidiary company located in India for each of the year ended March 31, 2024 and March 31, 2023 whose financial statements reflect total assets, total revenues and net cash flows included in the Consolidated Ind AS financial statements for the year is as tabulated below, which have been certificated by the management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the accounts given by the Management.

(Amount in million)

| Particulars | As at/ for the year ended March 31, 2024 | As at/ for the year ended March 31, 2023 |
|--------------------------------|---|---|
| Total Assets | 0.38 | 2.64 |
| Total Revenue | 1.43 | - |
| Net Cash inflow/ (outflows) | (0.02) | (0.84) |

7. We did not audit financial statements / financial information of a subsidiary located outside India for each of the year ended 31 March 2024, 31 March 2023 and 31 March 2022 whose share of total assets, total revenues and net cash inflows / (outflows) included in Consolidated Ind AS Financial Statements, is tabulated below, which have been audited by other auditors under generally accepted auditing standards applicable in their respective country. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary located outside India, is based solely on the report of the other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

(Amount in million)

| Particulars | As at / for the year ended March 31, 2024 | As at/ for the year ended March 31, 2023 | As at/ for the year ended March 31, 2022 |
|--------------------------------|---|--|--|
| Total Assets | 1.27 | 86.94 | 83.95 |
| Total Revenue | 49.50 | 94.51 | 10.33 |
| Net Cash inflow/ (outflows) | (1.42) | (0.18) | (1.20) |

8. Based on our examination and according to the information and explanations given to us, we report that the Restated Consolidated Financial Information:
- a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/ reclassifications retrospectively in the years ended March 31, 2023, and 2022 to reflect the same accounting treatment as per the

accounting policies and grouping/classifications followed by the Group as at and for the year ended March 31, 2024, to the extent applicable;

- b. do not require any adjustment for modification as there is no modification in the underlying audit reports; and
 - c. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note read with the SEBI Communication, as applicable.
9. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Restated Consolidated Ind AS Financial Statements, Special Purpose Consolidated Ind AS Financial Statements, Statutory Consolidated Indian GAAP Financial Statements as at and for the years ended March 31, 2024, March 31, 2023, and March 31, 2022 mentioned in paragraph 4 above.
10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us , nor should this report be construed as a new opinion on any of the financial statements referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. Our report is intended solely for use of the Board of Directors for inclusion in the UDRHP/RHP to be filed with Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges") in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For, M M Nissim & Co LLP
Chartered Accountants
(FRNo:107122W/W100672)

N Kashinath
Partner
Membership No: 036490
UDIN: 24036490BKGTTT7238
Date: 1st August, 2024
Place: Mumbai

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE I: RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(Rupees in Million)

| Particulars | Note | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---|-------|------------------------|------------------------|------------------------|
| ASSETS | | | | |
| Non-Current Assets | | | | |
| Property, Plant and Equipment | 2 (a) | 412.71 | 381.54 | 383.52 |
| Right of use assets | 2 (b) | 45.23 | 49.67 | 11.10 |
| Capital Work-in-Progress | 2 (c) | 32.30 | 12.50 | 1.26 |
| Goodwill | | - | 0.07 | - |
| Other Intangible Assets | 3 (a) | 185.99 | 176.80 | 168.37 |
| Intangible assets under development | 3 (b) | 33.34 | 34.55 | 29.33 |
| Financial Assets; | | | | |
| - Other financial assets | 4 | 11.12 | 8.98 | 6.11 |
| Non-Current Tax assets (net) | | 7.22 | 10.89 | 1.31 |
| Other non-current assets | 5 | 15.67 | 6.91 | 4.44 |
| Current Assets | | | | |
| Inventories | 6 | 576.50 | 557.57 | 497.23 |
| Financial Assets; | | | | |
| - Trade Receivables | 7 | 469.68 | 299.63 | 254.57 |
| - Cash and cash Equivalents | 8 | 13.83 | 5.34 | 5.29 |
| - Bank balances other than cash and cash equivalents | 9 | 27.17 | 114.69 | 21.42 |
| - Loans | 10 | 1.22 | 6.26 | 2.99 |
| - Others financial assets | 4 | 17.47 | 4.03 | 20.96 |
| Other current assets | 5 | 37.40 | 34.43 | 48.27 |
| TOTAL ASSETS | | 1,886.85 | 1,703.86 | 1,456.17 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Equity Share Capital | 11 | 101.11 | 25.24 | 25.28 |
| Other Equity | 12 | 946.74 | 811.27 | 567.88 |
| Non Controlling Interest | 12 | (3.37) | 0.03 | - |
| Total Equity | | 1,044.48 | 836.54 | 593.16 |
| LIABILITIES | | | | |
| Non-Current Liabilities | | | | |
| Financial Liabilities | | | | |
| - Borrowings | 13 | 92.06 | 204.99 | 237.74 |
| - Lease liabilities | | 11.43 | 14.89 | - |
| Provisions | 14 | 52.56 | 45.99 | 39.64 |
| Deferred Tax Liabilities (Net) | 15 | 9.28 | 36.94 | 21.13 |
| Current Liabilities | | | | |
| Financial Liabilities | | | | |
| - Borrowings | 13 | 458.22 | 380.99 | 331.18 |
| - Lease liabilities | | 3.45 | 2.90 | |
| - Trade Payables | | | | |
| (A) total outstanding dues of micro & small enterprises | 16 | 3.28 | 6.75 | 3.14 |
| (B) total outstanding dues other than micro & small enterpr | 16 | 133.42 | 74.33 | 134.86 |
| - Other Financial Liabilities | 17 | 63.67 | 84.33 | 56.91 |
| Other Current Liabilities | 18 | 10.02 | 8.99 | 11.51 |
| Provisions | 14 | 4.98 | 6.16 | 9.98 |
| Current Tax Liabilities (Net) | | - | 0.05 | 16.92 |
| Total Liabilities | | 842.37 | 867.31 | 863.01 |
| TOTAL EQUITY AND LIABILITIES | | 1,886.85 | 1,703.86 | 1,456.17 |

The above Annexure should be read with the Restated Consolidated Statement of Operating Profit appearing in Annexure IIA, the the Basis of Preparation and Material Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI.

As per our report of even date attached.

For M.M.Nissim & Co LLP
Chartered Accountants
Firm Reg.No. 107122W / W100672

For and on behalf of the Board of Directors

Sd/
Kirit V. Gala
Chairman and Managing Director
DIN : 01540274

Sd/
Balkishan S. Jalan
Whole Time Director
DIN : 02876873

Sd/
N. Kashinath
Partner
Membership No. 036490
Mumbai, 1st August, 2024

Sd/
S. Giridhar
Chief Financial Officer
Mumbai, 1st August, 2024

Sd/
Pooja Ladha
Company Secretary
Mumbai, 1st August, 2024

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE II - RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(Rupees in Million)

| | Particulars | Note | Year Ended 31 March 2024 | Year Ended 31 March 2023 | Year ended 31 March 2022 |
|-------------|---|-----------|-----------------------------|-----------------------------|-----------------------------|
| I | INCOME | | | | |
| | Revenue from Operations | 19 | 2,025.45 | 1,654.65 | 1,452.77 |
| | Other Income | 20 | 18.32 | 16.17 | 26.86 |
| | TOTAL INCOME | | 2,043.77 | 1,670.82 | 1,479.63 |
| II | EXPENSES | | | | |
| | Cost of materials consumed | 21 | 900.30 | 713.64 | 600.81 |
| | Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress | 22 | (72.83) | (45.75) | (8.88) |
| | Employee Benefits expense | 23 | 247.75 | 232.30 | 215.12 |
| | Finance Costs | 24 | 61.40 | 51.60 | 48.62 |
| | Depreciation and Amortisation expense | 25 | 68.62 | 60.83 | 62.61 |
| | Other Expenses | 26 | 562.66 | 481.22 | 449.07 |
| | TOTAL EXPENSES | | 1,767.90 | 1,493.84 | 1,367.35 |
| III | PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX | | 275.87 | 176.98 | 112.28 |
| IV | ADD: EXCEPTIONAL ITEMS | 27 | (23.09) | 97.59 | - |
| V | PROFIT BEFORE TAX AND AFTER EXCEPTIONAL ITEMS | | 252.78 | 274.57 | 112.28 |
| VI | TAX EXPENSE | | | | |
| | - Current tax | | 54.09 | 30.00 | 32.50 |
| | - Deferred tax | | (28.42) | (6.18) | 1.46 |
| | - Tax adjustments of earlier years | | 7.19 | 8.63 | 12.01 |
| | TOTAL TAX EXPENSE | | 32.86 | 32.45 | 45.97 |
| | NON-CONTROLLING INTEREST | | (3.40) | - | - |
| VII | PROFIT FOR THE YEAR | | 223.32 | 242.12 | 66.31 |
| VIII | Profit before tax and after exceptional items for the year from continuing operations | | 260.02 | 258.08 | 112.28 |
| IX | Tax expense of continuing operations | | 34.71 | 32.45 | 45.97 |
| X | Profit for the year from continuing operations | | 225.32 | 225.63 | 66.31 |
| XI | Profit/ (Loss) before tax for the year from discontinuing operations | | (3.85) | 16.49 | - |
| XII | Tax expense of discontinuing operations | | 1.85 | - | - |
| XIII | Profit for the year from discontinuing operations | | (2.00) | 16.49 | - |
| XIV | PROFIT FOR THE YEAR FROM CONTINUING AND DISCONTINUING OPERATIONS | | 223.32 | 242.12 | 66.31 |
| XV | OTHER COMPREHENSIVE INCOME | | | | |
| | Items that will not be reclassified to Profit or Loss | | | | |
| | Remeasurements of Defined benefit plans | | 0.67 | 2.88 | (0.29) |
| | Income Tax relating to items that will not be reclassified to Profit or Loss | | (0.17) | (0.72) | 0.09 |
| | Items that will be reclassified to Profit or Loss | | | | |
| | Exchange differences in translating the financial statements of foreign operations | | 4.36 | 0.08 | (3.01) |
| | TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX | | 4.86 | 2.24 | (3.21) |
| XVI | TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 228.18 | 244.36 | 63.10 |
| XVII | EARNINGS PER EQUITY SHARE FOR CONTINUING OPERATIONS | 32 (a)(i) | | | |
| | Basic (in Rs.) | | 22.28* | 22.34* | 6.56 |
| | Diluted (in Rs.) | | 21.97* | 21.96* | 6.44 |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE II - RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(Rupees in Million)

| Particulars | Note | Year Ended 31 March 2024 | Year Ended 31 March 2023 | Year ended 31 March 2022 |
|--|-------------|-----------------------------|-----------------------------|-----------------------------|
| EARNINGS PER EQUITY SHARE FOR DISCONTINUING OPERATIONS | | | | |
| XVIII Basic (in Rs.) | 32 (a)(ii) | (0.20) | 1.63 | - |
| Diluted (in Rs.) | | (0.19) | 1.60 | - |
| EARNINGS PER EQUITY SHARE FOR CONTINUING & DISCONTINUING OPERATIONS INCLUDING EXCEPTIONAL ITEMS | 32 (a)(iii) | | | |
| XIX Basic (in Rs.) | | 22.09 | 23.98 | 6.56 |
| Diluted (in Rs.) | | 21.77 | 23.56 | 6.44 |
| * EPS Number including exceptional items | | | | |

The above Annexure should be read with the Restated Consolidated Statement of Operating Profit appearing in Annexure IIA, the Basis of Preparation and Material Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI.

As per our report of even date attached.

For M.M.Nissim & Co LLP
Chartered Accountants
Firm Reg.No. 107122W / W100672

For and on behalf of the board

Sd/
Kirit V. Gala
Chairman and Managing Director
DIN : 01540274

Sd/
Balkishan S. Jalan
Whole Time Director
DIN : 02876873

Sd/
N. Kashinath
Partner
Membership No. 036490
Mumbai, 1st August, 2024

Sd/
S. Giridhar
Chief Financial Officer
Mumbai, 1st August, 2024

Sd/
Pooja Ladha
Company Secretary
Mumbai, 1st August, 2024

GALA PRECISION ENGINEERING LIMITED
ANNEXURE II (A) - RESTATED CONSOLIDATED STATEMENT OF OPERATING PROFIT

Average operating profit in accordance with Regulation 6(1) (b) of the ICDR Regulations to undertake the Issue as as follows:

| (Amount in Million) | | | |
|--|-----------------------------|-----------------------------|-----------------------------|
| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 | Year ended 31 March 2022 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | 228.18 | 244.36 | 63.10 |
| Add: Taxes | 32.86 | 32.45 | 45.97 |
| Add: Finance Cost | 24 | 61.40 | 51.60 |
| Less: Exceptional Income | 27 | 23.09 | (97.59) |
| Less: Other Income | 20 | (18.32) | (16.17) |
| Less: Remeasurement of defined benefit plans | | (4.86) | (2.24) |
| EARNINGS BEFORE INTEREST AND TAX (A) | 322.35 | 212.41 | 134.04 |
| Add: Items in other income that form part of Operating Income | | | |
| Discount on forward contracts | 20 | 9.43 | 10.33 |
| (B) | 9.43 | 10.33 | 9.51 |
| Add: Items in other expenses considered as non-operating expenses | | | |
| Loss on Sale of Asset | 26 | 2.52 | |
| Intangible Assets written off | 26 | - | 4.40 |
| Share of Non Controlling Interest | | 3.40 | - |
| (C) | 5.92 | - | 23.45 |
| OPERATING PROFIT (A+B+C) | 337.71 | 222.74 | 167.00 |
| AVERAGE OPERATING PROFIT | | | 242.48 |

Note:

The net profit arising from the normal operations and activities of the enterprise without taking account of extraneous transactions and expenses of purely financial nature.

The above annexure forms part of the Restated Financial Statements.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date

For M.M.Nissim & Co LLP

For and on behalf of the board

Chartered Accountants

Firm Reg.No. 107122W / W100672

Sd/
Kirit V. Gala
Chairman and Managing Director
DIN : 01540274

Sd/
Balkishan S. Jalan
Whole Time Director
DIN : 02876873

Sd/
N. Kashinath
Partner
Membership No. 036490
Mumbai, 1st August, 2024

Sd/
S. Giridhar
Chief Financial Officer
Mumbai, 1st August, 2024

Sd/
Pooja Ladha
Company Secretary
Mumbai, 1st August, 2024

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE III- RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

| | | (Rupees in Million) | | |
|---|--------------------------|--------------------------|--------------------------|--|
| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 | |
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | | | |
| NET PROFIT BEFORE TAX | 252.78 | 274.57 | 112.28 | |
| Adjustment for : | | | | |
| Depreciation | 68.62 | 60.83 | 62.61 | |
| Unrealised Exchange (Gain) / Loss | (7.88) | 15.88 | 10.11 | |
| Write off Inventory | 23.65 | | | |
| Finance Cost (including fair value change in financial instruments) | 61.40 | 51.60 | 48.62 | |
| Interest Income | (6.00) | (4.98) | (1.09) | |
| Bad Debts | 0.90 | 1.17 | 4.43 | |
| Impairment of financial assets | 0.02 | 0.02 | | |
| Porivision for doubtful debts | 2.30 | - | 0.23 | |
| Profit on Sale of Property, Plant & Equipment | - | (67.59) | - | |
| Loss / (Gain) on Sale / Disposal of PPE | 2.52 | (0.31) | 4.40 | |
| Intangible Assets written off | - | - | 19.05 | |
| Fair Value changes in Financial Assets | (0.15) | | - | |
| OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES | 145.38 | 56.54 | 148.36 | |
| Trade receivables | (165.40) | (62.08) | (56.68) | |
| Other Financial assets | (15.33) | 14.52 | 3.93 | |
| Other Non Current Assets | (0.43) | (0.61) | - | |
| Other Current Assets | (2.97) | 13.84 | (14.39) | |
| Inventories | (42.58) | (60.34) | (101.97) | |
| Trade Payable | 55.62 | (56.92) | 33.46 | |
| Provisions | 6.06 | (0.35) | 4.29 | |
| Other Current Financial Liabilities | (20.66) | 27.42 | 5.17 | |
| Other liabilities | 1.03 | (2.52) | 0.15 | |
| CASH GENERATED FROM OPERATIONS | 213.50 | 204.07 | 134.59 | |
| Direct Taxes paid | (57.04) | (43.86) | (18.65) | |
| NET CASH FROM OPERATING ACTIVITIES | 156.46 | 160.21 | 115.94 | |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of PPE | (107.45) | (98.61) | (68.81) | |
| Capital Work in Progress And Capital Advance | (22.49) | (18.39) | 3.04 | |
| Proceeds from Sale of ROU Asset | - | 78.59 | - | |
| Proceeds from sale of PPE | 1.57 | 6.49 | 1.03 | |
| Loans (Financial assets) | 5.04 | (3.27) | 1.49 | |
| Deposits/Balances with Banks | 87.52 | (93.28) | (4.04) | |
| Interest Income | 5.89 | 4.51 | 1.03 | |
| NET CASH USED IN INVESTING ACTIVITIES | (29.92) | (123.95) | (66.25) | |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| (Repayments) / Proceeds from Working Capital Facilities (Net) | 61.52 | 49.31 | 46.69 | |
| (Repayments) of Term Loans | (37.38) | (67.04) | (85.31) | |
| Proceeds from Term Loans | 40.88 | 34.81 | 18.26 | |
| Repayment of Unsecured Loan | (78.51) | - | - | |
| Repayment from Inter Corporate Deposit | (22.50) | - | - | |
| Payment of Lease Liabilities | (2.91) | (1.32) | - | |
| Payment for acquisition of control in subsidiary | - | (0.96) | - | |
| Change in share of Non Controlling interest | (1.36) | - | - | |
| Initial Public Offer Expenses | (18.33) | - | - | |
| Interest paid | (59.46) | (51.01) | (48.89) | |
| NET CASH FROM FINANCING ACTIVITIES | (118.05) | (36.21) | (69.25) | |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE III- RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

(Rupees in Million)

| | | | |
|---|-------|------|---------|
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 8.49 | 0.04 | (19.56) |
| CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE FINANCIAL YEAR | 5.34 | 5.29 | 24.84 |
| - Cash and cash Equivalents | 5.34 | 5.29 | 24.84 |
| CASH AND CASH EQUIVALENTS AS AT END OF THE FINANCIAL YEAR | 13.83 | 5.34 | 5.29 |
| - Cash and cash Equivalents | 13.83 | 5.34 | 5.29 |

Note to Cash Flow Statement:

1. The above Cash Flow Statement has been prepared under the Indirect Method.

2.Reconciliation of Financing Liabilities (Refer Note 13)

| | 31.03.2024 | 31.03.2023 | 31.03.2022 |
|---|---------------|---------------|---------------|
| Opening balance | 585.28 | 568.22 | 588.58 |
| Cash flow movements | | | |
| Cash inflow / (outflow) of non-current borrowings | (97.51) | (32.24) | (67.05) |
| Cash inflow / (outflow) of current borrowings | 61.52 | 49.31 | 46.69 |
| Closing Balance | 549.30 | 585.29 | 568.22 |

The above Annexure should be read with the Restated Consolidated Statement of Operating Profit appearing in Annexure IIA, the the Basis of Preparation and Material Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI.

This is the Consolidated Statement of Cash Flows referred to in our report of even date

For M.M.Nissim & Co LLP

Chartered Accountants

Firm Reg.No. 107122W / W100672

For and on behalf of the Board of Directors

Sd/

Kirit V. Gala

Chairman and Managing Director
DIN : 01540274

Sd/

Balkishan S. Jalan

Whole Time Director
DIN : 02876873

Sd/

N. Kashinath

Partner
Membership No. 036490
Mumbai, 1st August, 2024

Sd/

S. Giridhar

Chief Financial Officer
Mumbai, 1st August, 2024

Sd/

Pooja Ladha

Company Secretary
Mumbai, 1st August, 2024

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE IV - RESTATED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SOCE)

(Rupees in Million)

| EQUITY SHARE CAPITAL | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|------------------------|
| | Amount | Amount | Amount |
| Authorised Share Capital | 180.00 | 110.00 | 110.00 |
| Issued Equity Share Capital | 25.28 | 25.28 | 25.28 |
| Subscribed Equity Share Capital | 25.28 | 25.28 | 25.28 |
| Fully Paid-up Equity Share Capital | 25.28 | 25.28 | 25.28 |
| Balance at the beginning of the year | 25.24 | 25.28 | 25.28 |
| Changes in equity share capital due to prior period errors | - | - | - |
| Restated Balance as at the beginning of the year | 25.24 | 25.28 | 25.28 |
| Changes in equity share capital during the year | | | |
| Bonus shares issued during the period | 75.83 | - | - |
| Add: Cross holding shares sold* | 0.04 | - | - |
| Less: Intergroup Elimination* | - | 0.04 | - |
| Balance at the end of the reporting year | 101.11 | 25.24 | 25.28 |

| OTHER EQUITY | Reserves and Surplus | | | | Other Comprehensive Income | TOTAL | Non Controlling Interest |
|--|----------------------|----------------------------|-------------------|---|--------------------------------------|---------------|--------------------------|
| | Securities Premium | Capital Redemption Reserve | Retained Earnings | Remeasurements of Defined Benefit Plans | Foreign currency translation reserve | | |
| Restated Balance as at 31st March 2021 | 337.24 | 15.00 | 117.09 | (0.95) | 36.42 | 504.80 | - |
| Profit for the Year ending 31st March 2022 | - | - | 66.31 | - | - | 66.31 | - |
| Other Comprehensive Income for the Year ending 31st March 2022 | - | - | - | (0.21) | (3.01) | (3.22) | - |
| Total Comprehensive Income for the year | - | - | 66.31 | (0.21) | (3.01) | 63.09 | - |
| Balance as at 31st March 2022 | 337.24 | 15.00 | 183.40 | (1.16) | 33.41 | 567.88 | - |
| Profit for the year ending 31st March 2023 | - | - | 242.12 | - | - | 242.12 | - |
| Other Comprehensive Income for the year ending 31st March 2023 | - | - | - | 2.16 | 0.08 | 2.24 | - |
| Share of Subsidiary in Reserves | - | - | (0.97) | - | - | (0.97) | 0.21 |
| Share of Non Controlling Interest | - | - | - | - | - | - | (0.18) |
| Total Comprehensive Income for the year | - | - | 241.16 | 2.16 | 0.08 | 243.39 | 0.03 |
| Balance as at 31st March 2023 | 337.24 | 15.00 | 424.56 | 1.00 | 33.49 | 811.27 | 0.03 |
| Profit for the year ending 31st March 2024 | - | - | 223.32 | - | - | 223.32 | - |
| Other Comprehensive Income for the period ending 31st March 2024 | - | - | - | 0.50 | 4.36 | 4.86 | - |
| Share of Non Controlling Interest | - | - | - | - | - | - | (3.40) |
| Total Comprehensive Income for the period | - | - | 223.32 | 0.50 | 4.36 | 228.18 | (3.40) |
| | 337.24 | 15.00 | 647.88 | 1.50 | 37.85 | 1,039.47 | (3.37) |
| Transactions with owners in their capacity as owners: | | | | | | | |
| Others* | 1.43 | - | - | - | - | 1.43 | - |
| Issue of Bonus Shares | (60.83) | (15.00) | - | - | - | (75.83) | - |
| Initial Public Offer expenses | - | - | (18.33) | - | - | (18.33) | - |
| Balance as at 31st March 2024 | 277.84 | - | 629.54 | 1.50 | 37.85 | 946.74 | (3.37) |

*3,500 Shares of holding company held by subsidiary has been transferred during the year resulting in gain of Rs. 1.43 Million

The above Annexure should be read with the Restated Consolidated Statement of Operating Profit appearing in Annexure IIA, the Basis of Preparation and Material Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI.

As per our report of even date attached.

For M.M.Nissim & Co LLP

Chartered Accountants

Firm Reg.No. 107122W / W100672

For and on behalf of the Board of Directors

Sd/

Kirit V. Gala

Chairman and Managing Director

DIN : 01540274

Sd/

Balkishan S. Jalan

Whole Time Director

DIN : 02876873

Sd/

N. Kashinath

Partner

Membership No. 036490

Mumbai, 1st August, 2024

Sd/

S. Giridhar

Chief Financial Officer

Mumbai, 1st August, 2024

Sd/

Pooja Ladha

Company Secretary

Mumbai, 1st August, 2024

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE V - BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

Note 1 : Material Accounting Policies

A General Information

Gala Precision Engineering Limited (the 'Company')(formerly known as Gala Precision Engineering Private Limited) is a public limited Company and domiciled in India and is incorporated under the provisions of the Companies Act with its registered office located at A-801, 8th Floor, Thane One DIL Complex, Ghodbunder Road Majiwade, Thane. The group is engaged in the manufacturing and selling of Springs, Parts, Fasteners and Assemblies with its manufacturing facilities located at Plot No. 295, Village Vadavali at Post Met, Musarne Road, Bhiwandi - Wada Highway, Taluka Wada, Palghar, Maharashtra

This Restated Consolidated Financial Information comprises of Gala Precision Engineering Limited ("Holding Company") and its subsidiaries (collectively referred to as 'the Group')

The Restated Consolidated Financial Information was approved for issue in accordance with a resolution of the Board on 1st August, 2024

B Basis of preparation of Restated Consolidated Financial Information

The Restated Consolidated Financial Information of Gala Precision Engineering Limited ("Holding Company") and its subsidiaries (collectively referred to as 'the Group') comprises of the Restated Consolidated Statement of Assets and Liabilities as at 31 March, 2024, 31 March 2023, and 31 March 2022, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Cash Flows and the Restated Consolidated Statement of Changes in Equity for years ended 31 March, 2024, 31 March 2023, and 31 March 2022 and the Financial Statement of Significant Accounting Policies and explanatory notes and notes to Restated Consolidated Financial Information (collectively, the 'Restated Consolidated Financial Information').

These Restated Consolidated Financial Information have been prepared by the Management of the Holding Company in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, issued by the Securities and Exchange Board of India ('SEBI') on 11 September 2018, in pursuance of the Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") and the Prospectus ("Prospectus"), (RHP and Prospectus, collectively the "Offer Documents") prepared by the Holding Company in connection with its proposed Initial Public Offer ("IPO") in terms of the requirements 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 (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "Guidance Note") from time to time.

These Restated Consolidated Financial Information have been compiled by the Management from:

- a) the audited consolidated financial statements of the Group as at and for year ended March 31, 2024 prepared in accordance with accounting principles stated in Ind AS and accounting policies mentioned in subsequent paragraphs, which have been approved by the Board of Directors at their meeting held on 12th June, 2024
- b) The audited special purpose consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2023 and March 31, 2022 (the "Special Purpose Consolidated Ind AS Financial Statements") prepared in accordance with accounting principles stated in Ind AS and accounting policies mentioned in subsequent paragraphs, which have been approved by the Board of Directors at their meeting held on 30th November 2023.

The Special Purpose Consolidated Ind AS Financial Statements have been prepared by making Ind AS adjustments to the audited consolidated financial statements of the Group as at and for the year ended March 31, 2023, March 31, 2022 prepared in accordance with the Indian GAAP, which have been approved by the Board of Directors at their meeting held on 12th June, 2023, and 10th July, 2022 respectively (the "Statutory Consolidated Indian GAAP Financial Statements")

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE V - BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

Special Purpose Consolidated Ind AS Financial Statements have been prepared solely for the purpose of preparation of Restated Consolidated Financial Information for inclusion in DRHP in relation to the proposed IPO, which requires financial statements of all the periods included, to be presented under Ind AS. As such, Special Purpose Consolidated Ind AS Financial Statements are not suitable for any other purpose other than for the purpose of preparation of Restated Consolidated Financial Information and are also not financial statements prepared pursuant to any requirements under section 129 of the Act.

These Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the board meeting for adoption of the audited consolidated interim financial statements/special purpose audited consolidated financial statements mentioned above

The Restated Consolidated Financial Information have been prepared so as to contain information / disclosures and incorporating adjustments set out below in accordance with the ICDR Regulations

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2023, March 31, 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2024, as applicable;

b) do not contain any qualifications requiring adjustments; and

b) have been prepared in accordance with the Companies Act 2013, ICDR Regulations and the Guidance Note

The Consolidated Financial Statements are presented in Indian Rupee (INR) which is also Functional Currency of the Holding Company and all values are rounded to the nearest Million except when otherwise indicated.

The group reclassifies comparative amounts, unless impracticable and whenever the group changes the presentation or classification of items in its Financial Statements materially. No such material reclassification has been made during the year.

C Basis of Consolidation

The Consolidated Financial Statements comprise of the Financial Statements of the Holding Company and the following Subsidiaries as on March 31st, 2024:

| Name of Company | Country of Incorporation | Proportion of Ownership |
|---|---------------------------------|---|
| 1. Gala Springs LLP - | India | - 92% (w.e.f 31.03.2023) |
| 2. Gala Precision Components (Shanghai) Private Limited - | China | - 100% (upto 30.03.2023) |
| 3. Gala Precision Components (Shanghai) Private Limited - | China | - 92% (w.e.f 31.03.2023) (Step Down Subsidiary) |

The Consolidated Financial Statements comprise the Financial Statements of the Holding Company and its Subsidiaries as at 31st March 2024. Control is achieved when the Holding Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Holding Company controls an investee if and only if the Holding Company has:

a. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

b. Exposure, or rights, to variable returns from its involvement with the investee, and

c. The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Holding Company has less than a majority of the voting or similar rights of an investee, the Holding Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including

a. The contractual arrangement with the other vote holders of the investee

b. Rights arising from other contractual arrangements

c. The Holding Company's voting rights and potential voting rights

d. The size of the Holding Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE V - BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

The Holding Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a Subsidiary begins when the Holding Company obtains control over the Subsidiary and ceases when the Holding Company loses control of the Subsidiary. Assets, liabilities, income and expenses of a Subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Holding Company gains control until the date the Holding Company ceases to control the Subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments, if material, are made to that group's Financial Statements in preparing the Consolidated Financial Statements to ensure conformity with the group's accounting policies.

The Financial Statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Holding Company, i.e., year ended on 31 March.

Consolidation procedures for subsidiaries are:

- a) a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its Subsidiaries.
- b) Offset (eliminate) the carrying amount of the Holding Company's investment in each Subsidiary and the Holding Company's portion of equity of each Subsidiary
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and Property, Plant and Equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Holding Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the Financial Statements of Subsidiaries to bring their accounting policies in line with the Holding Company's accounting policies

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Holding Company loses control over a Subsidiary, it

- Derecognises the assets (including goodwill) and liabilities of the Subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the Holding Company's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Holding Company had directly disposed of the related assets or liabilities

Major Sources of Estimation Uncertainty

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE V - BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

In the application of accounting policy which are described in note (C) below, the management is required to make judgment, estimates and assumptions about the carrying amount of assets and liabilities, income and expenses, contingent liabilities and the accompanying disclosures that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and are prudent and reasonable. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future period.

The few critical estimations and judgments made in applying accounting policies are:

Property, Plant and Equipment:

Useful life of Property, Plant and Equipment and Intangible Assets are as specified in Schedule II to the Companies Act, 2013 and on certain assets based on technical advice which considered the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support. The Group reviews the useful life of Property, Plant and Equipment at the end of each reporting period. This reassessment may result in change in depreciation charge in future periods.

Impairment of Non-financial Assets:

For calculating the recoverable amount of non-financial assets, the Group is required to estimate the value-in-use of the asset or the Cash Generating Unit and the fair value less costs to disposal. For calculating value in use the Group is required to estimate the cash flows to be generated from using the asset. The fair value of an asset is estimated using a valuation technique where observable prices are not available. Further, the discount rate used in value in use calculations includes an estimate of risk assessment specific to the asset.

Impairment of Financial Assets:

The Group impairs financial assets other than those measured at fair value through profit or loss or designated at fair value through other comprehensive income on expected credit losses. The estimation of expected credit loss includes the estimation of probability of default (PD), loss given default (LGD) and the exposure at default (EAD). Estimation of probability of default apart from involving trend analysis of past delinquency rates includes an estimation on forward-looking information relating to not only the counterparty but also relating to the industry and the economy as a whole. The probability of default is estimated for the entire life of the contract by estimating the cash flows that are likely to be received in default scenario. The lifetime PD is reduced to 12 months PD based on an assessment of past history of default cases in 12 months. Further, the loss given default is calculated based on an estimate of the value of the security recoverable as on the reporting date. The exposure at default is the amount outstanding at the balance sheet date

Defined Benefit Plans:

The cost of the defined benefit plan and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. (Refer Note 32 (f))

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE V - BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

Income Taxes

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group concludes that no changes are required to lease period relating to the existing lease contracts.

Allowance for credit losses on receivables:

The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considered current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates. In calculating expected credit loss, the Group has also considered credit reports and other related credit information for its customers to estimate the probability of default in future.

D Summary of Material Accounting Policies:

Ind AS 1 was amended vide notification no G.S.R.242(E) dated 31st March 2023 to require disclosure of Material Accounting Policy information from accounting periods beginning on or after 1 April 2023 instead of significant accounting policy disclosure by amending paragraph 117, inserting paragraphs 117A to 117E and deleting paragraphs 118 to 121. Paragraph 117 of Ind AS 1 states when an information on accounting policy is considered as 'Material Accounting Policy information' as follows:

Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

Each of the policy disclosed herein below has been tested to determine whether the information disclosed is Material Accounting Policy information.

Property, Plant and Equipment

For transition to Ind AS, the Group has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of 1st April, 2020 measured as per the Previous GAAP and use that carrying value as its deemed cost as on the transition date.

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE V - BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land which is not amortised. Any gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in profit or loss with other income or other expense line item on net basis, respectively

The depreciable amount of an asset is determined after deducting its residual value. Depreciation on the property, plant and equipment, is provided over the useful life of assets based on management estimates which is in line with the useful life indicated in Schedule II to the Companies Act, 2013. Depreciation on all assets is provided on straight line basis . Given below are the estimated useful lives for each class of property, plant and equipment:

| Particulars | Useful Life |
|------------------------------|--------------------|
| Buildings | |
| Factory Building | 30 Years |
| Plant and equipment | 15 Years |
| Furniture and fixtures | 10 Years |
| Vehicles | 8 Years |
| Office equipment | 5 Years |
| Computers | 3 Years |
| Spares, tools and equipments | 5 Years |
| Electrical installation | 10 Years |
| Other Assets | |
| Dies & Moulds | 5 Years |
| Borewell | 10 Years |
| Development cost | 10 Years |
| Lean Improvement | 7 Years |
| Computer Software | 6 Years |
| Leasehold Land | 99 Years |
| Leasehold Building | 5 Years |

Intangible Assets

For transition to Ind AS, the Group has elected to continue with the carrying value of intangible assets recognised as of 1st April, 2020 measured as per the Previous GAAP and use that carrying value as its deemed cost as on the transition date.

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Development cost represents expenditure incurred in relation to development of disc springs, Coil spring & Fastening solutions and related process and is amortised over a period of 10 years, being management's estimate of the period over which economic benefit is expected to be derived therefrom.

Lean Improvement represents expenditure incurred in relation to improvisation of business processes and is amortised over a period of 7 years, being management's estimate of the period over which economic benefit is expected to be derived therefrom.

Software (not being an integral part of the related hardware) acquired for internal use are treated as intangible assets.

Any gain or loss arising on derecognition of an intangible asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in profit or loss with other income or other expense line item on net basis, respectively.

Inventories

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE V - BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

Inventories consisting of stores and spares, raw materials, Work in progress, Stock in Trade and finished goods are measured at lower of cost and net realisable value. However, materials held for use in production of inventories are not written down below cost, if the finished products are expected to be sold at or above cost.

The cost is computed on FIFO basis except for Inventory of Raw Material and stores and spares which are on daily moving Weighted Average Cost basis

Inventory obsolescence is based on assessment of the future uses. Obsolete and slow-moving items are subjected to continuous technical monitoring.

Lease

Where the Group is a lessee-

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease term includes extension or termination options when it is reasonably certain that they will be exercised

The right-of-use assets are initially recognized at cost and subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment of whether it will exercise an extension or a termination option

Government Grants

The grant relating to export benefits is presented under other income on a systematic basis in the Profit or Loss over the periods necessary to match them with the related costs, which they are intended to compensate

Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed on the basis of judgment of management / independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Revenue Recognition and Other Income

The Group derives revenues primarily from sale of goods comprising springs, parts, fasteners, and assemblies.

Revenue from contract with customers is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer.

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE V - BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of prompt payment discounts and schemes offered by the Group as part of the contract with the customers. The Group recognises changes in the estimated amounts of obligations for discounts in the period in which the change occurs. Revenue also excludes taxes collected from customers.

Revenue in excess of invoicing is classified as contract assets while invoicing in excess of revenues are classified as contract liabilities.

Use of significant judgements in Revenue Recognition :

- Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration or variable consideration with elements such as prompt payment discounts. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting year.
- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer.

Employee Benefits

Short-term Employees Benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, performance incentives etc., are recognized during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

Post-employment benefits

The Group provides the following post-employment benefits:

- i) Defined benefit plans such as gratuity and
- ii) Defined Contribution plans such as provident fund

Defined benefits plans

The cost of providing benefits on account of gratuity are determined using the projected unit credit method on the basis of actuarial valuation made at the end of each balance sheet date

Re-measurements comprising of actuarial gains and losses arising from experience adjustments and change in actuarial assumptions, the effect of change in assets ceiling (if applicable) and the return on plan asset (excluding net interest) are recognised in other comprehensive income (OCI) except those included in cost of assets as permitted in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Defined Contribution Plans

Payments to defined contribution retirement benefit plans, viz., Provident Fund for eligible employees are recognized as an expense when employees have rendered the service entitling them to the contribution.

Income Taxes

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognised in the profit or loss section of the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE V - BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

Current tax is the expected tax payable/ receivable on the taxable income/ loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in Other Income

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised.

Financial Instruments

Financial assets other than investment in subsidiaries

Financial assets of the Group comprise trade receivable, cash and cash equivalents, Bank balances, advances to employees, security deposit, claims recoverable etc.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, Trade receivables that do not contain a significant financing component are measured at Transaction Price. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in three categories:

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

Financial assets measured at amortized cost

Security Deposits, Rent deposits and Export benefits receivable are measured at amortised cost. Financial assets are measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are amortized using the effective interest rate (EIR) method, less impairment. 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 in finance income in the statement of profit and loss.

Financial assets at fair value through profit or loss ('FVTPL')

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Impairment of financial assets

The Group assesses impairment based on expected credit loss ('ECL') model on the following:

- Financial assets that are measured at amortised cost; and

ECL is measured through a loss allowance on a following basis:-

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE V - BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

The Group follows 'simplified approach' for recognition of impairment on trade receivables or contract assets resulting from normal business transactions. The application of simplified approach does not require the Group to track changes in credit risk. However, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, from the date of initial recognition. For recognition of impairment loss on other financial assets, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, lifetime ECL is provided. For assessing increase in credit risk and impairment loss, the Group assesses the credit risk characteristics on instrument-by-instrument basis. Impairment loss allowance (or reversal) recognised during the period is recognised as expense/income in profit and loss.

b) Financial Liabilities

The Group's financial liabilities includes borrowings, trade payable, lease liabilities, accrued expenses and other payables.

Initial recognition and measurement

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial Liabilities classified as Amortised Cost:

All Financial Liabilities other than derivatives are measured at amortised cost. Interest expense that is not capitalised as part of costs of assets is included as Finance costs in Profit or Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged / cancelled / expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Derivatives

Derivative instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument and is recognised in Other Comprehensive Income (OCI).

Borrowing costs

Borrowing cost includes interest, commitment charges, brokerage, underwriting costs, discounts / premiums, financing charges, exchange difference to the extent they are regarded as interest costs and all ancillary / incidental costs incurred in connection with the arrangement of borrowing.

Borrowing costs which are directly attributable to acquisition / construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as a part of cost pertaining to those assets. All other borrowing costs are recognised as expense in the period in which they are incurred.

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE V - BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

The Group identifies the borrowings into specific borrowings and general borrowings. Specific borrowings are borrowings that are specifically taken for the purpose of obtaining an asset. Borrowing cost incurred on specific borrowings are capitalised to the cost of the qualifying asset. For general borrowings, the Group determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on the qualifying asset based on the weighted average of the borrowing costs applicable to general borrowings. The capitalisation on borrowing costs commences when the Group incurs expenditure for the asset, incurs borrowing cost and undertakes activities that are necessary to prepare the asset for its intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended. The capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying to the existing lease contracts to make the sale.

Share based Payments

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Holding Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Holding Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE V - BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors identified as chief operating decision-maker (CODM). The CODM is responsible for allocating resources and assessing performance of the operating segments. Segments are organised based on type of products delivered or provided. Segment revenue arising from third party customers is reported on the same basis as revenue in the Group Ind AS financial statements. Segment results represent profits before unallocated corporate expenses and taxes. "Unallocated Corporate Expenses" include expenses that relate to costs attributable to the Group as a whole and are not attributable to segments

E Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2024 MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 2 (a) Property, Plant and Equipment

| (Rupees in Million) | | | | | | | | | | | |
|--|---------------|-----------|---------------------|------------------------|----------|------------------|-----------|------------------------------|-------------------------|--------------|--------|
| Particulars | Freehold Land | Buildings | Plant and equipment | Furniture and fixtures | Vehicles | Office equipment | Computers | Spares, tools and equipments | Electrical installation | Other Assets | Total |
| Gross Block | | | | | | | | | | | |
| At cost as at 31 March 2021 | 8.69 | 93.34 | 250.02 | 26.50 | 6.76 | 4.33 | 3.54 | 2.21 | 9.71 | 28.35 | 433.45 |
| Additions | - | 3.24 | 21.28 | 0.40 | 6.76 | 0.28 | 0.91 | 0.01 | 1.11 | 4.50 | 38.49 |
| Disposals | - | (0.00) | (2.47) | (0.16) | (2.31) | (0.21) | (0.12) | (0.10) | (0.09) | (1.86) | (7.32) |
| At cost as at 31 March 2022 | 8.69 | 96.58 | 268.83 | 26.73 | 11.22 | 4.40 | 4.34 | 2.11 | 10.73 | 30.99 | 464.62 |
| Additions | - | 0.23 | 32.54 | 1.95 | 0.92 | 1.38 | 2.24 | 1.02 | 0.81 | 3.38 | 44.47 |
| Disposals /adjustments | - | (4.51) | (0.19) | (1.10) | (1.08) | (0.00) | (0.09) | - | (0.38) | - | (7.35) |
| At cost as at 31 March 2023 | 8.69 | 92.30 | 301.18 | 27.58 | 11.06 | 5.78 | 6.49 | 3.13 | 11.16 | 34.36 | 501.74 |
| Additions | - | 4.25 | 49.40 | 3.13 | 5.74 | 0.86 | 1.62 | 1.06 | 1.53 | 6.33 | 73.91 |
| Disposals /adjustments | - | - | (2.42) | - | - | - | -0.11 | - | (0.35) | - | (2.87) |
| At cost as at 31 March 2024 | 8.69 | 96.55 | 348.16 | 30.71 | 16.80 | 6.64 | 8.01 | 4.19 | 12.34 | 40.69 | 572.78 |
| Depreciation Block | | | | | | | | | | | |
| Accumulated depreciation/ amortisation as at 31 March 2021 | - | 3.38 | 20.28 | 4.85 | 1.49 | 1.30 | 1.34 | 0.66 | 1.50 | 7.61 | 42.42 |
| Depreciation / Amortisation for the period | - | 3.53 | 20.17 | 3.50 | 0.95 | 0.93 | 1.26 | 0.59 | 1.48 | 8.17 | 40.58 |
| Disposals /adjustments | - | (0.00) | (0.35) | (0.04) | (0.21) | (0.06) | (0.04) | (0.05) | (0.02) | (1.13) | (1.91) |
| Impairment | - | - | - | - | - | - | - | - | - | - | - |
| Accumulated depreciation/ amortisation as at 31 March 2022 | - | 6.91 | 40.11 | 8.31 | 2.23 | 2.16 | 2.56 | 1.21 | 2.96 | 14.65 | 81.10 |
| Depreciation / Amortisation for the year | - | 3.35 | 21.00 | 3.44 | 1.39 | 0.69 | 1.19 | 0.58 | 1.48 | 7.17 | 40.28 |
| Disposals /adjustments | - | (0.45) | (0.04) | (0.13) | (0.42) | (0.00) | (0.05) | - | (0.09) | - | (1.18) |
| Accumulated depreciation/ Amortisation as at 31 March 2023 | - | 9.81 | 61.07 | 11.61 | 3.20 | 2.86 | 3.69 | 1.78 | 4.36 | 21.82 | 120.20 |
| Depreciation / Amortisation for the year | - | 3.32 | 23.40 | 3.58 | 1.63 | 0.87 | 1.37 | 0.46 | 1.55 | 4.98 | 41.17 |
| Disposals /adjustments | - | - | -0.65 | - | - | - | -0.08 | - | -0.57 | - | (1.30) |
| Accumulated depreciation/ Amortisation as at 31 March 2024 | - | 13.14 | 83.81 | 15.20 | 4.83 | 3.73 | 4.98 | 2.24 | 5.34 | 26.80 | 160.07 |
| Net Block | | | | | | | | | | | |
| As at 31 March 2022 | 8.69 | 89.67 | 228.73 | 18.42 | 8.99 | 2.24 | 1.79 | 0.91 | 7.76 | 16.33 | 383.52 |
| As at 31 March 2023 | 8.69 | 82.49 | 240.12 | 15.97 | 7.86 | 2.92 | 2.80 | 1.35 | 6.80 | 12.54 | 381.54 |
| As at 31 March 2024 | 8.69 | 83.42 | 264.35 | 15.52 | 11.97 | 2.91 | 3.02 | 1.95 | 7.01 | 13.89 | 412.71 |

Notes:

- The title deeds of all the immovable property (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Group.
- The Group has elected to continue with the carrying value of its property, plant and equipment recognised as of 1st April, 2020 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost as of the date of transition date.
- Other Assets includes Dies, Moulds and Borewell
- During the year, the group has capitalised borrowing cost to the cost of capital work in progress

| Particulars | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
|----------------|-------------|-------------|-------------|
| Borrowing Cost | 1.85 | 0.84 | 0.29 |
| Total | 1.85 | 0.84 | 0.29 |

Note 3 (a) Intangibles

| (Rupees in Million) | | | |
|---------------------|------------------|-------------------|---------|
| Development cost | Lean Improvement | Computer Software | Total |
| 178.83 | 15.00 | 3.50 | 197.33 |
| 31.11 | - | 1.66 | 32.77 |
| (24.99) | - | (0.02) | (25.01) |
| 184.95 | 15.00 | 5.14 | 205.09 |
| 29.20 | - | 0.77 | 29.96 |
| - | - | (0.00) | (0.00) |
| 214.15 | 15.00 | 5.90 | 235.05 |
| 34.55 | - | 0.07 | 34.62 |
| - | (1.56) | (0.71) | (2.27) |
| 248.70 | 13.44 | 5.26 | 267.40 |
| 15.70 | 2.14 | 0.60 | 18.44 |
| 21.33 | 2.15 | 0.74 | 24.22 |
| (5.94) | - | (0.00) | (5.94) |
| - | - | - | - |
| 31.09 | 4.29 | 1.34 | 36.72 |
| 18.59 | 2.14 | 0.80 | 21.53 |
| - | - | - | - |
| 49.68 | 6.43 | 2.14 | 58.25 |
| 21.35 | 2.01 | 0.82 | 24.18 |
| - | (0.65) | (0.37) | (1.02) |
| 71.03 | 7.79 | 2.59 | 81.41 |
| 153.86 | 10.71 | 3.80 | 168.37 |
| 164.47 | 8.57 | 3.77 | 176.80 |
| 177.67 | 5.65 | 2.67 | 185.99 |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 2 (b) : Right of use asset

(Rupees in Million)

| Particulars | Land | Building | Total |
|---|---------|----------|---------|
| Gross Block | | | |
| Carrying value as at 1st April 2021 | 11.63 | - | 11.63 |
| Additions | - | - | - |
| Disposals | - | - | - |
| Carrying value as at 31st March 2022 | 11.63 | - | 11.63 |
| Additions | 28.76 | 22.11 | 50.86 |
| Disposals / adjustments | (11.37) | - | (11.37) |
| Carrying value as at 31st March 2023 | 29.02 | 22.11 | 51.13 |
| Additions | - | 0.05 | 0.05 |
| Disposals / adjustments | - | - | - |
| Carrying value as at 31st March 2024 | 29.02 | 22.16 | 51.18 |
| Depreciation Block | | | |
| Accumulated depreciation / Amortisation as at 31st March 2022 | 0.53 | - | 0.53 |
| Depreciation / Amortisation for the year | 0.17 | 1.13 | 1.30 |
| Disposals | (0.37) | - | (0.37) |
| Accumulated depreciation / Amortisation as at 31st March 2023 | 0.33 | 1.13 | 1.46 |
| Depreciation / Amortisation for the year | 0.28 | 4.21 | 4.48 |
| Disposals | - | - | - |
| Accumulated depreciation / Amortisation as at 31st March 2024 | 0.61 | 5.33 | 5.94 |
| Net Block | | | |
| As at 31st March 2022 | 11.10 | - | 11.10 |
| As at 31st March 2023 | 28.69 | 20.98 | 49.67 |
| As at 31st March 2024 | 28.41 | 16.83 | 45.23 |

Note 2 (c). Capital Work-in-Progress

(Rupees in Million)

Note 3 (b)

| Particulars | Buildings | Plant and equipment | Total | Intangible Assets under development |
|-----------------------------|-----------|---------------------|---------|-------------------------------------|
| At cost as at 1 April 2021 | - | 4.85 | 4.85 | 31.11 |
| Additions | - | 0.32 | 0.32 | 29.33 |
| Capitalised during the year | - | (3.92) | (3.92) | (31.11) |
| At cost as at 31 March 2022 | - | 1.26 | 1.26 | 29.33 |
| Additions | 3.36 | 8.10 | 11.46 | 34.55 |
| Capitalised during the year | - | (0.21) | (0.21) | (29.33) |
| At cost as at 31 March 2023 | 3.36 | 9.14 | 12.50 | 34.55 |
| Additions | 27.19 | 4.72 | 31.91 | 33.34 |
| Capitalised during the year | -3.05 | (9.06) | (12.11) | (34.55) |
| At cost as at 31 March 2024 | 27.50 | 4.80 | 32.30 | 33.34 |

CWIP aging schedule

(Rupees in Million)

| CWIP | Amount in CWIP for a period of | | | | | |
|---------------------------|--------------------------------|--------------------|-------------|-------------|-------------------|---------------------|
| | Less than 6 months | 6 months - 1 years | 1 - 2 Years | 2 - 3 Years | More than 3 years | As at 31 March 2024 |
| Tangible Assets: | | | | | | |
| Projects in progress | 25.53 | 6.01 | 0.31 | - | 0.46 | 32.31 |
| Intangible Assets: | | | | | | |
| Projects in progress | 33.34 | - | - | - | - | 33.34 |
| Total | 58.87 | 6.01 | 0.77 | - | 0.46 | 65.65 |

CWIP aging schedule

(Rupees in Million)

| CWIP | Amount in CWIP for a period of | | | | | |
|---------------------------|--------------------------------|--------------------|-------------|-------------|-------------------|---------------------|
| | Less than 6 months | 6 months - 1 years | 1-2 Years | 2 - 3 Years | More than 3 years | As at 31 March 2023 |
| Tangible Assets: | | | | | | |
| Projects in progress | 11.46 | - | 0.09 | - | 0.96 | 12.50 |
| Intangible Assets: | | | | | | |
| Projects in progress | 34.55 | - | - | - | - | 34.55 |
| Total | 46.01 | - | 0.09 | - | 0.96 | 47.05 |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

CWIP aging schedule

(Rupees in Million)

| CWIP | Amount in CWIP for a period of | | | | | |
|---------------------------|--------------------------------|--------------------|-----------|-------------|-------------------|---------------------|
| | Less than 6 months | 6 months - 1 years | 1-2 Years | 2-3 years | More than 3 years | As at 31 March 2022 |
| Tangible Assets: | | | | | | |
| Projects in progress | 0.30 | - | - | 0.63 | 0.33 | 1.26 |
| Intangible Assets: | | | | | | |
| Projects in progress | 29.33 | - | - | - | - | 29.33 |
| Total | 29.63 | - | - | 0.63 | 0.33 | 30.59 |

Notes:

i. During the year, the company has capitalised the following expenses of revenue nature to the cost of Capital Work-In-Progress and Property, Plant and Equipment.

| Particulars | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
|-----------------------------------|--------------|--------------|--------------|
| Raw material | 3.19 | 0.35 | 0.16 |
| Personnel costs | 17.73 | 17.82 | 17.22 |
| Process costs | 4.40 | 3.31 | 5.92 |
| Testing costs | 0.86 | 0.25 | 0.16 |
| Job-work cost | 4.96 | 4.08 | 3.75 |
| Technical fees and other expenses | 3.41 | 3.39 | 3.91 |
| Total | 34.55 | 29.20 | 31.11 |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 4

Other Financial Assets

(Rupees in Million)

| Particulars | Non-Current | | | Current | | |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
| At Amortised Cost | | | | | | |
| Others; | | | | | | |
| Security Deposits | 8.12 | 5.88 | 5.87 | 2.00 | - | - |
| Interest Accrued on Loans and Deposits | | | | 0.80 | 0.68 | 0.22 |
| Export benefits receivable | | | | 8.51 | 3.17 | 13.52 |
| Others | | | | 2.64 | | |
| Deposits - Rent | 3.00 | 3.10 | 0.24 | 0.24 | 0.18 | 0.18 |
| At FVTPL | | | | | | |
| Foreign Currency Forward Contract Receivable | | | | 3.28 | - | 7.04 |
| Total | 11.12 | 8.98 | 6.11 | 17.47 | 4.03 | 20.96 |

Note 5

Other Assets

(Rupees in Million)

| Particulars | Non-Current | | | Current | | |
|---------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
| Capital Advances | 14.63 | 6.30 | 4.43 | | | |
| Advances other than capital advances; | | | | | | |
| Advances to suppliers | | | | | | |
| Considered good | | | | 20.94 | 17.74 | 20.26 |
| Considered doubtful | | | | 0.20 | 0.20 | 0.20 |
| Less: Provision for doubtful advances | | | | (0.20) | (0.20) | (0.20) |
| | | | | 20.94 | 17.74 | 20.26 |
| Sub Total | 14.63 | 6.30 | 4.43 | 20.94 | 17.74 | 20.26 |
| Others | | | | | | |
| Balance with Statutory authorities | | | | 11.17 | 9.67 | 22.82 |
| Prepaid Expenses | 1.04 | 0.61 | | 5.29 | 7.01 | 5.19 |
| Sub Total | 1.04 | 0.61 | - | 16.46 | 16.69 | 28.01 |
| Total | 15.67 | 6.91 | 4.44 | 37.40 | 34.43 | 48.27 |

Note 6

Inventories

(Rupees in Million)

| Particulars | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|------------------------|
| (Valued at lower of Cost and Net Realisable Value) | | | |
| Raw Materials | 201.23 | 258.60 | 252.92 |
| Work-in-progress | 147.85 | 139.85 | 110.66 |
| Finished goods | 189.43 | 124.60 | 108.04 |
| Stores and spares | 37.99 | 34.52 | 25.61 |
| Total | 576.50 | 557.57 | 497.23 |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 7

Trade Receivables

(Rupees in Million)

| Particulars | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|------------------------|
| Trade receivables | | | |
| Unsecured, considered good | 469.68 | 299.63 | 254.57 |
| Trade Receivables - credit impaired | 2.09 | - | 1.71 |
| Less: Allowance for Expected credit losses | (2.09) | - | (1.71) |
| Total | 469.68 | 299.63 | 254.57 |

Note: The Group has used a practical expedient for computing expected credit loss allowance for trade receivables, taking into account historical credit loss experience and accordingly, provisions are made for expected credit loss for amounts due from customers where necessary.

Trade Receivables ageing schedule

(Rupees in Million)

| Particulars | Ageing | | | | | | As at 31 March 2024 |
|--|---------|-----------------------|---------------------|-----------|-----------|----------------------|------------------------|
| | Not Due | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 Years | More than 3 Years | |
| Undisputed Trade receivables – considered good | 273.14 | 186.28 | 7.42 | 1.16 | 0.96 | 0.72 | 469.68 |
| Disputed Trade Receivables – credit impaired | - | - | 0.71 | 0.52 | 0.46 | 0.40 | 2.09 |

Trade Receivables ageing schedule

(Rupees in Million)

| Particulars | Ageing | | | | | | As at 31 March 2023 |
|--|---------|-----------------------|---------------------|-----------|-----------|----------------------|------------------------|
| | Not Due | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 Years | More than 3 Years | |
| Undisputed Trade receivables – considered good | 163.96 | 119.45 | 5.81 | 3.61 | 3.61 | 3.19 | 299.63 |
| Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |

Trade Receivables ageing schedule

(Rupees in Million)

| Particulars | Ageing | | | | | | As at 31 March 2022 |
|--|---------|-----------------------|---------------------|-----------|-----------|----------------------|------------------------|
| | Not Due | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 Years | More than 3 Years | |
| Undisputed Trade receivables – considered good | 132.88 | 102.09 | 9.00 | 5.58 | 1.70 | 3.32 | 254.57 |
| Disputed Trade Receivables – credit impaired | - | - | - | 0.20 | 0.67 | 0.84 | 1.71 |

Note 8

Cash and Cash Equivalents

(Rupees in Million)

| Particulars | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|------------------------|
| Balances with Banks (of the nature of cash and cash equivalents) | 13.05 | 4.83 | 4.60 |
| Cash on hand | 0.78 | 0.51 | 0.69 |
| Total | 13.83 | 5.34 | 5.29 |

Note 9

Bank Balances other than Cash and Cash Equivalents

(Rupees in Million)

| Particulars | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|------------------------|
| Margin money deposits with Banks | 26.70 | 25.75 | 21.42 |
| Collateral money deposits with Banks | - | 87.90 | - |
| Current account held at a foreign branch | 0.47 | 1.04 | - |
| Total | 27.17 | 114.69 | 21.42 |

Note 10

Loans (Unsecured, considered good)

(Rupees in Million)

| Particulars | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---------------------------------|------------------------|------------------------|------------------------|
| Loans and Advances to employees | 1.22 | 6.26 | 2.99 |
| Total | 1.22 | 6.26 | 2.99 |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 11: Equity Share Capital

| Particulars | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|--|------------------------|---------------|------------------------|--------------|------------------------|--------------|
| | Number | Amount | Number | Amount | Number | Amount |
| Authorised Share Capital | 1,80,00,000 | 180.00 | 1,10,00,000 | 110.00 | 1,10,00,000 | 110.00 |
| Issued Equity Share Capital | 1,01,11,584 | 100.97 | 25,27,896 | 25.28 | 25,27,896 | 25.28 |
| Subscribed Equity Share Capital | 1,01,11,584 | 100.97 | 25,27,896 | 25.28 | 25,27,896 | 25.28 |
| Fully Paid-up Equity Share Capital | 1,01,11,584 | 101.12 | 25,27,896 | 25.28 | 25,27,896 | 25.28 |
| Balance at the beginning of the year | 25,24,396 | 25.24 | 25,27,896 | 25.28 | 25,27,896 | 25.28 |
| Changes in equity share capital during the year: | | | | | | |
| Less: Intergroup Elimination** | | - | 3,500 | 0.04 | - | - |
| Less: Intergroup holding sold** | 3,500 | 0.04 | | | | |
| Bonus shares issued during the period* | 75,83,688 | 75.83 | | | | |
| Issued and subscribed share capital | 1,01,11,584 | 101.11 | 25,24,396 | 25.24 | 25,27,896 | 25.28 |

Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

The Holding company has equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Holding Company after distribution of all preferential amounts, in proportion to their shareholding.

| Shares in the Company held by each shareholder holding more than five per cent shares | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|---|------------------------|-------|------------------------|-------|------------------------|-------|
| | No. | % | No. | % | No. | % |
| - Kirit Vishanji Gala | 27,91,488 | 27.61 | 5,72,872 | 22.66 | 5,72,872 | 22.66 |
| - Vishanji Harshi Gala | 5,40,800 | 5.35 | 3,85,200 | 15.24 | 3,85,200 | 15.24 |
| - Rumie Kirit Gala | 13,03,888 | 12.89 | 3,11,772 | 12.33 | 3,11,772 | 12.33 |
| - Taramati V Gala | 10,41,600 | 10.30 | 2,60,400 | 10.3 | 2,60,400 | 10.3 |
| - Pooja Unichem LLP | 6,60,000 | 6.53 | 1,65,000 | 6.53 | 1,65,000 | 6.53 |
| - Smeet Kirit Gala | 5,89,144 | 5.83 | 22,286 | 0.88 | 22,286 | 0.88 |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 11: Equity Share Capital

| Particulars of promoter & promoter Group holding | As at 31 March 2024 | | | As at 31st March 2023 | | | As at 31st March 2022 | | |
|---|---------------------|--------------------------------|--------------------------|-----------------------|--------------------------------|--------------------------|-----------------------|--------------------------------|--------------------------|
| | Number | % of total shares in the class | % Change during the year | Number | % of total shares in the class | % Change during the year | Number | % of total shares in the class | % Change during the year |
| Equity shares of Rs. 10 each, fully paid-up held by- | | | | | | | | | |
| - Kirit Vishanji Gala | 27,91,488 | 27.61 | 21.82% | 5,72,872 | 22.66 | - | 5,72,872 | 22.66 | - |
| - Vishanji Harshi Gala | 5,40,800 | 5.35 | -64.90% | 3,85,200 | 15.24 | - | 3,85,200 | 15.24 | -6.32% |
| - Rumie Kirit Gala | 13,03,888 | 12.89 | 4.55% | 3,11,772 | 12.33 | - | 3,11,772 | 12.33 | - |
| - Taramati V Gala | 10,41,600 | 10.30 | - | 2,60,400 | 10.30 | - | 2,60,400 | 10.30 | - |
| - Vishanji Harshi Gala(HUF) | 54,400 | 0.54 | -75.00% | 54,400 | 2.15 | - | 54,400 | 2.15 | -30.17% |
| - Kirit Vishanji Gala(HUF) | 2,13,600 | 2.11 | - | 53,400 | 2.11 | - | 53,400 | 2.11 | - |
| - Nayna Gala | 2,54,400 | 2.52 | 27.20% | 50,000 | 1.98 | - | 50,000 | 1.98 | - |
| - Alpa Kiran Chheda | 2,54,400 | 2.52 | 27.20% | 50,000 | 1.98 | - | 50,000 | 1.98 | - |
| - Vaibhavi Gala | 2,00,000 | 1.98 | - | 50,000 | 1.98 | - | 50,000 | 1.98 | - |
| -Rajiv and Anupa Ashar Family Trust | 1,07,200 | 1.06 | - | 26,800 | 1.06 | - | 26,800 | 1.06 | - |
| - Saloni Kirit Gala | 89,144 | 0.88 | - | 22,286 | 0.88 | - | 22,286 | 0.88 | - |
| - Smeet Kirit Gala | 5,89,144 | 5.83 | 560.89% | 22,286 | 0.88 | - | 22,286 | 0.88 | - |
| - Madhu Ashar | 84,000 | 0.83 | - | 21,000 | 0.83 | - | 21,000 | 0.83 | - |
| - Manisha Ashar | 14,800 | 0.15 | 1750.00% | 200 | 0.01 | - | 200 | 0.01 | - |

***Note on Issue of Bonus Shares**

The Board of Directors of the Company, at its meeting held on 17th August, 2023 had approved reclassification of authorized share capital of ₹18,00,00,000/- divided into ₹11,00,00,000/- comprising of 1,10,00,000 Equity shares of ₹10/- each and ₹7,00,00,000/- comprising of 70,00,000 Preference shares of Rs.10/- each to ₹18,00,00,000/- divided into 1,80,00,000 Equity Shares of ₹10/-, which was approved by the shareholders by means of a special resolution dated September 5, 2023.

Post reclassification of the existing authorised share capital of the company, the Board of Directors at its meeting held on 17th August, 2023 had approved the bonus issue of three new equity share for every one share held on record date, which was approved by the shareholders by means of an Special resolution dated 5th September, 2023. The record date for the bonus issue is 27th September, 2023. The sum of ₹ 75.37 Million by capitalisation of profits transferred from security premium amounting to ₹ 60.73 Million and capital reserve amounting to ₹ 15 Million. The company had allotted 75,83,688 weighted average number of equity shares of ₹ 10 each by way of bonus issue to its shareholders in ratio of 3:1 effective 27th September, 2023

** 3,500 Shares of holding company held by subsidiary has been transferred during the year ended 31st March, 2024 resulting in gain of Rs. 1.43 Million

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 12: Other Equity

a. Other Equity

(Rupees in Million)

| Particulars | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|---------------------------|------------------------|
| Securities Premium | 277.84 | 337.24 | 337.24 |
| Capital Redemption Reserve | - | 15.00 | 15.00 |
| Retained Earnings | 629.53 | 424.55 | 183.40 |
| Remeasurements of Defined Benefit Plans | 1.50 | 1.00 | -1.16 |
| Items of Other Comprehensive Income | 37.85 | 33.49 | 33.41 |
| Total | 946.72 | 811.26 | 567.88 |

b. Movements in other equity

(Rupees in Million)

| Particulars | Reserves and Surplus | | | | Other Comprehensiv e Income | TOTAL | Non Controlling Interest |
|--|-----------------------|----------------------------------|----------------------|---|---|---------------|--------------------------------|
| | Securities Premium | Capital Redemption Reserve | Retained Earnings | Remeasurements of Defined Benefit Plans | Foreign currency translation reserve | | |
| Balance as at - 1st April, 2021 | 337.24 | 15.00 | 117.09 | (0.95) | 36.42 | 504.80 | |
| Profit for the Year ending 31st March 2022 | | | 66.31 | | - | 66.31 | |
| Other Comprehensive Income for the Year ending 31st March 2022 | | | | (0.21) | (3.01) | (3.22) | |
| Total Comprehensive Income for the Year | - | - | 66.31 | (0.21) | (3.01) | 63.09 | - |
| Balance as at 31st March 2022 | 337.24 | 15.00 | 183.40 | (1.16) | 33.41 | 567.88 | - |
| Profit for the Year ending 31st March 2023 | - | - | 242.12 | | - | 242.12 | |
| Other Comprehensive Income for the Year ending 31st March 2023 | - | - | | 2.16 | 0.08 | 2.24 | |
| Share of Subsidiary in Reserves | - | - | (0.97) | | - | (0.97) | 0.21 |
| Share of Non Controlling Interest | - | - | - | | - | - | (0.18) |
| Total Comprehensive Income for the year | - | - | 241.16 | 2.16 | 0.08 | 243.39 | 0.03 |
| Balance as at 31st March 2023 | 337.24 | 15.00 | 424.55 | 1.00 | 33.49 | 811.27 | 0.03 |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

| Particulars | Reserves and Surplus | | | | Other Comprehensive Income | TOTAL | Non Controlling Interest |
|--|----------------------|----------------------------|-------------------|---|--------------------------------------|-----------------|--------------------------|
| | Securities Premium | Capital Redemption Reserve | Retained Earnings | Remeasurements of Defined Benefit Plans | Foreign currency translation reserve | | |
| Profit for the Year ending 31st March 2024 | - | - | 223.32 | | - | 223.32 | (3.40) |
| Other Comprehensive Income for the Year ending 31st March 2024 | - | - | | 0.50 | 4.36 | 4.87 | |
| Total Comprehensive Income for the year | - | - | 223.32 | 0.50 | 4.36 | 228.18 | (3.40) |
| Balance as at 31st March 2024 | 337.24 | 15.00 | 647.87 | 1.50 | 37.85 | 1,039.46 | (3.37) |
| Transactions with owners in their capacity as owners: | - | - | - | | - | - | |
| Others* | 1.43 | | | | | 1.43 | |
| Issue of Bonus Equity Shares | (60.83) | (15.00) | | | | (75.83) | |
| Initial Public Offer expenses | | - | (18.33) | | - | (18.33) | |
| Balance as at 31st March 2024 | 277.84 | - | 629.53 | 1.50 | 37.85 | 946.72 | (3.37) |

| Nature and Purpose of each component of equity | Nature and Purpose |
|--|---|
| i. Securities Premium | Amounts received in excess of par value on issue of shares is classified as Securities Premium |
| ii. Capital Redemption Reserve | Capital Redemption Reserve represents statutory reserve created upon buyback of Preference shares in the earlier years. |
| iii. Retained Earnings | Retained earnings are the profits that the Group has earned till date, less any dividends or other distributions paid to shareholders |
| iv. Remeasurements of Defined Benefit Plans | Gains / Losses arising on Remeasurements of Defined Benefit Plans are recognised in the Other Comprehensive Income as per IND AS-19 and shall not be reclassified to the Statement of Profit or Loss in the subsequent years. |
| v. Foreign currency translation reserve | Exchange differences relating to the translation of the results and net assets of the groups foreign operations from their functional currencies to the Group's presentation currency, i.e, Indian Rupees. |

*Shares of holding company held by subsidiary has been transferred during the year resulting in gain of Rs. 1.43 Million

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 13

Borrowings

(Rupees in Million)

| Particulars | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---------------------------------------|------------------------|------------------------|------------------------|
| <u>At Amortised Cost</u> | | | |
| <u>NON CURRENT</u> | | | |
| <u>Secured</u> | | | |
| Term loans; | | | |
| - from Banks | 92.06 | 103.98 | 95.28 |
| <u>Unsecured</u> | | | |
| - Loan from Shareholders / Directors | - | 78.51 | 119.96 |
| - Inter-corporate deposits | - | 22.50 | 22.50 |
| Sub total | 92.06 | 204.99 | 237.74 |
| <u>At Amortised Cost</u> | | | |
| <u>CURRENT</u> | | | |
| <u>Secured</u> | | | |
| Current maturities of long-term debt | 52.86 | 37.43 | 36.92 |
| Interest accrued and due on term loan | 0.98 | 0.70 | 0.71 |
| Loans repayable on demand | | | |
| - from banks | 404.38 | 342.86 | 293.55 |
| Sub total | 458.22 | 380.99 | 331.18 |
| Total | 550.28 | 585.98 | 568.92 |

| A. Nature of Borrowings | Interest Rate and terms of repayments |
|---|--|
| Term loans | |
| - From HDFC Bank Ltd. (secured) | |
| The loans are secured by first and exclusive charge by way of hypothecation on certain specific equipments financed through the loan. | The loan carries rate of interest of 9.70% per annum. The loan is repayable in 75 monthly (Including moratorium) installments from the 7 Jun 2022. |
| - From Yes Bank Ltd. (secured) | |
| The loans are secured by first and exclusive charge by way of hypothecation on certain specific equipments financed through the loan. | The loan carries rate of interest of 9.75 % per annum. (Previous Year 9.60% per annum). The loan is repayable in 84 monthly installments from the 5 Jul 2019. |
| Emergency Credit Line Gurantee Scheme | |
| - From HDFC Bank Ltd. (secured) | |
| The loans are secured by first and exclusive charge by way of hypothecation on certain specific equipments financed through the loan. | The loan carries rate of interest of 9.25% per annum. (Previous Year 8.25% to 9.25 % per annum). The loan is repayable in 48 monthly after one year of moratorium i.e. 1 Oct 2021. |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 13

Borrowings

(Rupees in Million)

| A. Nature of Borrowings | Interest Rate and terms of repayments |
|--|---|
| - From Yes Bank Ltd. (secured) The loans are secured by first and exclusive charge by way of hypothecation on certain specific equipments financed through the loan. | The loan carries rate of interest of 8.64% to 9.25% per annum. (Previous Year 8.88% per annum). The loan is repayable in 48 monthly after one year of moratorium i.e. 1 Nov 2021. |
| Vehicle finance loan (secured) The loans are secured against hypothecation of related vehicles taken under the loans. | The loan carries rate of interest of 8.46% to 10.50% per annum [previous year: 8.46% to 10.50% per annum The loans are repayable in equated monthly installments, from the month subsequent to disbursement of the loan. |
| Cash credit and overdraft facilities from HDFC Bank Ltd. and Yes Bank Ltd. are secured by pari passu charge by way of hypothecation of inventories of raw materials and finished goods and book debts, both present and future. | Cash credit and overdraft facilities from HDFC Bank Ltd. carries rate of interest of 8.25% to 10.50% per annum [previous year: Mar-23 : from 8.25% to 10.50%, Mar-22 : 8.85% to 10.25%per annum] and Yes Bank Ltd. carries rate of interest of 8.90% to 10.50% per annum [previous year: Mar-23 from 8.85% to 10.25%, Mar-22 from 9.05% to 10.10%,], computed on a monthly basis on the actual amount utilised, and are repayable on demand |

B.(i) The Quarterly returns/statements of current assets filed by the Company for the year ended 31st March, 2024 with the Yes Bank/HDFC Bank are in agreement with the books of accounts except for the following;

| | (Rupees in Million) | | | |
|---|---------------------|---------------|-----------------|-----------------|
| Particulars | Jun-23 | Sep-23 | Dec-23 | Mar-24 |
| Current Assets as per Statement filed with Bank | 853.00 | 915.80 | 1,034.75 | 1,058.08 |
| Add: Reconciliation of Items not considered in the Statement filed with the bank | - | - | - | - |
| Related party debtors & Scrap Debtors | 99.73 | 79.88 | 45.60 | 3.09 |
| Advance to debtors | (1.45) | (4.64) | (6.57) | (8.00) |
| Inventory in Transit | 32.07 | (22.89) | (25.15) | (29.62) |
| Valuation Difference | 18.06 | (12.56) | (15.30) | 22.66 |
| Balance as per Financial Statements | 1,001.41 | 955.59 | 1,033.33 | 1,046.22 |

B.(ii) The Quarterly returns/statements of current assets filed by the Company for the year ended 31st March, 2023 with the Yes

| | (Rupees in Million) | | | |
|---|---------------------|---------------|---------------|---------------|
| Particulars | Jun-22 | Sep-22 | Dec-22 | Mar-23 |
| Current Assets as per Statement filed with Bank | 663.86 | 746.05 | 806.26 | 775.06 |
| Add: Reconciliation of Items not considered in the Statement filed with the bank | - | - | - | - |
| Related party debtors & Scrap Debtors | 86.50 | 99.79 | 122.68 | 95.90 |
| Advance to debtors | (3.65) | (4.06) | (6.69) | (1.50) |
| Inventory in Transit | (23.48) | (34.69) | (21.65) | (25.15) |
| Valuation Difference | 29.52 | 49.19 | 9.71 | 23.95 |
| Balance as per Financial Statements | 752.75 | 856.28 | 910.31 | 868.26 |

B.(ii) The Quarterly returns/statements of current assets filed by the Company for the year ended 31st March, 2022 with the Yes Bank/HDFC Bank are in agreement with the books of accounts except for the following;(As per Schedule III Amendments effective 31st March, 2021.

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 13

Borrowings

(Rupees in Million)

(Rupees in Million)

| Particulars | Jun-21 | Sep-21 | Dec-21 | Mar-22 |
|--|---------------|---------------|---------------|---------------|
| Current Assets as per Statement filed with Bank | 514.52 | 557.38 | 630.27 | 668.91 |
| Add: Reconciliation of Items not considered in the Statement filed with the bank | - | - | - | - |
| Related party debtors & Scrap Debtors | 105.76 | 100.87 | 91.99 | 85.69 |
| Advance to debtors | (5.12) | (6.46) | (5.93) | (6.79) |
| Inventory in Transit | - | (28.80) | - | (22.82) |
| Valuation Difference | 36.10 | 20.85 | 20.85 | 24.66 |
| Balance as per Financial Statements | 651.26 | 643.84 | 737.18 | 749.65 |

(Rupees in Million)

| C. Reconciliation of Financing Liabilities | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|------------------------|
| Opening balance | | | |
| - Long Term Borrowings | 204.99 | 237.74 | 301.08 |
| - Current borrowings | 342.86 | 293.55 | 246.86 |
| - Current maturities of long term debt | 37.43 | 36.92 | 40.64 |
| Total - A | 585.28 | 568.22 | 588.58 |
| Cash flow movements | | | |
| - Proceeds from borrowings | 102.40 | 84.10 | 64.95 |
| - Repayment of borrowings | (138.39) | (67.04) | (85.31) |
| Total - B | (35.98) | 17.06 | (20.36) |
| Closing Balance (A+B) | 549.30 | 585.28 | 568.22 |
| Closing Balance Break Up | | | |
| - Long Term Borrowings | 92.06 | 204.99 | 237.74 |
| - Current borrowings | 404.38 | 342.86 | 293.55 |
| - Current maturities of long term debt | 52.86 | 37.43 | 36.92 |
| | 549.30 | 585.28 | 568.22 |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 14

Provisions

(Rupees in Million)

| Particulars | Non Current | | | Current | | |
|--|------------------------|------------------------|---------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
| Provision for employee benefits (Refer Note 32 (g)) | | | | | | |
| Gratuity | 39.28 | 35.08 | 30.30 | 3.81 | 5.07 | 8.94 |
| Leave Encashment | 13.28 | 10.91 | 9.34 | 1.16 | 1.09 | 1.04 |
| Total | 52.56 | 45.99 | 39.64 | 4.98 | 6.16 | 9.98 |

Note 15

Deferred Tax Liabilities - (Net)

(Rupees in Million)

| Particulars | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|------------------------|
| Deferred Tax Liabilities (Net); | | | |
| - Arising on account of difference in carrying amount and tax base of PPE and Intangibles | 57.71 | 63.58 | 74.61 |
| - Remeasurement of Defined Benefit Plans | 0.41 | 0.24 | - |
| Deferred Tax Asset: | | | |
| - Right-of-use and lease liability | 0.35 | 0.11 | - |
| - Security deposit | 0.01 | 0.00 | - |
| - Remeasurement of Defined Benefit Plans | - | - | 0.48 |
| - Accrued Expenses allowable on Actual Payments | 18.26 | 26.19 | 43.16 |
| - Brought forward long term capital loss | 30.22 | - | - |
| | 9.28 | 37.53 | 30.97 |
| Less: MAT Credit | - | 0.59 | 9.84 |
| Total | 9.28 | 36.94 | 21.13 |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)

ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

COMPONENTS OF DEFERRED TAX LIABILITY (NET)

| Particulars | As on March 31, 2024 | | | | As on March 31, 2023 | | | |
|--|----------------------|--|--|-----------------|----------------------|--|--|-----------------|
| | Opening Balance | Recognised in Statement of Profit and Loss | Recognised in Other Comprehensive Income | Closing Balance | Opening Balance | Recognised in Statement of Profit and Loss | Recognised in Other Comprehensive Income | Closing Balance |
| Tax effect of items constituting deferred tax liabilities | | | | | | | | |
| Depreciation and amortisation | 63.58 | (5.87) | | 57.71 | 74.61 | 11.03 | | 63.58 |
| Gross deferred tax liabilities (a) | 63.58 | (5.87) | - | 57.71 | 74.61 | 11.03 | - | 63.58 |
| Tax effect of items constituting deferred tax assets | | | | | | | | |
| Accrued expenses allowable on actual payments | 26.19 | (7.92) | | 18.26 | 43.16 | 16.97 | | 26.19 |
| On Remeasurement of Defined Benefit Plans | (0.24) | | (0.17) | (0.41) | 0.48 | | (0.72) | (0.24) |
| On Brought forward long term capital loss | - | 30.22 | | 30.22 | | | | |
| On Right of Use Asset | 0.11 | 0.24 | | 0.35 | | 0.11 | | 0.11 |
| Others | 0.00 | 0.01 | | 0.01 | | 0.00 | | 0.00 |
| Gross deferred tax assets (b) | 26.06 | 22.55 | -0.17 | 48.43 | 43.64 | 17.09 | (0.72) | 26.06 |
| Net deferred tax liability (a - b) | 37.52 | (28.42) | 0.17 | 9.28 | 30.97 | (6.06) | 0.72 | 37.52 |

COMPONENTS OF DEFERRED TAX LIABILITY (NET)

| Particulars | As on March 31, 2022 | | | |
|--|----------------------|--|--|-----------------|
| | Opening Balance | Recognised in Statement of Profit and Loss | Recognised in Other Comprehensive Income | Closing Balance |
| Tax effect of items constituting deferred tax liabilities | | | | |
| Depreciation and amortisation | 70.82 | 3.79 | | 74.61 |
| Gross deferred tax liabilities (a) | 70.82 | 3.79 | - | 74.61 |
| Tax effect of items constituting deferred tax assets | | | | |
| Accrued expenses allowable on actual payments | 40.84 | 2.32 | | 43.16 |
| On Remeasurement of Defined Benefit Plans | 0.39 | | 0.09 | 0.48 |
| Gross deferred tax assets (b) | 41.23 | 2.32 | 0.09 | 43.64 |
| Net deferred tax liability (a - b) | 29.59 | 1.47 | (0.09) | 30.97 |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 16

Trade Payables **(Rupees in Million)**

| Particulars | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|------------------------|
| Outstanding due of Micro and Small Enterprises (Refer Note 32(b)) | 3.28 | 6.75 | 3.14 |
| Outstanding due of Creditors other than Micro and Small Enterprises | 133.42 | 74.33 | 134.86 |
| Total | 136.70 | 81.08 | 138.00 |
| Of the above; | | | |
| - Acceptances | 25.62 | 6.37 | 40.05 |

Trade Payables aging schedule **(Rupees in Million)**

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | As at 31 March 2024 |
|--------------|--------------|--|--------------|--------------|----------------------|------------------------|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 3.16 | 0.12 | - | - | - | 3.28 |
| (ii) Others | 77.24 | 56.18 | - | - | - | 133.42 |
| Total | 80.40 | 56.30 | - | - | - | 136.70 |

Trade Payables aging schedule **(Rupees in Million)**

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | As at 31 March 2023 |
|--------------|--------------|--|--------------|--------------|----------------------|------------------------|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 5.07 | 1.68 | - | - | - | 6.75 |
| (ii) Others | 43.60 | 24.30 | 4.36 | 0.11 | 1.96 | 74.33 |
| Total | 48.67 | 25.98 | 4.36 | 0.11 | 1.96 | 81.08 |

Trade Payables aging schedule **(Rupees in Million)**

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | As at 31 March 2022 |
|----------------------------|--------------|--|--------------|--------------|----------------------|------------------------|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 1.41 | 1.39 | - | - | - | 2.80 |
| (ii) Others | 85.35 | 45.55 | 0.70 | 0.28 | 2.98 | 134.86 |
| (iii) Disputed dues - MSME | - | - | 0.34 | - | - | 0.34 |
| Total | 86.76 | 46.94 | 1.04 | 0.28 | 2.98 | 138.00 |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 17

Other Financial Liabilities **(Rupees in Million)**

| Particulars | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|------------------------------------|------------------------|------------------------|------------------------|
| Carried at Amortised Cost : | | | |
| Security Deposit | 4.25 | 6.50 | 3.00 |
| Capital Creditors | 4.78 | 2.25 | 1.73 |
| Liability for Employee benefits | 29.31 | 25.83 | 26.15 |
| Others | 25.33 | 35.11 | 26.03 |
| Carried at FVTPL : | | | |
| Forward Exchange Contracts | - | 14.64 | - |
| Total | 63.67 | 84.33 | 56.91 |

Note 18

Other Liabilities **(Rupees in Million)**

| Particulars | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|----------------------|------------------------|------------------------|------------------------|
| Contract Liabilities | 2.95 | 3.27 | 4.17 |
| Others; | | | |
| Statutory Dues | 7.07 | 5.72 | 5.84 |
| Other advance | - | - | 1.50 |
| Total | 10.02 | 8.99 | 11.51 |

Movement of contract liabilities is as under ; **(Rupees in Million)**

| Particulars | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|------------------------|
| As at beginning of the year | 3.27 | 4.15 | 3.90 |
| Recognised as revenue from contracts with customers | 4.37 | 100.85 | 24.06 |
| Advance from customers received during the year | (4.69) | (101.73) | (23.81) |
| Balance at the close of the year | 2.95 | 3.27 | 4.15 |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 19

Revenue from Operations

(Rupees in Million)

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 | Year Ended 31 March 2022 |
|---------------------------|-----------------------------|-----------------------------|-----------------------------|
| Sale Of Products | 1,942.98 | 1,577.62 | 1,389.84 |
| Sale Of Services | 0.82 | 1.09 | 1.97 |
| Other Operating Revenues: | | | |
| Export Incentives | 17.00 | 11.13 | 7.96 |
| Scrap Sales | 64.65 | 64.81 | 53.00 |
| Total | 2,025.45 | 1,654.65 | 1,452.77 |

Reconciliation of revenue recognised with the contracted price is as follows:

(Rupees in Million)

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 | Year Ended 31 March 2022 |
|--|-----------------------------|-----------------------------|-----------------------------|
| Gross Sales (Contracted Price) | 1,947.08 | 1,580.35 | 1,394.13 |
| Reductions towards variable consideration (Discount, Other Expenses) | (4.10) | (2.73) | (4.29) |
| Revenue recognised | 1,942.98 | 1,577.62 | 1,389.84 |

Note 20

Other Income

(Rupees in Million)

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 | Year Ended 31 March 2022 |
|--|-----------------------------|-----------------------------|-----------------------------|
| Interest on margin money/others | 6.00 | 4.98 | 1.09 |
| Discount on Forward Contracts | 9.43 | 10.33 | 9.51 |
| Profit on sale of PPE (net) | - | 0.31 | - |
| Gain on Foreign Exchange Translations | 2.74 | - | 13.38 |
| Insurance claim received | - | - | 0.22 |
| Rent received | - | - | 1.89 |
| Miscellaneous Income | - | 0.48 | 0.77 |
| Unwinding of discounted rental deposit | 0.15 | 0.07 | - |
| Total | 18.32 | 16.17 | 26.86 |

Note 21

Cost of Materials consumed

(Rupees in Million)

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 | Year Ended 31 March 2022 |
|--------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Opening Stock of Raw Materials | 258.60 | 253.22 | 167.12 |
| Purchases during the year | 842.93 | 719.02 | 686.91 |
| Closing Stock of Raw Materials | 201.23 | 258.60 | 253.22 |
| Total | 900.30 | 713.64 | 600.81 |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 22

Changes In Inventories Of Finished Goods And Work-In-Progress

(Rupees in Million)

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 | Year Ended 31 March 2022 |
|----------------------|-----------------------------|-----------------------------|-----------------------------|
| Closing Stock: | | | |
| Finished Goods | 189.43 | 124.60 | 108.04 |
| Work-in-Progress | 147.85 | 139.85 | 110.66 |
| | 337.28 | 264.45 | 218.71 |
| Less: Opening Stock: | | | |
| Finished Goods | 124.60 | 108.04 | 110.55 |
| Work-in-Progress | 139.85 | 110.66 | 99.29 |
| | 264.45 | 218.70 | 209.84 |
| Total | (72.83) | (45.75) | (8.88) |

Note 23

Employee Benefits Expense

(Rupees in Million)

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 | Year Ended 31 March 2022 |
|---|-----------------------------|-----------------------------|-----------------------------|
| Salaries and Wages | 219.32 | 205.04 | 191.98 |
| Contribution to provident, gratuity and other funds | 16.42 | 14.79 | 14.69 |
| Staff welfare expenses | 12.01 | 12.47 | 8.45 |
| Total | 247.75 | 232.30 | 215.12 |

The Shareholders of the Holding Company had approved on 14th January, 2022 an Employee Stock Option Scheme ("Gala ESOP 2021"), formulated by the Holding Company, under which the Holding Company issued upto 50,000 options to its permanent employees, including Wholetime Directors of the Holding Company. The Gala ESOP 2021 is administered by the Board of Directors of the Holding Company.

As per the scheme, the number of shares that will vest is conditional upon length of service, grades, salary cost of the employee to the Holding Company, performance appraisals and / or any other factors as determined by Committee. The vesting period shall be 5 years from the grant date i.e. 14th January 2022. The options granted under this scheme is exercisable by employees till five years from date of its vesting. The Holding Company has granted options at an exercise price of Rs. 350. At grant date, the estimated fair value of stock options granted under Gala ESOP 2021 is Rs. 350. The fair valuation of stock options have been done by an independent valuer using Income Approach Method. The details of stock options granted and key assumptions taken into account for fair valuation are as under:

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 | Year Ended 31 March 2022 |
|---|-----------------------------|-----------------------------|-----------------------------|
| 1) Grant Date | 14th January, 2022 | 14th January, 2022 | 14th January, 2022 |
| 2) Risk-free interest rate | 6.70% | 6.70% | 6.70% |
| 3) Expected Life | 5 Years | 5 Years | 5 Years |
| 4) Expected Volatility | 0.001% | 0.001% | 0.001% |
| 5) Expected Dividend Yield | Nil | Nil | Nil |
| 6) Fair market value of underlying share* | Rs. 87.50/- | Rs. 87.50/- | Rs. 87.50/- |
| 7) Exercise Price* | Rs. 87.50/- | Rs. 87.50/- | Rs. 87.50/- |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 | Year Ended 31 March 2022 |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| Options outstanding at the beginning of the year | 1,78,400 | 1,78,400 | - |
| Granted during the year | 1,500 | - | 44,600 |
| Add: Bonus Issue* | 4,500 | | 1,33,800 |
| Forfeited/Expired/Lapsed during the year | (38,200) | - | - |
| Outstanding at the end of the year | 1,46,200 | 1,78,400 | 1,78,400 |

* As per the scheme, in case of issue of bonus shares by the Holding company, number of options granted shall be adjusted in the same proportion as the bonus being declared. Accordingly, number of options granted have been proportionately increased in ratio of bonus issue i.e. 3:1

Note 24

Finance Costs

(Rupees in Million)

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 | Year Ended 31 March 2022 |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| Interest on Loans and Deposits | 10.49 | 11.35 | 10.49 |
| Interest on Working Capital Facilities | 33.45 | 22.24 | 17.92 |
| Interest on unsecured loans | 11.22 | 15.71 | 18.68 |
| Finance charges | 4.59 | 1.69 | 1.53 |
| Interest on lease liabilities | 1.65 | 0.61 | - |
| Total | 61.40 | 51.60 | 48.62 |

Note 25

Depreciation and Amortisation expense

(Rupees in Million)

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 | Year Ended 31 March 2022 |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Depreciation on Property, Plant And Equipment | 41.05 | 40.46 | 40.85 |
| Amortisation of Intangible Assets | 24.22 | 21.53 | 24.22 |
| Amortisation of right-of-use asset | 4.48 | 1.13 | - |
| Less: Transferred to Capital Work in Progress | (1.13) | (2.29) | (2.46) |
| Total | 68.62 | 60.83 | 62.61 |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)

ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 26

Other Expenses (Rupees in Million)

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 | Year Ended 31 March 2022 |
|---|-----------------------------|-----------------------------|-----------------------------|
| Consumption of stores and spare parts | 77.49 | 61.04 | 48.28 |
| Packing material consumed | 22.94 | 22.47 | 19.86 |
| Power and Fuel | 59.70 | 53.47 | 46.03 |
| Labour charges | 230.41 | 202.62 | 183.37 |
| Testing expenses | 8.64 | 5.78 | 7.15 |
| Rent | 3.36 | 4.55 | 3.85 |
| Rates and Taxes | 6.85 | 4.03 | 2.42 |
| Insurance | 11.08 | 10.49 | 8.33 |
| Travelling expenses | 13.32 | 10.99 | 5.35 |
| Legal and professional fees | 12.74 | 6.82 | 9.27 |
| Sitting Fees | 0.34 | - | - |
| Commission | 2.62 | 0.57 | 1.12 |
| Business promotion | 15.25 | 10.88 | 8.66 |
| Bank charges | 3.23 | 3.24 | 2.82 |
| Telephone and other communication expenses | 1.02 | 1.00 | 1.05 |
| Printing and stationery | 1.43 | 1.20 | 1.47 |
| Provision for expected credit loss | 2.30 | - | 0.23 |
| Bad debts written-off | 0.90 | 1.17 | 4.43 |
| Loss on sale of property, plant and equipment (net) | 2.52 | - | 4.40 |
| Intangible Assets written off | - | - | 19.05 |
| Conveyance and vehicle expenses | 17.71 | 16.45 | 17.00 |
| Repairs and Renewals: | - | - | - |
| - Building | 1.67 | 3.02 | 1.43 |
| - Plant and machinery | 3.58 | 4.04 | 3.17 |
| - Others | 7.94 | 6.68 | 5.70 |
| Auditors' Remuneration: | | | - |
| As Auditors: | | | |
| Audit fee | 1.25 | 0.74 | 0.51 |
| Other Services | 0.03 | 0.06 | 0.11 |
| | 1.28 | 0.80 | 0.62 |
| Cost Auditors Remuneration: | | | |
| Audit fee | 0.07 | 0.07 | 0.07 |
| Recruitment | 2.07 | 0.44 | 0.05 |
| Freight outward | 37.41 | 28.31 | 31.21 |
| Computer expenses | 4.39 | 4.39 | 3.88 |
| Security expenses | 3.75 | 3.71 | 3.46 |
| Interest on Statutory Dues | 1.46 | 0.59 | 0.66 |
| Donation | 0.07 | 0.10 | 0.07 |
| CSR Activity Expenses | 2.35 | 1.06 | - |
| Net loss on foreign currency transactions | - | 9.47 | - |
| Fair Value Loss on Financial Assets | 0.02 | 0.02 | - |
| FPS License expenses | - | - | 2.63 |
| Miscellaneous expenses | 2.75 | 1.75 | 1.98 |
| Total | 562.66 | 481.22 | 449.07 |

Note 27

Exceptional Items (Rupees in Million)

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 | Year Ended 31 March 2022 |
|--|-----------------------------|-----------------------------|-----------------------------|
| Profit on Sale of Property, Plant & Equipment (Refer Note 32 (k)) | - | 67.59 | - |
| Write off of inventory of Foreign Subsidiary (Refer Note 32(m)) | (23.65) | - | - |
| Income from Sale of Intangible assets of SES business (Refer Note 32 (k)) | 3.50 | 30.00 | - |
| Expenses relating to winding up of foreign subsidiary (Refer Note 32(l)) | (2.94) | - | - |
| Total | (23.09) | 97.59 | - |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 28 -Transition to Ind AS - Reconciliations

The Restated Consolidated financial information for year ended 31 March 2024 and year ended March 2023 and 2022 are the Consolidated financial information prepared by the Group in accordance with Ind AS. For the periods upto and including the year ended 31 March 2023 and 31 March 2022, the Group prepared its Consolidated financial information in accordance with the Generally Accepted Accounting Principles in India (previous GAAP). Reconciliation and description of the effect of transition from previous IGAAP to Ind AS are provided below:

Accordingly, the Group has prepared Consolidated financial information which comply with Ind AS applicable for year ended 31 March 2024, together with the comparative year data as at and for the year ended 31 March 2023 and 31 March 2022, as described in the summary of Material accounting policies.

A. Optional Exemptions availed

i) Deemed Cost - Previous GAAP carrying amount

The Holding Company has elected to continue with the carrying value of its PPE, CWIP and Intangible assets recognized as of 1st April 2020 (Transition date) measured as per previous GAAP and use that carrying value as its deemed cost as of the transition date.

B. Applicable Mandatory Exceptions

i) Estimates

Estimates in accordance with Ind AS at the transition date will be consistent with estimates made for the same date in accordance with IGAAP (after adjustments to reflect any difference in Accounting Policies) unless there is objective evidence that those estimates were in error

ii) Derecognition of financial assets and financial liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2020 (the transition date).

ii) Classification and measurement of financial instrument

As required under Ind AS 101 the company has assessed the classification and measurement of financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS.

iii) Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

C. Reconciliation

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent reconciliations from IGAAP to Ind AS

i. Reconciliation of balance sheet as at 31 March 2023 and 31 March 2022

ii. Reconciliation of Total Comprehensive Income for the year ended March 31, 2023 and March 31, 2022

iii. On account of transition to Ind AS, there is no material adjustment to the Statement of Cash Flows

The presentation requirements under previous GAAP differs from Ind AS and hence previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The regrouped previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 28 C (i) - Reconciliation of Equity as at 31st March 2022

(Rupees in Million)

| Particulars | Previous GAAP * | Reclassification | Ind AS | Adjustments | Ind AS |
|--|-----------------|------------------|-----------------|----------------|-----------------|
| ASSETS | | | | | |
| Non-Current Assets | | | | | |
| Property, Plant and Equipment | 394.63 | (11.10) | 383.52 | - | 383.52 |
| Right of use assets | - | 11.10 | 11.10 | - | 11.10 |
| Capital Work-in-Progress | 1.26 | - | 1.26 | - | 1.26 |
| Other Intangible Assets | 168.37 | - | 168.37 | - | 168.37 |
| Intangible assets under development | 29.33 | - | 29.33 | - | 29.33 |
| - Other financial assets | - | 6.11 | 6.11 | - | 6.11 |
| Non-Current Tax assets (net) | - | 1.31 | 1.31 | - | 1.31 |
| Other non-current assets | 35.94 | (31.50) | 4.44 | - | 4.44 |
| Inventories | 497.23 | - | 497.23 | - | 497.23 |
| - Trade Receivables | 254.57 | - | 254.57 | - | 254.57 |
| - Cash and cash Equivalents | 26.71 | (21.42) | 5.29 | - | 5.29 |
| - Bank balances other than cash and cash equivalent: | - | 21.42 | 21.42 | - | 21.42 |
| - Loans | - | 2.99 | 2.99 | - | 2.99 |
| - Others financial assets | - | 20.96 | 20.96 | - | 20.96 |
| Other current assets | 68.69 | (20.42) | 48.27 | - | 48.27 |
| Total assets | 1,476.73 | (20.55) | 1,456.17 | - | 1,456.17 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Equity share capital | 25.28 | - | 25.28 | - | 25.28 |
| Other equity | 579.90 | - | 579.90 | (12.02) | 567.88 |
| Total equity | 605.18 | - | 605.18 | (12.02) | 593.16 |
| LIABILITIES | | | | | |
| Non-current liabilities | | | | | |
| Financial Liabilities | | | | | |
| - Borrowings | 237.74 | - | 237.74 | - | 237.74 |
| Provisions | 39.64 | - | 39.64 | - | 39.64 |
| Deferred Tax Liabilities (Net) | 30.97 | (21.86) | 9.11 | 12.02 | 21.13 |
| | 308.35 | (21.86) | 286.49 | 12.02 | 298.51 |
| Current Liabilities | | | | | |
| Financial Liabilities | | | | | |
| - Borrowings | 331.18 | - | 331.18 | - | 331.18 |
| - Trade Payables | 138.00 | - | 138.00 | - | 138.00 |
| - Other Financial Liabilities | | 56.91 | 56.91 | - | 56.91 |
| Other Current Liabilities | 68.45 | (56.94) | 11.51 | - | 11.51 |
| Provisions | 25.57 | (15.59) | 9.98 | - | 9.98 |
| Current Tax Liabilities (Net) | - | 16.92 | 16.92 | - | 16.92 |
| Total current liabilities | 563.20 | 1.31 | 564.50 | - | 564.50 |
| Total liabilities | 871.55 | (20.55) | 850.99 | 12.02 | 863.01 |
| Total equity and liabilities | 1,476.73 | (20.55) | 1,456.17 | - | 1,456.17 |

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 28 C (i) - Reconciliation of Equity as at 31st March 2022

(Rupees in Million)

| Particulars | Previous GAAP * | Reclassification | Ind AS | Adjustments | Ind AS |
|---|-----------------|------------------|-----------------|---------------|-----------------|
| ASSETS | | | | | |
| <u>Non-Current Assets</u> | | | | | |
| Property, Plant and Equipment | 413.98 | (32.30) | 381.69 | (0.15) | 381.54 |
| Right of use assets | - | 32.30 | 32.30 | 17.37 | 49.67 |
| Capital Work-in-Progress | 12.50 | - | 12.50 | | 12.50 |
| Goodwill | - | 0.07 | 0.07 | | 0.07 |
| Other Intangible Assets | 176.87 | (0.07) | 176.80 | | 176.80 |
| Intangible assets under development | 34.55 | | 34.55 | | 34.55 |
| Financial Assets; | | | - | | |
| - Investments | 0.02 | - | 0.02 | (0.02) | - |
| - Other financial assets | - | 8.98 | 8.98 | | 8.98 |
| Non-Current Tax assets (net) | - | 10.89 | 10.89 | | 10.89 |
| Other non-current assets | 27.37 | -20.46 | 6.91 | | 6.91 |
| <u>Current Assets</u> | | | | | |
| Inventories | 557.57 | | 557.57 | | 557.57 |
| Financial Assets; | | | | | |
| - Trade Receivables | 299.63 | - | 299.63 | | 299.63 |
| - Cash and cash Equivalents | 120.03 | (114.69) | 5.34 | | 5.34 |
| - Bank balances other than cash and cash equivalent | - | 114.69 | 114.69 | | 114.69 |
| - Loans | - | 6.26 | 6.26 | | 6.26 |
| - Others financial assets | - | 4.03 | 4.03 | | 4.03 |
| Other current assets | 50.33 | (16.08) | 34.25 | 0.20 | 34.43 |
| Total assets | 1,692.85 | (6.38) | 1,686.46 | 17.40 | 1,703.86 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Equity share capital | 25.24 | - | 25.24 | - | 25.24 |
| Other equity | 811.61 | - | 811.61 | (0.34) | 811.27 |
| Equity attributable to owners | 836.85 | - | 836.85 | (0.34) | 836.51 |
| Non Controlling Interest | 0.03 | - | 0.03 | | 0.03 |
| Total equity | 836.88 | - | 836.88 | (0.34) | 836.54 |
| LIABILITIES | | | | | |
| Non-current liabilities | | | | | |
| Financial Liabilities | | | | | |
| - Borrowings | 204.99 | - | 204.99 | - | 204.99 |
| - Lease liabilities | - | - | - | 14.89 | 14.89 |
| Provisions | 46.00 | - | 45.99 | - | 45.99 |
| Deferred Tax Liabilities (Net) | 37.64 | (0.59) | 37.05 | (0.11) | 36.94 |
| | 288.63 | (0.59) | 288.03 | 14.78 | 302.81 |
| Current Liabilities | | | | | |
| Financial Liabilities | | | | | |
| - Borrowings | 380.99 | - | 380.99 | - | 380.99 |
| - Lease liabilities | - | - | - | 2.91 | 2.91 |
| - Trade Payables | 81.08 | - | 81.08 | - | 81.08 |
| - Other Financial Liabilities | | 84.33 | 84.33 | - | 84.33 |
| Other Current Liabilities | 99.11 | (90.12) | 8.99 | - | 8.99 |
| Provisions | 6.16 | - | 6.16 | - | 6.16 |
| Current Tax Liabilities (Net) | - | - | - | 0.05 | 0.05 |
| Total current liabilities | 567.34 | (5.79) | 561.55 | 2.96 | 564.51 |
| Total liabilities | 855.97 | (6.38) | 849.58 | 17.74 | 867.32 |
| Total equity and liabilities | 1,692.85 | (6.38) | 1,686.46 | 17.40 | 1,703.86 |

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 28 C (ii) - Reconciliation of Total Comprehensive Income for the year ended 31 March 2022

(Rupees in Million)

| Particulars | Foot Note | Previous GAAP * | Reclassification | Ind AS | Adjustments | Ind AS |
|--|-----------|-----------------|------------------|-----------------|-------------|-----------------|
| INCOME | | | | | | |
| Revenue from Operations | i | 1,457.16 | (4.39) | 1,452.77 | - | 1,452.77 |
| Other Income | ii | 26.62 | 0.23 | 26.86 | - | 26.86 |
| TOTAL INCOME | | 1,483.78 | (4.16) | 1,479.63 | - | 1,479.63 |
| EXPENSES | | | | | | |
| Cost of materials consumed | | 600.81 | - | 600.81 | - | 600.81 |
| Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress | | (8.87) | - | (8.87) | - | (8.88) |
| Employee Benefits expense | iii | 215.41 | (0.29) | 215.12 | - | 215.12 |
| Finance Costs | | 48.61 | - | 48.61 | - | 48.62 |
| Depreciation and Amortisation expense | | 62.61 | - | 62.61 | - | 62.61 |
| Other Expenses | i | 453.45 | (4.39) | 449.07 | - | 449.07 |
| TOTAL EXPENSES | | 1,372.02 | (4.67) | 1,367.35 | - | 1,367.35 |
| PROFIT BEFORE TAX | | 111.76 | 0.52 | 112.28 | - | 112.28 |
| TAX EXPENSE | | | | | | |
| (1) Current Tax | | 32.50 | | 32.50 | - | 32.50 |
| (2) Deferred Tax | iii | 1.38 | 0.09 | 1.46 | - | 1.46 |
| (3) Earlier Years adjustments | ii | - | 12.01 | 12.01 | - | 12.01 |
| TOTAL TAX EXPENSE | | 33.88 | 12.10 | 45.98 | - | 45.97 |
| PROFIT FOR THE YEAR | | 77.88 | (11.58) | 66.31 | - | 66.31 |
| OTHER COMPREHENSIVE INCOME | | | | | | |
| Items that will not be reclassified to Profit or Loss | | | | | | |
| Remeasurements of Defined benefit plans | iii | - | (0.29) | (0.29) | - | (0.29) |
| Income Tax relating to items that will not be reclassified to Profit or Loss | iii | - | 0.09 | 0.09 | - | 0.09 |
| Items that will be reclassified to Profit or Loss | | | | | | |
| Exchange differences in translating the financial statements of foreign operations | iv | - | (3.01) | (3.01) | - | (3.01) |
| TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX | | - | (3.21) | (3.21) | - | (3.21) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 77.88 | (14.80) | 63.10 | - | 63.10 |

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes:

i **Revenue Recognition - Ind AS 115**

Under Indian GAAP, variable consideration i.e. discounts on Sales was recorded under Other Expenses. Under Ind-AS, revenue from operations is to be recognised net of variable considerations.

ii **Prior period Adjustments**

In accordance with Ind AS, prior-period expenses/income are recognised in a year in which it related. Accordingly, expenses of subsidiary and deferred tax reversal has been recognised in the year ended 31.3.2022

iii **Defined Benefit Obligation:**

Both under previous GAAP and Ind-AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to statement of profit and loss. Under Ind-AS, re-measurements comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the effect of change in asset ceiling (if applicable) and the return on plan assets (excluding net interest) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI). Thus, the employee benefit cost is reduced by Rs. 0.29 Million and deferred tax thereon of Rs. 0.08 Million for 2021-22 and re-measurement losses on defined benefit plans has been recognised in the Other Comprehensive Incomes (net of tax)

iv **Translation of Foreign Operations**

Under IGAAP, the exchange differences arising on translation for consolidation are recognised directly in Equity whereas Under Ind - AS, the exchange differences arising on translation for consolidation are recognised in OCI

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 28 C (ii) - Reconciliation of Total Comprehensive Income for the year ended 31 March 2023

| (Rupees in Million) | | | | | | |
|--|------------------|------------------------|-------------------------|---------------------------|--------------------|-----------------|
| Particulars | Foot Note | Previous GAAP * | Reclassification | Ind AS Adjustments | Adjustments | Ind AS |
| INCOME | | | | | | |
| Revenue from Operations | i | 1,658.21 | (3.56) | 1,654.65 | - | 1,654.65 |
| Other Income | ii | 16.10 | - | 16.10 | 0.07 | 16.17 |
| TOTAL INCOME | | 1,674.31 | (3.56) | 1,670.75 | 0.07 | 1,670.82 |
| EXPENSES | | | | | | |
| Cost of materials consumed | | 713.65 | - | 713.65 | - | 713.64 |
| Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress | | (45.74) | - | (45.74) | - | -45.75 |
| Employee Benefits expense | iii | 229.42 | 2.88 | 232.30 | - | 232.30 |
| Finance Costs | iv | 51.00 | - | 51.00 | 0.61 | 51.60 |
| Depreciation and Amortisation expense | iv | 59.70 | - | 59.70 | 1.13 | 60.83 |
| Other Expenses | i, iv | 485.98 | (3.56) | 482.42 | (1.21) | 481.22 |
| TOTAL EXPENSES | | 1,494.00 | (0.68) | 1,493.32 | 0.52 | 1,493.84 |
| PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX | | 180.31 | (2.88) | 177.42 | (0.45) | 176.98 |
| ADD: EXCEPTIONAL ITEMS | | 97.59 | | 97.59 | | 97.59 |
| PROFIT BEFORE TAX AND AFTER EXCEPTIONAL ITEMS | | 277.90 | (2.88) | 275.02 | (0.45) | 274.57 |
| TAX EXPENSE | | | | | | |
| (1) Current Tax | | 30.00 | - | 30.00 | | 30.00 |
| (2) Deferred Tax | iii & iv | (5.35) | (0.73) | (6.07) | (0.11) | (6.18) |
| (3) Earlier Years adjustments | vi | 20.64 | (12.01) | 8.63 | - | 8.63 |
| TOTAL TAX EXPENSE | | 45.30 | (12.74) | 32.56 | (0.11) | 32.45 |
| PROFIT FOR THE YEAR | | 232.60 | 9.86 | 242.46 | (0.34) | 242.12 |
| OTHER COMPREHENSIVE INCOME | | | | | | |
| Items that will not be reclassified to Profit or Loss | | | | | | |
| Remeasurements of Defined benefit plans | iii | - | 2.88 | 2.88 | - | 2.88 |
| Income Tax relating to items that will not be reclassified to Profit or Loss | iii | - | (0.72) | (0.72) | - | (0.72) |
| Items that will be reclassified to Profit or Loss | | | | | | |
| Exchange differences in translating the financial statements of foreign operations | vii | - | 0.08 | 0.08 | - | 0.08 |
| TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX | | - | 2.29 | 2.24 | - | 2.24 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 232.60 | 12.15 | 244.71 | (0.34) | 244.36 |

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 28 C (ii) - Reconciliation of Total Comprehensive Income for the year ended 31 March 2023

Notes:

i Revenue Recognition - Ind AS 115

Under Indian GAAP, variable consideration i.e. discounts on Sales was recorded under Other Expenses. Under Ind-AS, revenue from operations is to be recognised net of variable considerations.

ii Non Current Liabilities

The Company has elected to measure rent deposits at fair Value at the date of transition to IND AS. Accordingly, as at 31st March, 2023 a decrease of Rs.0.07 Million for the period ended 31st March 2023 has been recognised as an income on amortisation of fair value of the financial liability

iii Defined Benefit Obligation:

Both under previous GAAP and Ind-AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to statement of profit and loss. Under Ind-AS, re-measurements comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the effect of change in asset ceiling (if applicable) and the return on plan assets (excluding net interest) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI). Thus, the employee benefit cost is reduced by Rs. 2.88 Million and deferred tax thereon of Rs. 0.72 Million for 2022-23 and re-measurement losses on defined benefit plans has been recognised in the Other Comprehensive Incomes (net of tax)

iv Ind AS 116

The company has recognised lease liability and ROU assets. Lease payments are allocated between principal and finance cost. The finance cost of Rs. 6.10 Lacs is charged to Statement of Profit and Loss over the lease period. ROU assets are depreciated on a straight-line basis over the asset's useful life. Deferred Tax thereon has been recognised. Actual rent expenses debited to P&L is reversed.

v FVTPL Financial Assets:

Under previous GAAP, the Company accounted for non-current/current investments in equity shares and debt instruments at cost less provision for other than temporary diminution in the value of investments and at lower of cost and share value respectively. Under Ind-AS, the investments are required to be classified and measured subsequently at fair value through profit or loss. As at 31st March, 2023, difference between the fair value and GAAP carrying amount of Rs.0.02 Million has been recognised in the Statement of Profit and Loss.

vi Prior period Adjustments

In accordance with Ind AS, prior-period expenses/income are recognised in a year in which it related. Accordingly, deferred tax reversal has been recognised in the year ended 31.3.2022 instead of year ended 31.03.2023

vii Translation of Foreign Operations

Under IGAAP, the exchange differences arising on translation for consolidation are recognised directly in Equity whereas Under Ind - AS, the exchange differences arising on translation for consolidation are recognised in OCI

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 29

A. Capital Management

For the purpose of Group's Capital Management, capital includes Issued Equity Capital, Securities Premium, and all other Equity Reserves attributable to the Equity Holders of the Holding Company. The primary objective of the Group's Capital Management is to maximise the Share Holder Value.

The Group manages its capital structure and makes adjustments in the light of changes in economic conditions and requirements of the financial covenants and to continue as a going concern. The Group monitors using a gearing ratio which is net debts divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, less cash and short term deposit.

| Particulars | (Rupees in Million) | | |
|---------------------------------------|---------------------------|--------------------|-----------------|
| | As at 31 March 2024 | 31st March 2023 | 31st March 2022 |
| Interest bearing Loans and Borrowings | 550.27 | 585.98 | 568.93 |
| Less: Cash and Short Term Deposits | (13.83) | (5.34) | (5.29) |
| Net Debt | 536.44 | 580.64 | 563.64 |
| Equity | 101.11 | 25.24 | 25.28 |
| Other Equity | 946.72 | 811.27 | 567.88 |
| Total Capital | 1,047.83 | 836.52 | 593.16 |
| Capital and Net Debt | 1,584.26 | 1,417.16 | 1,156.80 |
| Gearing Ratio % | 33.86% | 40.97% | 48.72% |

B. Financial Risk Management

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the operations of the Companies in the Group. The principal financial assets include trade and other receivables and cash and short term deposits.

The Group has assessed market risk, credit risk and liquidity risk to its financial liabilities.

i) Market Risk

Market Risk is the risk of loss of future earnings, fair values or cash flows that may result from a change in the price of a financial instrument, as a result of interest rates, foreign exchange rates and other price risks. Financial instruments affected by market risks, primarily include loans And borrowings and foreign currency receivables and payables

Interest Rate Risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The management is responsible for the monitoring of the Group's interest rate position. Various variables are considered by the management in structuring the Group's borrowings to achieve a reasonable, competitive cost of funding

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management is as follows:

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 29

A. Capital Management

(Rupees in Million)

| Particulars | As at 31 March 2024 | As at 31st March 2023 | As at 31st March 2022 |
|------------------------------|---------------------------|--------------------------|--------------------------|
| Financial liabilities | | | |
| Fixed rate instruments | 10.92 | 7.14 | 7.88 |
| Variable rate instruments | 539.37 | 578.85 | 561.05 |
| | 550.28 | 585.99 | 568.93 |

Fair value sensitivity analysis for fixed rate instruments

The Group measures its fixed rate financial liabilities at amortized cost and does not designate these liabilities at fair value through profit or loss (FVTPL). Consequently, any changes in market interest rates at the reporting date would not directly affect the Group's profit or loss, as the interest expense is based on the fixed effective interest rate.

Cash flow sensitivity analysis for variable-rate instruments

(Rupees in Million)

A reasonably possible change of 100 basis points in interest rate would have resulted in variation in the interest expense for the Group by

5.39 5.79 5.61

Foreign Currency Risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Group enters into forward exchange contracts to hedge its foreign currency exposures. Foreign currency risks from financial instruments at the end of the reporting period expressed in INR :

Unhedged Short Term Exposures :

| Particulars | Currency | As at 31 March 2024 | | As at 31st March 2023 | | As at 31st March 2022 | |
|----------------------|----------|--|-------------------------|--|-------------------------|--|-------------------------|
| | | Amount in Foreign Currency - In Million | Amount- In ₹ Million | Amount in Foreign Currency - In Million | Amount- In ₹ Million | Amount in Foreign Currency - In Million | Amount- In ₹ Million |
| Financial Assets | USD | 0.46 | 38.28 | 1.15 | 94.50 | 1.01 | 76.42 |
| | EURO | 1.60 | 144.06 | 0.82 | 73.57 | 0.70 | 58.44 |
| | GBP | 0.06 | 6.45 | 0.00 | 0.04 | 0.01 | 1.39 |
| Financial Liabilites | USD | 0.30 | 24.65 | 0.09 | 7.33 | 0.54 | 41.07 |
| | EURO | 0.01 | 1.15 | 0.01 | 0.82 | 0.00 | 0.14 |
| | JPY | 0.00 | 0.25 | | | | |
| Net exposure | USD | 0.16 | 13.63 | 1.06 | 87.18 | 0.47 | 35.35 |
| | EURO | 1.59 | 142.92 | 0.81 | 72.74 | 0.69 | 58.30 |
| | GBP | 0.06 | 6.45 | 0.00 | 0.04 | | |
| | JPY | 0.00 | 0.25 | | | | |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 29

A. Capital Management

The Group is mainly exposed to changes in US Dollar and EURO.

The Sensitivity analysis is prepared on the net unhedged exposure of the Group at the reporting date.

The sensitivity to a 0.25% to 1% increase or decrease in US Dollar and EURO against INR with all other variables held constant will be as follows;

| Particulars | Currency | As at 31 March 2024 | As at 31st March 2023 | As at 31st March 2022 |
|----------------------|----------|---------------------|-----------------------|-----------------------|
| Sensitivity (+/- 1%) | USD | 0.14 | 0.87 | 0.35 |
| | EURO | 1.43 | 0.73 | 0.58 |

The Group enters into foreign exchange forward contracts with the intention to minimise the foreign exchange risk of outstanding foreign receivables, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

| Particulars | As at 31 March 2024 | | As at 31st March 2023 | | As at 31st March 2022 | |
|-------------|---|----------------------|---|----------------------|---|----------------------|
| | Amount in Foreign Currency - In Million | Amount- In ₹ Million | Amount in Foreign Currency - In Million | Amount- In ₹ Million | Amount in Foreign Currency - In Million | Amount- In ₹ Million |
| USD | 0.99 | 82.64 | 0.96 | 78.62 | 0.65 | 49.30 |
| EURO | 3.80 | 349.19 | 3.43 | 297.85 | 2.09 | 186.25 |

Price Risks

More than One-third of the Group's revenues are generated from exports and the raw materials are procured through import and local purchases where local purchases track import parity price. The Group is affected by the price stability of certain commodities. Due to the significantly increased volatility of certain commodities, the Group enters into contract with the customers that has provision to pass on the change in the raw material prices and also the volatility in the exchange rate. The Group has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs. The Group hedges 65-70% of its export collections through plain vanilla forward covers.

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 29

A. Capital Management

ii) Credit Risk

Credit Risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. It arises from credit exposure to customers and Balances with Banks.

The Group holds cash and cash equivalents with banks which are having highest safety rankings and hence has a low credit risk.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group has taken insurance cover for overseas debtors through ECGC but has not taken any insurance cover for local debtors. The Group uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain. The outstanding trade receivables due for a period exceeding 180 days as at the year ended 31 March 2024 is as follows

| Particulars | As at 31 March 2024 | As at 31st March 2023 | As at 31st March 2022 |
|---|---------------------|-----------------------|-----------------------|
| The outstanding trade receivables due for a period exceeding 180 days as % of Total Trade receivables | 2.18% | 5.41% | 7.70% |

iii) Liquidity Risk

The Group manages liquidity risk by maintaining adequate surplus, banking facilities and reserve borrowings facilities by continuously monitoring forecasts and actual cash flows.

The Group has obtained fund and non-fund based working capital lines from various banks. The Group monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility

All payments are made along due dates and requests for early payments are entertained after due approval and availing early payment discounts.

The Group has a system of forecasting rolling one month cash inflow and outflow and all liquidity requirements are planned.

Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments

| Particulars | (Rupees in Million) | | | | | | | |
|------------------------------------|---------------------|-----------|-----------|-------------------|-----------------------|-----------|-----------|-------------------|
| | As at 31 March 2024 | | | | As at 31st March 2023 | | | |
| | Less than 1 year | 1-3 years | 3-5 years | More than 5 years | Less than 1 year | 1-3 years | 3-5 years | More than 5 years |
| Borrowings | 456.89 | 59.56 | 31.17 | 1.33 | 380.99 | 156.24 | 39.41 | 9.34 |
| Trade Payable | | | | | | | | |
| MSME | 3.28 | - | - | - | 6.75 | - | - | - |
| Others | 133.42 | - | - | - | 67.90 | 4.47 | 1.96 | - |
| Other Financial Liabilities | 63.67 | - | - | - | 84.33 | - | - | - |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 29

A. Capital Management

| Particulars | As at 31st March 2022 | | | |
|------------------------------------|-----------------------|-----------|-----------|-------------------|
| | Less than 1 year | 1-3 years | 3-5 years | More than 5 years |
| Borrowings | 331.18 | 204.10 | 27.16 | 6.48 |
| Trade Payable | | | | |
| MSME | 2.80 | 0.34 | | |
| Others | 130.90 | 0.99 | 1.40 | 1.58 |
| Other Financial Liabilities | 56.91 | - | - | - |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 30

Fair Values and Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are a) recognised and measured at fair value and b) measured at amortised cost and for which fair values are disclosed in the Consolidated Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed in the Indian Accounting Standard.

| (Rupees in Million) | | | |
|---|------------------------|------------------------|------------------------|
| Particulars | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
| | Carrying Value | | |
| Financial assets and liabilities measured at amortised cost | | | |
| Financial Assets | | | |
| Loans | 1.22 | 6.26 | 2.99 |
| Bank Term deposits | 26.70 | 25.75 | 21.42 |
| Other Assets - Security & Other deposits | 11.12 | 8.98 | 6.11 |
| Total Financial Assets | 39.03 | 41.00 | 30.53 |
| Financial Liabilities | | | |
| Borrowings - Non current | 92.06 | 204.99 | 237.74 |
| Total Financial Liabilities | 92.06 | 204.99 | 237.74 |
| Financial assets and liabilities measured at FVTPL | | | |
| Financial Assets | | | |
| Foreign exchange forward contracts | 3.28 | - | 7.04 |
| Financial Liabilities | | | |
| Foreign exchange forward contracts | - | 14.64 | - |

The management assessed that fair value of trade receivables, cash and cash equivalents, security deposits, recoverable from customers, other short-term financial assets, short-term borrowings, trade payables and other short-term financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments

*The following methods and assumptions were used to estimate the fair values:

- a. Term deposits- The fair value of term deposits is equal to carrying value since they are carrying market interest rates as per the banks.
- b. Foreign exchange forward contracts- Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing
- c. Non-current borrowings - The fair value of non-current borrowings is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The carrying value and fair value of the borrowings has been considered the same since the existing interest rate approximates its fair value
- d. Others- For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Note 31

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

(Rupees in Million)

| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 | Year Ended 31 March 2022 |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Accounting Profit before Income Tax | 252.78 | 274.57 | 112.28 |
| At India's statutory income tax rate of | 25.17% | 25.17% | 29.12% |
| Income Tax as per statutory income tax rate | 63.62 | 69.10 | 32.70 |
| Effect of deductions available under Income Tax Act | (12.05) | (47.50) | (14.51) |
| Effect of brought forward business loss | (30.22) | - | |
| Effect of non-deductible expenses | 4.31 | 2.22 | 31.06 |
| Total | 25.66 | 23.82 | 45.97 |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

NOTE 32

ADDITIONAL/EXPLANATORY INFORMATION

a) Earnings Per Share

| Earnings Per Share | | | For the year ended 31-March- 2024 | For the year ended 31-March- 2023 | For the year ended 31-March- 2022 |
|--------------------|--|-------------|---|---|---|
| Particulars | | | | | |
| i | Profit after taxation from continuing operations after exceptional items | Rs. Million | 225.32 | 225.63 | 66.31 |
| | Weighter Average Number of equity shares (Face Value Rs. 10/-) | Nos. | 1,01,11,584 | 1,00,97,584 | 1,01,11,584 |
| | Earnings per share for continuing operations | Rs. | 22.28 | 22.34 | 6.56 |
| | Diluted Number of shares outstanding | | 1,02,57,784 | 1,02,75,984 | 1,02,89,984 |
| | Diluted earnings per share | | 21.97 | 21.96 | 6.44 |
| ii | Profit after taxation from discontinuing operations | Rs. Million | (2.00) | 16.49 | - |
| | Weighter Average Number of equity shares (Face Value Rs. 10/-) | Nos. | 1,01,11,584 | 1,00,97,584 | 1,01,11,584 |
| | Earnings per share for discontinuing operations | Rs. | (0.20) | 1.63 | - |
| | Diluted Number of shares outstanding | | 1,02,57,784 | 1,02,75,984 | 1,02,89,984 |
| | Diluted earnings per share for discontinuing operations | | (0.19) | 1.60 | - |
| iii | Profit after taxation from continuing and discontinuing operations after exceptional items | Rs. Million | 223.32 | 242.12 | 66.31 |
| | Weighter Average Number of equity shares (Face Value Rs. 10/-) | Nos. | 1,01,11,584 | 1,00,97,584 | 1,01,11,584 |
| | Earnings per share for continuing and discontinuing operations | Rs. | 22.09 | 23.98 | 6.56 |
| | Diluted Number of shares outstanding | | 1,02,57,784 | 1,02,75,984 | 1,02,89,984 |
| | Diluted earnings per share for continuing and discontinuing operations | | 21.77 | 23.56 | 6.44 |
| iv | Profit after taxation from continuing & discontinuing operations excluding Exceptional items | Rs. Million | 246.41 | 144.52 | 66.31 |
| | Weighter Average Number of equity shares (Face Value Rs. 10/-) | Nos. | 1,01,11,584 | 1,00,97,584 | 1,01,11,584 |
| | Earnings per share for continuing operations excluding Exceptional items | Rs. | 24.37 | 14.31 | 6.56 |
| | Diluted Number of shares outstanding | | 1,02,57,784 | 1,02,75,984 | 1,02,89,984 |
| | Diluted earnings per share for continuing and discontinuing operations annualised | | 24.02 | 14.06 | 6.44 |

Weighted average number of Shares

| Particulars | | For the year ended 31-March-2024 | For the year ended 31-March-2023 | For the year ended 31-March-2022 |
|---|------|----------------------------------|----------------------------------|----------------------------------|
| Number of shares considered as basic weighted average shares outstanding | Nos. | 25,27,896 | 25,24,396 | 25,27,896 |
| Add: Bonus Shares issued (Refer Note 11) | Nos. | 75,83,688 | 75,83,688 | 75,83,688 |
| Less: Elimination of intercompany holding (Refer Note 11) | | - | -10,500 | - |
| Number of shares considered as weighted average shares and potential shares outstanding | Nos. | 1,01,11,584 | 1,00,97,584 | 1,01,11,584 |

Diluted number of shares

| Particulars | | For the year ended 31-March- 2024 | For the year ended 31-March- 2023 | For the year ended 31-March- 2022 |
|--|------|---|---|---|
| Number of shares considered as basic weighted average shares outstanding | Nos. | 1,01,11,584 | 1,00,97,584 | 1,01,11,584 |
| Add: Effect of ESOP granted (Refer Note 23) | Nos. | 1,46,200 | 1,78,400 | 1,78,400 |
| Number of shares considered as weighted average shares and potential shares outstanding | Nos. | 1,02,57,784 | 1,02,75,984 | 1,02,89,984 |

The basic and diluted earning per share for the year ended March 31, 2024, March 31, 2023 and year ended March 31, 2022, presented have been calculated/ restated after considering bonus issue. (Refer note 11)

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

NOTE 32

ADDITIONAL/EXPLANATORY INFORMATION

- b) Disclosures under The Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'):

The details of liabilities to Micro and Small Enterprises, to the extent information available with the Group are given under and have been relied upon by the auditors:

| Particulars | Amount in Million | | |
|--|------------------------|------------------------|------------------------|
| | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
| Principal amounts remaining unpaid to suppliers as at the end of the accounting year | 3.28 | 6.75 | 31.40 |

Note: Other information/ disclosures relating to payments made beyond appointed date, interest accrued And paid and cumulative intrest are not applicable, being NIL.

- c) As required by section 135 of Companies Act, 2013 and Rules therein, a Corporate social responsibility committee has been formed by the Holding Company. The Holding Company has spent the following amount during the year towards corporate social responsibility (CSR) for activities listed under schedule VII of the Companies Act, 2013.

| Particulars | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|------------------------|
| Gross amount required to be spent by the Holding Company | 2.32 | 1.06 | - |
| Amount spent by the Holding Company during the year on purpose other than construction/ acquisition of assets | 2.35 | 1.06 | - |
| Shortfall/(Excess) at the end of the year | (0.03) | - | - |
| Total of previous year short fall | NA | NA | - |
| Reason for shortfall | NA | NA | - |
| Nature of CSR Activities | Education & Sports | Education | - |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

NOTE 32

ADDITIONAL/EXPLANATORY INFORMATION

d) Ratio

| Particulars | Numerator | Denominator | As at 31st March 2024 | As at 31st March 2023 | Variance (in %) | Explanation for change of 25% or more |
|-------------------------------------|--|--|-----------------------------|-----------------------------|--------------------|--|
| a) Current ratio | Current assets | Current liabilities | 1.69 | 1.81 | -6.73% | |
| b) Debt equity ratio | Long Term Borrowings | shareholders' equity | 0.53 | 0.70 | -24.79% | |
| c) Debt service coverage ratio | Earnings available for debt service | Debt service = Interest + Principal repayments of Long Term Borrowings | 2.95 | 2.57 | 14.97% | |
| d) Return on equity % | Net profits after taxes | shareholder's equity | 23.59% | 17.28% | 36.55% | Due to significant improvement in Profitability |
| e) Inventory Turnover Ratio | Sales | Average inventory | 3.57 | 3.14 | 13.85% | |
| f) Trade receivables turnover ratio | Revenue from operations | Average trade receivables | 5.27 | 5.97 | -11.82% | |
| g) Trade payables turnover ratio | Purchases | Average trade payables | 7.74 | 6.56 | 17.93% | |
| h) Net capital turnover ratio | Revenue from operations | Average Working capital | 2.42 | 2.16 | 11.68% | Better working capital management & Significant improvement in sales |
| i) Net profit % | Net Profit After Taxes | Revenue from operations | 11.03% | 8.73% | 26.23% | Significant improvement in Turnover |
| j) Return on capital employed % | Earnings before interest and taxes and after exceptional items | Capital employed | 19.91% | 22.93% | -13.15% | |

| Particulars | Numerator | Denominator | As at 31st March 2023 | As at 31st March 2022 | Variance (in %) | Explanation for change of 25% or more |
|-------------------------------------|--|--|-----------------------------|-----------------------------|--------------------|--|
| a) Current ratio | Current assets | Current liabilities | 1.81 | 1.55 | 16.54% | |
| b) Debt equity ratio | Long Term Borrowings | shareholders' equity | 0.70 | 0.96 | -26.97% | Due to repayment of Unsecured Loans & Term loans |
| c) Debt service coverage ratio | Earnings available for debt service | Debt service = Interest + Principal repayments of Long Term Borrowings | 2.57 | 1.80 | 42.43% | Due to significant improvement in profitability |
| d) Return on equity % | Net profits after taxes | shareholder's equity | 17.28% | 11.18% | 54.55% | Due to significant improvement in profitability |
| e) Inventory Turnover Ratio | Sales | Average inventory | 3.14 | 3.26 | -3.63% | |
| f) Trade receivables turnover ratio | Revenue from operations | Average trade receivables | 5.97 | 6.22 | -3.97% | |
| g) Trade payables turnover ratio | Purchases | Average trade payables | 6.56 | 5.66 | 15.89% | |
| h) Net capital turnover ratio | Revenue from operations | Average Working capital | 2.16 | 2.32 | -6.93% | |
| i) Net profit % | Net Profit After Taxes | Revenue from operations | 8.73% | 4.56% | 91.37% | Due to significant improvement in profitability |
| j) Return on capital employed % | Earnings before interest and taxes and after exceptional items | Capital employed | 22.93% | 13.85% | 65.60% | Due to significant improvement in profitability |

| Particulars | Numerator | Denominator | As at 31st March 2022 | As at 31st March 2021 | Variance (in %) | Explanation for change of 25% or more |
|-------------------------------------|--|--|-----------------------------|-----------------------------|--------------------|---|
| a) Current ratio | Current assets | Current liabilities | 1.55 | 1.54 | 0.88% | |
| b) Debt equity ratio | Long Term Borrowings | shareholders' equity | 0.96 | 1.11 | -13.76% | |
| c) Debt service coverage ratio | Earnings available for debt service | Debt service = Interest + Principal repayments of Long Term Borrowings | 1.80 | 0.80 | 125.23% | Significant jump in profit has resulted in improvement in DSCR |
| d) Return on equity % | Net profits after taxes | shareholder's equity | 11.18% | 4.44% | 151.65% | Due to increase in profit |
| e) Inventory Turnover Ratio | Sales | Average inventory | 3.26 | 2.59 | 25.82% | Due to Improved Efficiency |
| f) Trade receivables turnover ratio | Revenue from operations | Average trade receivables | 6.22 | 4.75 | 30.90% | Due to Improvement in collection cycle |
| g) Trade payables turnover ratio | Purchases | Average trade payables | 5.66 | 3.61 | 56.78% | Improved Payment Cycle of Vendor & better payment terms |
| h) Net capital turnover ratio | Revenue from operations | Average Working capital | 2.32 | 1.79 | 29.68% | Turnover has jumped by almost 40% improving the turns |
| i) Net profit % | Net Profit After Taxes | Revenue from operations | 4.56% | 2.23% | 104.24% | NP has more than doubled over previous year |
| j) Return on capital employed % | Earnings before interest and taxes and after exceptional items | Capital employed | 13.85% | 8.42% | 64.40% | EBIT has significantly jumped as compared to previous year improving the ROCE significantly |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

NOTE 32: ADDITIONAL/EXPLANATORY INFORMATION

e) Disclosures under Ind AS 108

| (Rupees in Million) | | | | | | | | | | | | |
|---|--|-------------|-------------|-------------------------------|-------------|-------------|-------------|-------------|-------------|-----------|-------------|-------------|
| Particulars | Springs, Parts, Fasteners and Assemblies | | | Surface Engineering Solutions | | | Unallocated | | | Total | | |
| | 31-Mar-24 | 31 Mar 2023 | 31 Mar 2022 | 31-Mar-24 | 31 Mar 2023 | 31 Mar 2022 | 31-Mar-24 | 31 Mar 2023 | 31 Mar 2022 | 31-Mar-24 | 31 Mar 2023 | 31 Mar 2022 |
| REVENUE | | | | | | | | | | | | |
| External sales and service income | 2,014.48 | 1,614.86 | 1,348.01 | 10.97 | 39.79 | 104.76 | - | - | - | 2,025.45 | 1,654.65 | 1,452.77 |
| Less: Inter-segment sales | - | - | - | - | - | - | - | - | - | - | - | - |
| Total revenue | 2,014.48 | 1,614.86 | 1,348.01 | 10.97 | 39.79 | 104.76 | - | - | - | 2,025.45 | 1,654.65 | 1,452.77 |
| RESULT | | | | | | | | | | | | |
| Segment result | 413.24 | 298.04 | 224.55 | (7.35) | (8.62) | (1.05) | - | - | - | 405.89 | 289.42 | 223.50 |
| Unallocated corporate expenses | - | - | - | - | - | - | - | - | - | - | - | - |
| Profit before exceptional items and tax | 59.75 | 48.15 | 45.24 | - | 3.45 | 3.39 | 1.65 | 0.61 | - | 61.40 | 51.60 | 48.62 |
| Depreciation | 61.72 | 53.16 | 49.28 | - | 1.44 | 2.68 | 6.90 | 6.23 | 10.65 | 68.62 | 60.83 | 62.61 |
| Profit before exceptional items and tax | 291.77 | 196.73 | 130.03 | (7.35) | (13.51) | (7.12) | (8.55) | (6.84) | (10.65) | 275.87 | 176.99 | 112.27 |
| Add: Exceptional items | (23.65) | - | - | 3.50 | 30.00 | - | (2.94) | 67.59 | - | (23.09) | 97.59 | - |
| Profit before tax | 268.12 | 196.73 | 130.03 | (3.85) | 16.49 | (7.12) | (11.49) | 60.75 | -10.65 | 252.78 | 274.58 | 112.27 |
| Less: Current tax | - | - | - | (1.85) | - | - | 55.94 | 30.00 | 32.50 | 54.09 | 30.00 | 32.50 |
| - Deferred tax charge | - | - | - | - | - | - | (28.42) | (6.18) | 1.46 | (28.42) | (6.18) | 1.46 |
| - Tax adjustments of earlier years | - | - | - | - | - | - | 7.19 | 8.63 | 12.01 | 7.19 | 8.63 | 12.01 |
| Non-Controlling Interest | - | - | - | - | - | - | (3.40) | - | - | (3.40) | - | - |
| Profit for the Year | 268.12 | 196.73 | 130.03 | (2.00) | 16.49 | (7.12) | (42.79) | 28.30 | (56.62) | 223.32 | 242.12 | 66.30 |
| Income from discontinuing operations | - | - | - | (2.00) | 16.49 | - | - | - | - | (2.00) | 16.49 | - |
| Profit from Continuing operations | 268.12 | 196.73 | 130.03 | - | - | (7.12) | (42.79) | 28.30 | (56.62) | 225.32 | 225.62 | 66.30 |
| OTHER INFORMATION | | | | | | | | | | | | |
| Segment assets | 1,800.80 | 1,524.94 | 1,231.10 | 6.53 | 47.72 | 106.27 | 79.52 | 131.20 | 118.80 | 1,886.85 | 1,703.86 | 1,456.17 |
| Segment liabilities | 1,395.85 | (16.73) | 118.14 | 0.87 | 1,072.01 | 26.46 | (60.17) | 62.60 | 149.49 | 1,336.56 | 1,117.88 | 294.09 |
| Secured Loans | - | - | - | - | - | - | 550.27 | 484.97 | 426.46 | 550.28 | 484.97 | 426.46 |
| Unsecured Loans | - | - | - | - | - | - | - | 101.02 | 142.47 | - | 101.01 | 142.46 |
| Total liabilities | 1,395.85 | (16.73) | 118.14 | 0.87 | 1,072.01 | 26.46 | 490.11 | 648.59 | 718.42 | 1,886.84 | 1,703.86 | 863.01 |
| Provision for doubtful debts | 2.06 | - | (1.05) | 0.24 | - | 1.28 | - | - | - | 2.30 | - | 0.23 |
| Profit/ (Loss) on sale/ write off of assets | (2.52) | 0.42 | (22.64) | - | (0.10) | (0.81) | - | - | - | (2.52) | 0.31 | (23.45) |
| Capital Expenditure | 127.15 | 152.08 | 62.86 | - | - | - | - | - | - | 127.15 | 152.08 | 62.86 |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

NOTE 32: ADDITIONAL/EXPLANATORY INFORMATION

e) Disclosures under Ind AS 108

Business Segments: For management purposes, the Holding Company is organised on a worldwide basis into two major operating divisions - Springs, Parts and Assemblies and Surface Engineering Solutions. The divisions are the basis on which the Holding Company reports its primary segment information. The Springs, Parts and Assemblies segment produces a broad range of disc springs for wind mill, transformers, turbines, railways, automobiles and off high way vehicles. The Surface Engineering Solutions segment manufactures centrifugal finishing machines, washing systems and media chemicals. During the year, the Holding Company has sold the Intangible assets of Surface Engineering Solutions business relating to Deburring & Polishing Systems & related Media Chemicals and remaining Property, Plant & Equipment has been put to use for other business units during the year ended 31st Mar, 2023 and hence the said division is classified as discontinuing operations.

Geographical segments: The Holding Company's operating divisions are managed from India . In India, the Holding Company produces and sells a broad range of disc springs, coil springs, fastening solutions, washers, media chemical and machines and washing systems.

The Holding Company has disclosed Geographical Segment as the secondary segment.

Sales by market: The following table shows the distribution of the Holding Company's sales and service income by geographical market.

| Sales Revenue by geographical market | 31-Mar-24 | 31 Mar 2023 | 31 Mar 2022 |
|---|------------------|--------------------|--------------------|
| - within India | 1,265.23 | 1,042.57 | 909.37 |
| - outside India | 760.22 | 612.08 | 543.40 |
| Total revenue | 2,025.45 | 1,654.65 | 1,452.77 |

Assets by market: The following table shows the distribution of the Holding Company's assets by geographical market.

| Assets by geographical market | 31-Mar-24 | 31 Mar 2023 | 31 Mar 2022 |
|--------------------------------------|------------------|--------------------|--------------------|
| - within India | 1,703.49 | 1,527.73 | 1,299.91 |
| - outside India | 183.36 | 176.13 | 156.26 |
| | 1,886.85 | 1,703.86 | 1,456.17 |

Information about major customers:

The following is the transactions by the Group with customers individually contributing more than 10 or more of the Group's revenue from operations

| | 31-Mar-24 | 31 Mar 2023 | 31 Mar 2022 |
|--|------------------|--------------------|--------------------|
| Revenue from operations of 1 customer of the group represented approximately % of the revenue from operation | 15% | - | 15.31% |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

NOTE 32

ADDITIONAL/EXPLANATORY INFORMATION

f) Related party disclosures (As per Ind AS 24 - Related Party Disclosures):

Other related parties with whom transactions have taken place during the year

| | |
|---|---|
| - Key Managerial Personnel | <p>Mr.. Kirit Gala - Managing Director (upto 29.11.23) Mr.. Kirit Gala - Chairman and Managing Director (w.e.f 30.11.2023) Mr. Balkishan Jalan, Executive Director (upto 29.11.23) Mr. Balkishan Jalan, Whole Time Director (Executive) (w.e.f 30.11.23) Mr. Satish Kotwani, Business Development Director (upto 29.11.23) Mr. Satish Kotwani, Whole Time Director - Marketing (w.e.f 30.11.23) Mr. S. Giridhar - Chief Financial Officer (w.e.f 30.11.2023) Ms. Pooja Ladhha - Company Secretary (w.e.f 09.10.2023)</p> |
| - Entity in which Directors having substantial interest | <p>Vishanji H. Gala - HUF Kirit V. Gala - HUF Balkishan Jalan - HUF Workamp Spaces Pvt. Ltd. Slate Workspaces Pvt Ltd</p> |
| - Relatives of Key Managerial personnel | <p>Mr. Vishanji H Gala - Father of Mr. Kirit V Gala Mrs. Taramati V Gala - Mother of Mr. Kirit V Gala Mrs. Rumie K Gala - Wife of Mr. Kirit V Gala Mrs. Alpa Chheda - Sister of Mr. Kirit V Gala Mrs. Nayna Gala - Sister of Mr. Kirit V Gala Mr. Smeet Kirit Gala - Son of Mr Kirit V Gala</p> |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

NOTE 32

ADDITIONAL/EXPLANATORY INFORMATION

f) Related party disclosures (As per Ind AS 24 - Related Party Disclosures):

| Particulars | Entity in which Directors having substantial interest | | | Other Related Party | | | Key Managerial Personnel | | |
|---------------------------|---|-------------|-------------|---------------------|-------------|-------------|--------------------------|-------------|-------------|
| | 31-Mar-24 | 31 Mar 2023 | 31 Mar 2022 | 31-Mar-24 | 31 Mar 2023 | 31 Mar 2022 | 31-Mar-24 | 31 Mar 2023 | 31 Mar 2022 |
| Other Expenses : | | | | | | | | | - |
| Workamp Spaces Pvt. Ltd. | - | 0.35 | 0.06 | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - |
| Other Income : | - | - | - | - | - | - | - | - | - |
| Slate Workspaces Pvt Ltd | - | - | 2.26 | - | - | - | - | - | - |
| Interest Expense : | | | | | | | | | - |
| Vishanji H Gala | - | - | - | 0.14 | 0.42 | 0.67 | - | - | - |
| Slate Workspaces Pvt Ltd | 2.40 | - | - | - | - | - | - | - | - |
| Taramati V Gala | - | - | - | 0.07 | 0.17 | 0.12 | - | - | - |
| Kirit V Gala | - | - | - | - | - | - | 2.49 | 2.81 | 3.22 |
| Rumie K Gala | - | - | - | 0.14 | 0.33 | 0.31 | - | - | - |
| Kirit V. Gala (HUF) | 0.04 | 0.09 | 0.06 | - | - | - | - | - | - |
| Alpa Chheda | - | - | - | 0.40 | 0.83 | 0.83 | - | - | - |
| Nayna Gala | - | - | - | - | - | 0.26 | - | - | - |
| Satish Kotwani | - | - | - | - | - | - | - | - | 0.08 |
| Balkishan Jalan (HUF) | - | - | 0.11 | - | - | - | - | - | - |
| Vishanji H Gala (HUF) | 0.03 | 0.03 | 0.06 | - | - | - | - | - | - |
| Remuneration:* | | | | | | | | | - |
| Kirit V Gala | - | - | - | - | - | - | 9.44 | 6.48 | 5.02 |
| Balkishan Jalan | - | - | - | - | - | - | 9.59 | 8.62 | 7.36 |
| Satish Kotwani | - | - | - | - | - | - | 7.52 | 6.75 | 5.81 |
| Smeet Gala | 2.34 | 2.21 | 1.54 | - | - | - | - | - | - |
| Mr. S. Giridhar | - | - | - | - | - | - | 0.72 | - | - |
| Ms. Pooja Ladha | - | - | - | - | - | - | 0.41 | - | - |
| Loan repaid: | | | | | | | | | - |
| Vishanji H Gala | - | - | - | 3.65 | 7.60 | 7.30 | - | - | - |
| Taramati V Gala | - | - | - | 1.65 | 3.00 | 1.05 | - | - | - |
| Kirit V Gala | - | - | - | - | - | - | 91.10 | 70.35 | 70.90 |
| Rumie K Gala | - | - | - | 4.75 | 5.25 | 4.55 | - | - | - |
| Kirit V. Gala (HUF) | 0.90 | 1.15 | 0.50 | - | - | - | - | - | - |
| Alpa Chheda | - | - | - | 9.20 | - | - | - | - | - |
| Slate Workspaces Pvt Ltd | 108.20 | - | - | - | - | - | - | - | - |
| Vishanji Gala (HUF) | 0.58 | - | 0.90 | - | - | - | - | - | - |
| Loan received: | | | | | | | | | - |
| Vishanji H Gala | - | - | - | 3.65 | 7.60 | 2.50 | - | - | - |
| Taramati V Gala | - | - | - | 1.65 | 3.00 | 0.35 | - | - | - |
| Kirit V Gala | - | - | - | - | - | - | 91.10 | 70.35 | 59.75 |
| Rumie K Gala | - | - | - | 4.75 | 5.25 | 2.30 | - | - | - |
| Kirit V. Gala (HUF) | 0.90 | 1.15 | 0.95 | - | - | - | - | - | - |
| Slate Workspaces Pvt Ltd | 108.20 | - | - | - | - | - | - | - | - |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

NOTE 32

ADDITIONAL/EXPLANATORY INFORMATION

f) Related party disclosures (As per Ind AS 24 - Related Party Disclosures):

| Particulars | Entity in which Directors having substantial interest | | | Other Related Party | | | Key Managerial Personnel | | |
|---------------------------|---|-------------|-------------|---------------------|-------------|-------------|--------------------------|-------------|-------------|
| | 31-Mar-24 | 31 Mar 2023 | 31 Mar 2022 | 31-Mar-24 | 31 Mar 2023 | 31 Mar 2022 | 31-Mar-24 | 31 Mar 2023 | 31 Mar 2022 |
| Balance: | | | | | | | | | |
| Alpa Chheda | - | - | - | - | 9.20 | 9.20 | - | - | - |
| Vishanji Gala (HUF) | - | 0.33 | 0.33 | - | - | - | - | - | - |
| Trade receivables: | - | - | - | - | - | - | - | - | - |
| Workamp Spaces Pvt Ltd | - | 3.76 | 3.76 | - | - | - | - | - | - |
| Slate Workspaces Pvt Ltd | - | 0.87 | 1.13 | - | - | - | - | - | - |

31-Mar-24 31 Mar 2023 31 Mar 2022

0.21 0.14 0.07

* Remuneration excludes provisions made for Gratuity made for the year amounting to

d) Terms and conditions of transactions with related parties;

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March, 2024, 31 March 2023 and 31 March 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

Related party transactions eliminated during the year while preparing the Consolidated Financial Information

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|--|--|--|
| Sale of Goods | | | |
| Gala Precision Components (Shanghai) Private Limited | 8.42 | 74.15 | 80.18 |
| Purchase of Goods | | | |
| Gala Precision Components (Shanghai) Private Limited | 14.73 | | |
| Bad Debts | | | |
| Gala Precision Components (Shanghai) Private Limited | 41.28 | - | 2.16 |
| Share of Loss in LLP | | | |
| Gala Springs LLP | 2.35 | - | 2.16 |
| Sale of stake in wholly owned subsidiary | | | |
| Gala Springs LLP | - | 1.00 | - |
| Investment in shares | | | |
| Gala Precision Components (Shanghai) Private Limited | - | - | 74.57 |
| Gala Springs LLP | 0.05 | 2.40 | - |
| Other Advance | | | |
| Gala Springs LLP | 2.94 | - | 0.28 |
| Trade receivables: | | | |
| Gala Precision Components (Shanghai) Private Limited | - | 89.30 | 74.58 |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

NOTE 32

ADDITIONAL/EXPLANATORY INFORMATION

(Rupees in Million)

g) Disclosures as per IND AS - 19 - Employee Benefits

During the year, the Holding Company has recognised the following amounts in the Statement of Profit and Loss:

| | Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 | Year Ended 31 March 2022 |
|------|--|-----------------------------|-----------------------------|-----------------------------|
| i) | Employer's contribution to Provident Fund and Family Pension Fund* *Included in " Contribution to Provident and other Funds" (Note 23). | 8.66 | 7.74 | 7.88 |
| iii) | Defined benefit obligation: | | | |
| a) | Leave Encashment - Unfunded | 4.48 | 4.56 | 1.21 |
| b) | The valuation results for the defined benefit gratuity plan as at 31st March are produced in the tables below: | | | |

i) Changes in the Present Value of Obligation

| | Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 | Year Ended 31 March 2022 |
|--|---|-----------------------------|-----------------------------|-----------------------------|
| | Present Value of Obligation as at the beginning | 42.74 | 47.43 | 43.32 |
| | Current Service Cost | 3.81 | 3.98 | 3.83 |
| | Interest Expense or Cost | 2.88 | 2.95 | 2.74 |
| | Re-measurement (or Actuarial) (gain) / loss arising from: | | | |
| | - Due to Demographic Assumption | 0.48 | | |
| | - change in financial assumptions | 0.75 | (0.90) | (0.25) |
| | - experience variance (i.e. Actual experience vs assumptions) | 3.61 | (2.15) | 0.42 |
| | Benefits Paid | (2.33) | (8.55) | (2.63) |
| | Present Value of Obligation as at the end | 51.94 | 42.74 | 47.43 |

ii) Changes in the Fair Value of Plan Assets

| | Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 | Year Ended 31 March 2022 |
|--|--|-----------------------------|-----------------------------|-----------------------------|
| | Fair Value of Plan Assets as at the beginning | 2.84 | 8.44 | 8.03 |
| | Investment Income | 0.12 | 0.38 | 0.54 |
| | Adjustment to opening Fair Value of Plan Asset | - | - | - |
| | Return on Plan Assets excluding interest income | 5.51 | (0.17) | (0.13) |
| | Employer's Contribution | 2.71 | 2.75 | 2.63 |
| | Benefits Paid | (2.33) | (8.55) | (2.63) |
| | Fair Value of Plan Assets as at the end | 8.85 | 2.84 | 8.44 |

iii) Expenses Recognised in the Income Statement

| | Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 | Year Ended 31 March 2022 |
|--|---|-----------------------------|-----------------------------|-----------------------------|
| | Current Service Cost | 3.81 | 3.98 | 3.83 |
| | Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset) | 2.76 | 2.57 | 2.20 |
| | Expenses Recognised in the Income Statement | 6.57 | 6.54 | 6.02 |

iv) Other Comprehensive Income

| | Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 | Year Ended 31 March 2022 |
|--|---|-----------------------------|-----------------------------|-----------------------------|
| | Actuarial (gains) / losses | | | |
| | - change in financial assumptions | 0.75 | (0.90) | (0.25) |
| | - experience variance (i.e. Actual experience vs assumptions) | 3.61 | (2.15) | 0.42 |
| | Return on Plan Assets excluding interest income | (5.51) | 0.17 | 0.13 |
| | Components of defined benefit costs recognised in other comprehensive income | (1.15) | (2.88) | 0.30 |

v) Major categories of Plan Assets (as percentage of Total Plan Assets)

| | Particulars | As on 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
|--|--------------------------|--------------------|-----------|-----------|
| | Funds managed by Insurer | 100% | 100% | 100% |

- In the absence of detailed information regarding Plan assets which is funded with Insurance Holding Company, the composition of each major category of Plan assets, the percentage or amount for each category to the fair value of Plan assets has not been disclosed.

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

NOTE 32

ADDITIONAL/EXPLANATORY INFORMATION

(Rupees in Million)

g) Disclosures as per IND AS - 19 - Employee Benefits
vi) Actuarial Assumptions

a. Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below:

| Particulars | As on | | |
|--------------------------------|-----------|-----------|-----------|
| | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Discount rate (per annum) | 6.97% | 7.16% | 6.86% |
| Salary growth rate (per annum) | 8.00% | 8.00% | 8.00% |

b. Demographic Assumptions

| Particulars | As on | | |
|---|--------------------|--------------------|--------------------|
| | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Mortality Rate (% of IALM 12-14) | IALM (2012-14) Ult | IALM (2012-14) Ult | IALM (2012-14) Ult |
| Withdrawal rates, based on age: (per annum) | | | |
| Up to 40 years | 6.50% | 8.00% | 8.00% |

vii) Amount, Timing and Uncertainty of Future Cash Flows

a. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

| Particulars | As on | | As on | | As on | |
|-----------------------------------|---------------|--|---------------|--|---------------|--|
| | 31 March 2024 | | 31 March 2023 | | 31 March 2022 | |
| Defined Benefit Obligation (Base) | 51.94 | | 42.74 | | 47.43 | |

| Particulars | 31-Mar-24 | | 31-Mar-23 | | 31-Mar-22 | |
|--|-----------|----------|-----------|----------|-----------|----------|
| | Decrease | Increase | Decrease | Increase | Decrease | Increase |
| Discount Rate (- / + 1%) | 56.21 | 48.17 | 45.89 | 39.96 | 50.70 | 44.54 |
| (% change compared to base due to sensitivity) | 31.51% | 12.69% | 7.36% | -6.51% | 6.89% | -6.10% |
| Salary Growth Rate (- / + 1%) | 48.40 | 55.85 | 40.18 | 45.59 | 44.78 | 50.38 |
| (% change compared to base due to sensitivity) | 13.24% | 30.67% | -5.99% | 6.66% | -5.60% | 6.21% |

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

b. Asset Liability Matching Strategies

The scheme is managed on funded basis.

c. Effect of Plan on Entity's Future Cash Flows

- Funding arrangements and Funding Policy

The scheme is managed on funded basis.

| | Year Ended | Year Ended | Year Ended |
|--|----------------------|----------------------|----------------------|
| | 31 March 2024 | 31 March 2023 | 31 March 2022 |
| - Expected Contribution during the next annual reporting period | | | |
| The Holding Company's best estimate of Contribution during the next year (In Lacs) | 3.81 | 3.98 | 3.98 |
| - Maturity Profile of Defined Benefit Obligation | | | |
| Weighted average duration (based on discounted cash flows) | 7.65 Years | 6.84 Years | 6.32 Years |
| - Expected cash flows over the next (valued on undiscounted basis): | Year Ended | Year Ended | Year Ended |
| | 31 March 2024 | 31 March 2023 | 31 March 2022 |
| 1 year | 3.81 | 5.07 | 8.94 |
| 2 to 5 years | 17.67 | 14.79 | 15.88 |
| 6 to 10 years | 26.22 | 20.42 | 18.46 |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

NOTE 32: ADDITIONAL/EXPLANATORY INFORMATION

h) Lease Accounting (Disclosure as per Ind AS 116 : Lease)

(i) The movement in Lease liabilities during the year

| (Rupees in Million) | | | |
|--|--------------------------|--------------------------|--------------------------|
| Particulars | As at 31st March 2024 | As at 31st March 2023 | As at 31st March 2022 |
| Opening Balance | 17.79 | - | - |
| Additions during the year | - | 18.50 | - |
| Finance costs incurred during the year | 1.65 | 0.61 | - |
| Payments of Lease Liabilities | (4.56) | (1.31) | - |
| Closing Balance | 14.88 | 17.79 | - |

(ii) The carrying value of the Rights-of-use and depreciation charged during the Year

For details pertaining to the carrying value of right of use of lease assets and depreciation charged thereon during the year, kindly refer note -2(b).

(iii) Amount Recognised in Statement of Profit & Loss Account during the Year

| (Rupees in Million) | | |
|--|-----------------------------|-----------------------------|
| Particulars | Year Ended 31 March 2024 | Year Ended 31 March 2023 |
| Expenses related to Short Term Lease & Low Asset Value Lease | 3.36 | 4.55 |
| Total Expenses | 3.36 | 4.55 |

(iv) Maturity analysis of lease liabilities

| (Rupees in Million) | | | |
|---|--------------------------|--------------------------|--------------------------|
| Particulars | As at 31st March 2024 | As at 31st March 2023 | As at 31st March 2022 |
| Maturity Analysis of contractual undiscounted cash flows | | | |
| Less than one year | 3.45 | 2.91 | - |
| One to five years | 11.43 | 14.89 | - |
| Total undiscounted Lease Liability | 14.88 | 17.79 | - |
| Balances of Lease Liabilities | | | |
| Non Current Lease Liability | 11.43 | 14.89 | - |
| Current Lease Liability | 3.45 | 2.90 | - |
| Total Lease Liability | 14.88 | 17.79 | - |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

NOTE 32: ADDITIONAL/EXPLANATORY INFORMATION

(Rupees in Million)

| Particulars | As at 31 March 2024 | As at 31st March 2023 | As at 31st March 2022 |
|---|------------------------|--------------------------|--------------------------|
| i) Capital Commitment | | | |
| (i) Estimated amount of contracts remaining to be executed on Capital Account, net of advances and not provided for - | 74.40 | 15.80 | 11.99 |
| j) Contingent Liabilities not provided for: | | | |
| (a) Disputed Income Tax Demands | 32.97 | 32.97 | 18.31 |
| (b) Patent Act* | 20.00 | - | - |
| (c) Bank guarantees | 7.96 | 8.43 | 11.28 |
| (d) Letters of credit | 37.45 | 6.25 | 3.23 |

* A patent infringement suit was filed by Nord-Lock AB & Nord-Lock (India) Pvt. Ltd. against Gala Precision Engineering Pvt. Ltd. & Gala Fasteners Pvt. Ltd. Infringement of patents related to Wedge-Lock technology washers and involves the manufacture, sale, and advertisement of 'Gallock Washers' by Gala Precision Engineering. The Plaintiffs' have reserved their rights to enhance their claim amount at a later stage taking into account the Defendants' total sales revenue for all the infringing products sold during the entire period of infringement, which will be assessed after the trial takes place. As the matter is currently under litigation, it is not possible to estimate the financial outcome at this stage. Consequently, no provision has been made in the financial statements in relation to this lawsuit.

k) During the year ended 31st March, 2023, the Holding Holding Company has completed the sale of the land and building located at Thane. The decision to sell the property was based on Holding Holding Company's strategic objectives, including optimizing its asset portfolio and reallocating resources to support its core business activities. Considering the significance of this transaction, the gain from the sale has been classified as an exceptional item and separately disclosed. (Refer Note 27)

l) Discontinuing Operations:

On 22nd June, 2022, the Board of Directors of the Holding Company ratified the decision of the management to dispose of Company's Surface Engineering Solutions division, which is also a separate segment as per AS 17, Segment Reporting. The disposal is consistent with the Holding Company's long-term strategy to focus its activities in the areas of Springs, Parts, Fasteners and Assemblies, and to divest unrelated activities.. (Refer Note 27)

The Holding Company sold the Intangible assets of SES business relating to Deburring & Polishing Systems & related Media Chemicals and remaining Property, Plant & Equipment has been put to use for other business units during the year ended 31st Mar, 2024. The amounts of other assets comprising of "Assets and Liabilities" are regular business transactions which in view of the management are likely to be settled or disposed in due course of time. On 31st May, 2022, the Holding Company signed a contract to sell the SES Division to S M Systems Pvt Ltd for Rs. 30 Million. In October 2023, the Holding Company signed a contract with Gala Finishing Solutions Pvt. Ltd. for Rs. 3.50 Million

"The amount of revenue and expenses in respect of the ordinary activities attributable to the discontinuing operation during the current year are as under"

| Particulars | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
|-------------------------|-----------|-----------|-----------|
| Revenue from operations | 3.50 | 39.79 | 104.76 |
| Profit Before Tax | (3.85) | 16.49 | -7.12 |

As per Management, only those income & expenses directly attributable to the discontinuing operations are considered for disclosure

m) The Group had taken proactive steps to transfer its China business to its distributor. Going forward, the Group intended to sell products to the local distributor, who would then sell to Chinese customers. However, as of March 2024, the Company has initiated winding-up proceedings for Gala China for which it has incurred expenses amounting to Rs. 2.94 Million . Given the ongoing winding-up process and the shift in business strategy to a distributor model, the Group has decided to write off the inventory amounting to Rs. 23.65 Million of Gala China.

(Rupees in Million)

| Name of entity in the group | Net Assets (Total assets - Total liabilities) | | Share in profit | | Share in other comprehensive income | | Share in total comprehensive income | |
|--|--|----------|-----------------------------|------------|---|--------|---|--------|
| | As % of consolidated net assets | Amount | As % of consolidated profit | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| As at 31 March 2024 | | | | | | | | |
| Parent | | | | | | | | |
| Gala Precision Engineering Limited | 99.93% | 1,043.80 | 102.04% | 227.87 | 100.00% | 4.86 | 101.99% | 232.73 |
| Subsidiary | | | | | | | | |
| Gala Precision Components (Shanghai) Private Limited | 0.06% | 0.62 | -0.90% | -2.00 | 0.00% | - | -0.88% | (2.00) |
| Gala Springs LLP | 0.01% | 0.06 | -1.14% | -2.55 | 0.00% | - | -1.12% | (2.55) |
| Elimination | | | | | | | | |
| Total | 100.00% | 1,044.48 | 100.00% | 223.32 | 100.00% | 4.86 | 100.00% | 228.18 |
| As at 31 March 2023 | | | | | | | | |
| Parent | | | | | | | | |
| Gala Precision Engineering Limited | 100.96% | 844.55 | 69.76% | 168.91 | 100.00% | 2.24 | 70.04% | 171.16 |
| Subsidiary | | | | | | | | |
| Gala Precision Components (Shanghai) Private Limited | -1.27% | (10.60) | 30.24% | 73.23 | 0.00% | - | 29.97% | 73.23 |
| Gala Springs LLP | 0.31% | 2.59 | -0.01% | -0.02 | 0.00% | - | -0.01% | (0.02) |
| Total | 100.00% | 836.54 | 100.00% | 242.12 | 100.00% | 2.24 | 100.00% | 244.36 |
| As at 31 March 2022 | | | | | | | | |
| Parent | | | | | | | | |
| Gala Precision Engineering Limited | 113.36% | 672.43 | 123.74% | 82.05 | 100.00% | (3.21) | 124.95% | 78.84 |
| Subsidiary | | | | | | | | |
| Gala Precision Components (Shanghai) Private Limited | -13.36% | -79.27 | -23.74% | -15.74 | 0.00% | - | -24.95% | -15.74 |
| | | | | 353 | | | | |
| Total | 100.00% | 593.16 | 100.00% | 66.31 | 100.00% | (3.21) | 100.00% | 63.10 |

GALA PRECISION ENGINEERING LIMITED
(Formerly known as GALA PRECISION ENGINEERING PRIVATE LIMITED)
ANNEXURE VI - NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION

NOTE 32: ADDITIONAL/EXPLANATORY INFORMATION

(Rupees in Million)

o) Additional regulatory information required by Schedule III

- i No proceedings have been initiated or pending against the Group under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder
- ii The Group is not declared wilful defaulter by any bank or financial Institution or government or any government authority
- iii The Group has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- iv The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of layers) Rules 2017
- v The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- vi The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- vii The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Holding Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- viii There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year
- x The Group has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) or intangible assets or both during the current or previous year.
- xi There are no charges or satisfaction which are yet to be registered with ROC beyond the statutory period.

For M.M.Nissim & Co LLP
Chartered Accountants
Firm Reg.No. 107122W

For and on behalf of the Board of Directors

Sd/
Kirit V. Gala
Chairman and Managing Director
DIN : 01540274

Sd/
Balkishan S. Jalan
Whole Time Director
DIN : 02876873

Sd/
N. Kashinath
Partner
Membership No. 036490
Mumbai, 1st August, 2024

Sd/
S. Giridhar
Chief Financial Officer
Mumbai, 1st August, 2024

Sd/
Pooja Ladha
Company Secretary
Mumbai, 1st August, 2024

OTHER FINANCIAL INFORMATION

Accounting ratios derived from the Restated Financial Information

The accounting ratios of our Company as required under Item 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

(₹ in million, unless otherwise mentioned)

| | Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|------------|---|--------------------------------------|--------------------------------------|--------------------------------------|
| 1 | Earnings per share: basic and diluted | | | |
| (i) | <i>With Exceptional Items</i> | | | |
| | Restated profit for the year (A) | 223.32 | 242.12 | 66.31 |
| | Weighted average number of equity shares at the end of the year for the calculation of basic and diluted earnings per share | | | |
| | -Basic (B) (In Numbers) | 10,111,584 | 10,097,584 | 10,111,584 |
| | -Diluted (C) (In Numbers) | 10,257,784 | 10,275,984 | 10,289,984 |
| | Restated basic earnings per share (A/B) (in ₹) | 22.09 | 23.98 | 6.56 |
| | Restated diluted earnings per share (A/C) (in ₹) | 21.77 | 23.56 | 6.44 |
| 2 | <i>Without exceptional items</i> | | | |
| | Restated profit for the year (D) | 246.41 | 144.53 | 66.31 |
| | Restated basic earnings per share (D/B) (in ₹) | 24.37 | 14.31 | 6.56 |
| | Restated diluted earnings per share (D/C) (in ₹) | 24.02 | 14.06 | 6.44 |
| 3 | | | | |
| | Restated profit for the year (<i>with exceptional items</i>) (A) | 223.32 | 242.12 | 66.31 |
| | Net worth (E) | 1044.48 | 836.55 | 593.16 |
| | Return on net worth (in %) (A/E)*100 | 21.38 | 28.94 | 11.18 |
| 4 | | | | |
| | Net worth (E) | 1044.48 | 836.54 | 593.16 |
| | Outstanding number of equity shares at the end of the year/ period, as adjusted for bonus issue [#] (F) (In Numbers) | 10,111,584 | 10,097,584 | 10,111,584 |
| | Net asset value per equity share (₹) (E/F) | 103.30 | 82.85 | 58.66 |
| 5 | EBITDA | 405.88 | 289.41 | 223.51 |

[#]After considering the bonus issue of Equity Shares undertaken our Company. The Board of Directors pursuant to a resolution dated August 17, 2023 and the special resolution dated September 05, 2023 passed by our Shareholders, have approved the issuance of 7,583,688 bonus Equity Shares in the ratio of 3:1 which were issued and allotted on September 27, 2023.

Notes:

1. Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year. This has been adjusted by giving effect

to (i) bonus issuance subsequent to respective balance sheet dates for all periods presented (ii) Elimination of inter group cross holdings of equity shares.

2. *Basic and Diluted earnings per equity share: Restated profit for the year divided by the weighted average number of shares at the end of the year. Basic and diluted EPS are computed in accordance with Ind AS 33 - Earnings per share.*
3. *Return on net worth %: Return on Net Worth (%) is calculated by dividing the restated profit for the year by the Net worth.*
4. *Net assets value per share (in ₹): Net Asset Value per Share represents Net worth divided by the numbers of shares outstanding at the end of respective year. The number of shares outstanding at the end of reporting period has been adjusted by giving effect of bonus issuance subsequent to respective balance sheet dates for all periods presented.*
5. *“Net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation as per the SEBI ICDR Regulations for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022.*
6. *EBITDA = PAT + (finance Costs+ depreciation and amortization expenses+ total tax expense) - exceptional items.*

In accordance with the with Schedule VI, Part A (11)(I)(A)(ii)(b) of the SEBI ICDR Regulations, the audited financial information of our Company for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 (collectively, the “Audited Financial Information”) is available on our website at www.galagroup.com. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Information do not and will not constitute, (i) a part of the Draft Red Herring Prospectus; (ii) the Red Herring Prospectus or (iii) this Prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Information should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. Due caution is advised when accessing and placing reliance on any historic or other information available in the public domain.

None of our Company or any of its advisors, nor the Selling Shareholders, nor BRLM nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Information, or the opinions expressed therein.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Accounting Standards, i.e., Ind AS 24 'Related Party Disclosures' for the Fiscals 2024, 2023 and 2022 and as reported in the Restated Financial Information, see "*Financial Information – Annexure VI - Note 31(e) – Related Party Disclosures*" beginning on page 283.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey the management's perspective on our financial condition and results of operations for Fiscals 2024, 2023 and 2022 and should be read in conjunction with "Financial Statements" on page 283. Prospectus may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Prospectus. For further information, see "Forward-Looking Statements" on page 20. Also see "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations - Principal Factors Affecting our Results of Operations and Financial Condition" on pages 36 and 358, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Our Company's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2024, 2023 and 2022, included herein is derived from the Restated Consolidated Financial Statements, included in this Prospectus. For further information, see "Financial Information" on page 283.

Ind AS differs in certain respects from Indian GAAP, IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Also see "Risk Factor - Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the Financial Statements prepared and presented in accordance with SEBI ICDR Regulations contained in this Prospectus" on page 36.

Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Precision Engineering Industry Report" dated August, 2024 (the "1Lattice Report") prepared and issued by Lattice Technologies Private Limited, appointed by us pursuant to engagement letter dated October 9, 2023 and exclusively commissioned and paid for by us in connection with the Issue. The data included herein includes excerpts from the 1Lattice Report and may have been re-arranged by us for the purposes of presentation. The 1Lattice Report forms part of the material documents for inspection and will be available on the website of our Company at www.galagroup.com from the date of the Red Herring Prospectus until the Bid/Offer Closing Date. The 1Lattice Report does not omit any material facts, information, or relevant details that may have an adverse impact on the investors. Lattice Technologies Private Limited is an independent service provider and is not related to our Company or its Directors, Promoters, Subsidiaries, Key Managerial Personnel or Senior Management, whether directly or indirectly in any manner. For more information, see "Risk Factors – This Prospectus contains information from industry sources including the industry report commissioned from Lattice Technologies Private Limited (the "1Lattice Report"). Prospective investors are advised not to place undue reliance on such information." on page 36. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation" on page 16.

OVERVIEW

We are a precision component manufacturer of technical springs like disc & strip springs ("DSS") including wedge lock washers; coil & spiral springs ("CSS") and special fastening solution ("SFS") supplying to original equipment manufacturers ("OEMs"), Tier 1 and channel partners; used in sectors like renewable energy including wind turbine and hydro power plants, various industrial sectors such as electrical, off highway equipments, infrastructure and general engineering, mobility segments such as automotive and railways (Source: 1Lattice Report). Our listed competitors include Harsha Engineers International Limited, SKF India Limited, Sundram Fasteners Limited, Rolex Rings Limited, Sterling Tools Limited and Ratnaveer Precision Engineering Limited. Our technical springs and high tensile fasteners have been supplied to customers in countries such as Germany, Denmark, China, Italy, Brazil, USA, Sweden, Switzerland etc. Accordingly, we are a key link in the global supply chain for OEMs.

PRINCIPAL FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our business, financial condition and results of operations have been, and are expected to be, influenced by numerous factors. A summary of the most important factors that have had, and that we expect will continue to have, a significant impact on our business, results of operations and financial condition is set out below:

Retaining our existing Customers and augmenting our customer base

We are a precision component manufacturer of technical springs and high tensile fasteners supplying to original equipment manufacturers (“OEMs”), Tier 1 and channel partners used in sectors like renewable energy including wind turbine and hydro power plants, various industrial sectors such as electrical, off highway equipment’s, infrastructure and general engineering, mobility segments such as automotive and railways. (Source: *1Lattice Report*). Our ability to grow our business requires us to (i) retain our Customers; (ii) deepen our relationship with our existing Customers; and (iii) expand our customer base. We constantly endeavour to engage with Customers to understand their requirements better to be able to provide more holistic solutions and to identify new business opportunities as and when they arise. Our constant endeavour is to nurture every client relationship to ensure that it translates into long term association. Some of our prominent Customers include Brembo Brake India Private Limited, BUFAB India Fasteners Private Limited, Altra Industrial Motion India Private Limited, Endurance Technologies Limited, Enercon GmbH, EXEDY Clutch India Private Limited, Hitachi Astemo Chennai Private Limited, L&T Electrical & Automation Products (a unit of Schneider Electric Private Limited), LPS Bossard Private Limited, MSL Driveline Systems Limited, SAL Automotive Limited, Schaeffler India Limited, Turbo Energy Private Limited, Vestas Wind Technology India Private Limited, Wuerth Industrial Services India Private Limited etc.

Currently, we are dependent on the revenue generated from our top 10 clients in each financial year. Set out in the table below are our revenues from operations from our top 5 and top 10 customers, based on our Restated Consolidated Financial Statements across the periods indicated:

| Particulars | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---------------|----|--|-----------------------------------|--|-----------------------------------|--|-----------------------------------|
| | | Revenue from operations (in ₹ million) | As a % of revenue from operations | Revenue from operations (in ₹ million) | As a % of revenue from operations | Revenue from operations (in ₹ million) | As a % of revenue from operations |
| Top customers | 5 | 657.45 | 32.46 | 471.17 | 29.03 | 502.24 | 35.26 |
| Top customers | 10 | 961.62 | 47.48 | 679.46 | 41.86 | 647.93 | 45.48 |

Our continued success and growth will depend on our continuing to receive the patronage of our existing Customers while simultaneously broadening and augmenting our customer base.

Focus on technology and ability to deliver innovative solutions and improving operational efficiencies

Our business and our reputation are, therefore, intrinsically linked to our ability to constantly focus on technology and to provide improved product offerings catering to the specific needs of our customers. We have experience in designing, manufacturing and application engineering of high-performance standardised and customised disc springs and strip springs. Our products include disc and strip springs, wedge lock washers, coil and spirals springs, fastening solutions like anchor bolts, nuts and studs, etc. Our precision components and high tensile fasteners are used in sectors like renewable energy including wind turbine and hydro power plants, in various industrial sectors such as electrical, off highway equipment’s, infrastructure and general engineering, in mobility segments such as automotive and railways. Our disc springs are of high quality meeting with German DIN 2093 standards.

We operate out of our two manufacturing facilities at Wada District Palghar, Maharashtra, which are equipped with capabilities to design, develop, and manufacture our diverse product portfolio. Our manufacturing facilities at Wada, Palghar, Maharashtra are certified with international standards such as IATF 16949 for manufacturing of disc springs, spring band clamp, stamped components, coil springs and spiral springs and ISO 9001:2015 certification for manufacturing and supply of disc springs, brush springs, spiral springs, retractor springs and spring cassette assemblies, special fasteners, anchor stud, stud, kit set, belleville washers, conical springs, plate springs, serrated washers, disc washers, wedge lock washers (Gallock), spring assemblies, spring packs, bearing series. We host state-of-the-art CNC machines, wafios coiler from Germany and multi-side machines ensure we meet stringent coiling bending and forming tolerances as per customer specifications. In addition, it also enables us to maintain control over the entire manufacturing process and also provide

better delivery timelines to our Customers at a more competitive cost. In addition, it also enables us to maintain control over the entire manufacturing process and also provide better delivery timelines to our customers at a more competitive cost.

Focus on diversifying our end-user industries and geographical reach

As of March 31, 2024, we have annual production capacity of 246.46 million units of springs and washers and 0.42 million fasteners for customers in the renewable energy including wind turbine and hydro power plants, in various industrial sectors such as electrical, off highway equipments, infrastructure and general engineering, in mobility segments such as automotive and railways, allowing us to meet changing customer requirements. With a global clientele exceeding 175 customers, we export to over 25 countries, encompassing major markets such as Germany, Denmark, China, Italy, Brazil, USA, Sweden, Switzerland, contributing to 37.53 % to total sales as of March 31, 2024. Further, we are adding new customers for springs and fasteners in high value markets such as Europe and USA.

The following table sets forth a breakdown of our revenue from operations from our business from India and outside India, in absolute terms and as a percentage of total revenue from operations, for the periods indicated:

| Particulars | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---------------|--|---------------------------------------|--|---------------------------------------|--|---------------------------------------|
| | Revenue from operations (amount in ₹ million) | % of total revenue from operation (%) | Revenue from operations (amount in ₹ million) | % of total revenue from operation (%) | Revenue from operations (amount in ₹ million) | % of total revenue from operation (%) |
| India | 1265.23 | 62.47 | 1042.57 | 63.01 | 909.37 | 62.60 |
| Outside India | 760.22 | 37.53 | 612.08 | 36.99 | 543.40 | 37.40 |
| Total | 2025.45 | 100.00 | 1654.65 | 100.00 | 1452.77 | 100.00 |

Focus on improving our market share and taking advantage of the growing industry demand

We are major disc springs manufacturer in domestic market and have ~10% market share in the Indian disc springs market. We have a significant presence in the DSS market for renewable industry with ~70% share in the domestic market and ~3% share in the global market. (Source: *1Lattice Report*). We are manufacturing disc springs for more than 15 years used in yaw brakes of wind turbine and supplied to global OEMs and brake manufacturers. Further, we have diversified our business almost 6 years ago and introduced fastening element products such as wedge lock washers and high tensile fasteners used in wind and hydro energies. Our majority of revenue from sale of wedge lock washers and high tensile fasteners are from renewable energy sectors. We are supplying products in the domestic market and to the global OEMs in Europe and USA markets as well.

Countries are becoming more inclined towards renewable energy sources like solar and wind due to concerns about energy security arising from Russia's invasion of Ukraine. Compared to CY15-20, onshore wind additions will be ~25% higher on average till CY26. IEA forecasted that the annual onshore wind addition will be 75 GW per year on an average from CY21-26. By CY26, the total offshore wind capacity is forecasted to be more than the triple current capacity and will account for one-fifth of the global wind market. The renewable energy industry is subjected to growth due to government policies focusing on mitigating international climate change. Regions like the European Union and China have aimed to increase their renewable energy production capacity significantly. (Source: *1Lattice Report*) This increase in demand for renewables will lead to an increase in consumption of wedge lock washers and high tensile fasteners.

Competition

We operate in a highly competitive environment in both in the Indian and overseas markets. The industry is highly fragmented, both domestically and globally. As per 1Lattice Report, Cooper and Turner Limited, Rose Holm A/S, August Friedberg GmbH are key players in the global SFS market and Randack Fasteners India Private Limited, Sundaram Fasteners Limited and Hiten Fasteners Private Limited are key players in the Indian SFS market. Stumpp Schuele & Somappa Springs Private Limited, NHK Springs India Limited, and Muhr and Bender KG are the key players in the CSS India market. Further, Muhr and Bender KG, Schnorr GmbH, Christian Bauer GmbH + Co. KG are key players in the global disc springs market and International Industrial Springs in disc springs in India. As a result, to remain competitive in the market we must, in addition, continuing to meet exacting quality standards, continuously strive to reduce our production and distribution costs and improve our operating efficiencies and innovate our products offering. If we fail to do so, it may have an adverse effect on our market share and results of operations. Many of our competitors may be larger

than us and may benefit from greater economies of scale and operating efficiencies. There can be no assurance that we can continue to effectively compete with such manufacturers in the future, and failure to compete effectively may have an adverse effect on our business, financial condition, and results of operations. Moreover, the competitive nature of the manufacturing industry may result in lower prices for our products and decreased profit margins, which may materially adversely affect our revenue and profitability.

PRESENTATION OF FINANCIAL INFORMATION

The Restated Consolidated Financial Statements of our Company and its Subsidiaries are comprising of the restated consolidated summary statement of assets and liabilities of the Company as at for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022; the restated consolidated summary statement of profit and loss (including other comprehensive income) and the restated consolidated summary statement of cash flows and the restated consolidated summary statement of changes in equity for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 together with the summary statement of significant accounting policies, and other explanatory information relating to such financial periods.

The Restated Consolidated Financial Statements of our Company is derived from our audited consolidated financial statements as at for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, prepared in accordance with Ind AS, and restated in accordance with requirements of Section 26 of Part I of Chapter III of Companies Act, SEBI ICDR Regulations and the Guidance Note on 'Reports in Company Prospectuses (Revised 2019)' issued by ICAI.

SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of Restated Consolidated Financial Statements

The Restated Consolidated Financial Statements of Gala Precision Engineering Limited ("Holding Company") and its subsidiaries (collectively referred to as 'the Group') comprises of the Restated Consolidated Statement of Assets and Liabilities as at 31 March 2024, 31 March 2023 and 31 March 2022, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Cash Flows and the Restated Consolidated Statement of Changes in Equity for years ended 31 March 2024, 31 March 2023 and 31 March 2022 and the Financial Statement of Significant Accounting Policies and explanatory notes and notes to Restated Consolidated Financial Statement (collectively, the 'Restated Consolidated Financial Information').

These Restated Consolidated Financial Information have been prepared by the Management of the Holding Company in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, issued by the Securities and Exchange Board of India ('SEBI') on 11 September 2018, in pursuance of the Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") and the Prospectus ("Prospectus"), (RHP and Prospectus, collectively the "Offer Documents") prepared by the Company in connection with its proposed Initial Public Offer ("IPO") in terms of the requirements 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 (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "**Guidance Note**") from time to time.

These Restated Consolidated Financial Statements have been compiled by the Management from:

- a) the audited consolidated financial statements of the Group as at and for year ended March 31, 2024 prepared in accordance with accounting principles stated in Ind AS and accounting policies mentioned in subsequent paragraphs, which have been approved by the Board of Directors at their meeting held on 12th June, 2024
- b) The audited special purpose consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2023 and March 31, 2022 (the "**Special Purpose Consolidated Ind AS Financial Statements**") prepared in accordance with accounting principles stated in Ind AS and accounting policies mentioned in subsequent paragraphs, which have been approved by the Board of Directors at their meeting held on 30th November 2023.

The Special Purpose Consolidated Ind AS Financial Statements have been prepared by making Ind AS adjustments to the audited consolidated financial statements of the Group as at and for the year ended March 31, 2023 and March 31, 2022 prepared in accordance with the Indian GAAP, which have been approved by the Board of Directors at their meeting

held on 12th June, 2023 and 10th July, 2022 respectively (the “**Statutory Consolidated Indian GAAP Financial Statements**”)

Special Purpose Consolidated Ind AS Financial Statements have been prepared solely for the purpose of preparation of Restated Consolidated Financial Information for inclusion in DRHP in relation to the proposed IPO, which requires financial statements of all the periods included, to be presented under Ind AS. As such, Special Purpose Consolidated Ind AS Financial Statements are not suitable for any other purpose other than for the purpose of preparation of Restated Consolidated Financial Information and are also not financial statements prepared pursuant to any requirements under section 129 of the Act.

These restated consolidated financial statements do not reflect the effects of events that occurred subsequent to the board meeting for adoption of the audited consolidated interim financial statements/special purpose audited consolidated financial statements mentioned above.

The Restated Consolidated Financial Information have been prepared so as to contain information / disclosures and incorporating adjustments set out below in accordance with the ICDR Regulations

- a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2024, March 31, 2023, March 31, 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year March 31, 2024 as applicable;
- b) do not contain any qualifications requiring adjustments; and
- c) have been prepared in accordance with the Companies Act 2013, ICDR Regulations and the Guidance Note.

The Consolidated Financial Statements are presented in Indian Rupee (INR) which is also Functional Currency of the Company and all values are rounded to the nearest million, except when otherwise indicated.

Basis of Consolidation

The Consolidated Financial Statements comprise of the Financial Statements of the Holding Company and the following Subsidiaries as on March 31, 2024:

| Name of Company | Country of Incorporation | Proportion of Ownership |
|--|---------------------------------|---|
| Gala Springs LLP | India | 92% (w.e.f March 31, 2023) |
| Gala Precision Components Shanghai Limited | China | 100% (upto March 30, 2023) |
| Gala Precision Components Shanghai Limited | China | 92% (w.e.f March 31, 2023) (Step-Down Subsidiary) |

The Restated Consolidated Financial Statements comprises the financial statements of the Holding Company, and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- b) Exposure, or rights, to variable returns from its involvement with the investee; and
- c) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- a) The contractual arrangement with the other vote holders of the investee
- b) Rights arising from other contractual arrangements
- c) The Group’s voting rights and potential voting rights
- d) The size of the group’s holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Restated Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Restated Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the Restated Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the Restated Consolidated Financial Statements to ensure conformity with the group's accounting policies.

Consolidation procedures for Subsidiaries are:

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Restated Consolidated Financial Statements from the date of obtaining control.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Restated Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Major Sources of Estimation Uncertainty

In the application of accounting policy which are described in note (C) below, the management is required to make judgment, estimates and assumptions about the carrying amount of assets and liabilities, income and expenses, contingent liabilities and the accompanying disclosures that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and are prudent and reasonable. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future period.

The few critical estimations and judgments made in applying accounting policies are:

Property, Plant and Equipment:

Useful life of Property Plant and Equipment and Intangible Assets are as specified in Schedule II to the Companies Act, 2013 and on certain intangible assets based on technical advice which considered the nature of the asset, the usage of the asset and anticipated technological changes.

Impairment of Non-financial Assets:

Useful life of Property, Plant and Equipment and Intangible Assets are as specified in Schedule II to the Companies Act, 2013 and on certain assets based on technical advice which considered the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support. The Group reviews the useful life of Property, Plant and Equipment at the end of each reporting period. This reassessment may result in change in depreciation charge in future periods.

Impairment of Financial Assets:

The Group impairs financial assets other than those measured at fair value through profit or loss or designated at fair value through other comprehensive income on expected credit losses. The estimation of expected credit loss includes the estimation of probability of default (PD), loss given default (LGD) and the exposure at default (EAD). Estimation of probability of default apart from involving trend analysis of past delinquency rates includes an estimation on forward-looking information relating to not only the counterparty but also relating to the industry and the economy as a whole. The probability of default is estimated for the entire life of the contract by estimating the cash flows that are likely to be received in default scenario. The lifetime PD is reduced to 12 months PD based on an assessment of past history of default cases in 12 months. Further, the loss given default is calculated based on an estimate of the value of the security recoverable as on the reporting date. The exposure at default is the amount outstanding at the balance sheet date.

Defined Benefit Plans:

The cost of the defined benefit plan and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. (Refer Note 32 (f))

Income Taxes

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the

current economic circumstances. After considering current and future economic conditions, the Group concludes that no changes are required to lease period relating to the existing lease contracts.

Allowance for credit losses on receivables:

The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considered current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates. In calculating expected credit loss, the Group has also considered credit reports and other related credit information for its customers to estimate the probability of default in future.

Summary of Material Accounting Policies:

Ind AS 1 was amended vide notification no G.S.R.242(E) dated 31st March 2023 to require disclosure of Material Accounting Policy information from accounting periods beginning on or after 1 April 2023 instead of significant accounting policy disclosure by amending paragraph 117, inserting paragraphs 117A to 117E and deleting paragraphs 118 to 121. Paragraph 117 of Ind AS 1 states when an information on accounting policy is considered as 'Material Accounting Policy information' as follows:

Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

Each of the policy disclosed herein below has been tested to determine whether the information disclosed is Material Accounting Policy information.

Property, Plant and Equipment

For transition to Ind AS, the Group has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of 1st April, 2020 measured as per the Previous GAAP and use that carrying value as its deemed cost as on the transition date.

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land which is not amortised. Any gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in profit or loss with other income or other expense line item on net basis, respectively

The depreciable amount of an asset is determined after deducting its residual value. Depreciation on the property, plant and equipment, is provided over the useful life of assets based on management estimates which is in line with the useful life indicated in Schedule II to the Companies Act, 2013. Depreciation on all assets is provided on straight line basis . Given below are the estimated useful lives for each class of property, plant and equipment:

Intangible Assets

For transition to Ind AS, the Group has elected to continue with the carrying value of intangible assets recognised as of 1st April, 2020 measured as per the Previous GAAP and use that carrying value as its deemed cost as on the transition date.

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Development cost represents expenditure incurred in relation to development of disc springs, Coil spring & Fastening solutions and related process and is amortised over a period of 10 years, being management's estimate of the period over which economic benefit is expected to be derived therefrom.

Lean Improvement represents expenditure incurred in relation to improvisation of business processes and is amortised over a period of 7 years, being management's estimate of the period over which economic benefit is expected to be derived therefrom.

Software (not being an integral part of the related hardware) acquired for internal use are treated as intangible assets.

Any gain or loss arising on derecognition of an intangible asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in profit or loss with other income or other expense line item on net basis, respectively.

Inventories

Inventories consisting of stores and spares, raw materials, Work in progress, Stock in Trade and finished goods are measured at lower of cost and net realisable value. However, materials held for use in production of inventories are not written down below cost, if the finished products are expected to be sold at or above cost.

The cost is computed on FIFO basis except for Inventory of Raw Material and stores and spares which are on daily moving Weighted Average Cost basis

Inventory obsolescence is based on assessment of the future uses. Obsolete and slow-moving items are subjected to continuous technical monitoring.

Lease

Where the Group is a lessee-

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease term includes extension or termination options when it is reasonably certain that they will be exercised

The right-of-use assets are initially recognized at cost and subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment of whether it will exercise an extension or a termination option

Government Grants

The grant relating to export benefits is presented under other income on a systematic basis in the Profit or Loss over the periods necessary to match them with the related costs, which they are intended to compensate

Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed on the basis of judgment of management / independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Revenue Recognition and Other Income

The Group derives revenues primarily from sale of goods comprising springs, parts, fasteners, and assemblies.

Revenue from contract with customers is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of prompt payment discounts and schemes offered by the Group as part of the contract with the customers. The Group recognises changes in the estimated amounts of obligations for discounts in the period in which the change occurs. Revenue also excludes taxes collected from customers.

Revenue in excess of invoicing is classified as contract assets while invoicing in excess of revenues are classified as contract liabilities.

Use of significant judgements in revenue recognition.

- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration or variable consideration with elements such as turnover/product/prompt payment discounts. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.
- The group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Employee Benefits

Short-term Employees Benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, performance incentives etc., are recognized during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

Post-employment benefits

The Group provides the following post-employment benefits:

- i) Defined benefit plans such as gratuity and
- j) Defined Contribution plans such as provident fund

Defined benefits plans

The cost of providing benefits on account of gratuity are determined using the projected unit credit method on the basis of actuarial valuation made at the end of each balance sheet date

Re-measurements comprising of actuarial gains and losses arising from experience adjustments and change in actuarial assumptions, the effect of change in assets ceiling (if applicable) and the return on plan asset (excluding net interest) are recognised in other comprehensive income (OCI) except those included in cost of assets as permitted in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Defined Contribution Plans

Payments to defined contribution retirement benefit plans, viz., Provident Fund for eligible employees are recognized as an expense when employees have rendered the service entitling them to the contribution.

Income Taxes

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognised in the profit or loss section of the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable/ receivable on the taxable income/ loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in Other Income

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised.

Financial Instruments

Financial assets other than investment in subsidiaries

Financial assets of the Group comprise trade receivable, cash and cash equivalents, Bank balances, advances to employees, security deposit, claims recoverable etc.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, Trade receivables that do not contain a significant financing component are measured at Transaction Price. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in three categories:

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

Financial assets measured at amortized cost

Security Deposits, Rent deposits and Export benefits receivable are measured at amortised cost. Financial assets are measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are amortized using the effective interest rate (EIR) method, less impairment. 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 in finance income in the statement of profit and loss.

Financial assets at fair value through profit or loss ('FVTPL')

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Impairment of financial assets

- **Financial assets that are measured at amortised cost; and**

ECL is measured through a loss allowance on a following basis:-

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

The Group assesses impairment based on expected credit loss ('ECL') model on the following:

Financial Liabilities

The Group's financial liabilities includes borrowings, trade payable, lease liabilities, accrued expenses and other payables.

Initial recognition and measurement

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial Liabilities classified as Amortised Cost:

All Financial Liabilities other than derivatives are measured at amortised cost. Interest expense that is not capitalised as part of costs of assets is included as Finance costs in Profit or Loss. Derecognition

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged / cancelled / expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Derivatives

Derivative instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument and is recognised in Other Comprehensive Income (OCI).

Borrowing costs

Borrowing cost includes interest, commitment charges, brokerage, underwriting costs, discounts / premiums, financing charges, exchange difference to the extent they are regarded as interest costs and all ancillary / incidental costs incurred in connection with the arrangement of borrowing.

Borrowing costs which are directly attributable to acquisition / construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as a part of cost pertaining to those assets. All other borrowing costs are recognised as expense in the period in which they are incurred.

The Group identifies the borrowings into specific borrowings and general borrowings. Specific borrowings are borrowings that are specifically taken for the purpose of obtaining an asset. Borrowing cost incurred on specific borrowings are capitalised to the cost of the qualifying asset. For general borrowings, the Group determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on the qualifying asset based on the weighted average of the borrowing costs applicable to general borrowings. The capitalisation on borrowing costs commences when the Group incurs expenditure for the asset, incurs borrowing cost and undertakes activities that are necessary to prepare the asset for its intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended. The capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Share based Payments**Equity-settled transactions**

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Holding Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Holding Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors identified as chief operating decisionmaker (CODM). The CODM is responsible for allocating resources and assessing performance of the operating segments. Segments are organised based on type of products delivered or provided. Segment revenue arising from third party customers is reported on the same basis as revenue in the Group Ind AS financial statements. Segment results represent profits before unallocated corporate expenses and taxes. “Unallocated Corporate Expenses” include expenses that relate to costs attributable to the Group as a whole and are not attributable to segments

Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2024 MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

Reconciliation of Restated Profit for the period/ year to EBITDA and EBITDA Margin

The following table sets forth our EBITDA, EBITDA Margin, including a reconciliation of EBITDA and EBITDA Margin to our restated profit for the period/ year, for the mentioned time periods.

(in ₹ millions, except percentages)

| Particulars | As at/ for the fiscal year ended March 31, | | |
|---|--|---------|---------|
| | 2024 | 2023 | 2022 |
| Profit for the period/ year (I) | 223.32 | 242.12 | 66.31 |
| Finance costs (II) | 61.40 | 51.60 | 48.62 |
| Depreciation and amortisation expense (III) | 68.62 | 60.83 | 62.61 |
| Total tax expense (IV) | 32.86 | 32.45 | 45.97 |
| Exceptional Income (net) (V) | 23.09 | (97.59) | |
| Non Controlling Interest (VI) | (3.40) | | |
| EBITDA (VII = I+II+III+IV+V+VI) | 405.88 | 289.41 | 223.51 |
| Total Income (VIII) | 2043.77 | 1670.82 | 1479.63 |
| EBITDA Margin (%) (IX) = (VII/VIII) | 19.86 | 17.32 | 15.11 |

Reconciliation of Total Equity to Capital Employed, Restated Profit for the period/ year to EBIT and Return on Capital Employed

The table below reconciles total equity to capital employed. Capital employed is calculated as total equity plus total borrowings while EBIT is calculated as restated profit for the period/ year plus total tax expense plus finance costs. Return on Capital Employed is calculated as EBIT as a percentage of capital employed.

(in ₹ million, except percentages)

| Particulars | As at/ for the fiscal year ended March 31, | | |
|---|--|-----------------|-----------------|
| | 2024 | 2023 | 2022 |
| Total equity (I) | 1044.48 | 836.54 | 593.16 |
| Non-current borrowings (II) | 92.06 | 204.99 | 237.74 |
| Current borrowings (III) | 458.22 | 380.99 | 331.18 |
| Total Capital employed (IV) = I+II+III | 1594.75 | 1,422.52 | 1,162.08 |
| <i>With Exceptional Items</i> | | | |

| Particulars | As at/ for the fiscal year ended March 31, | | |
|--|--|---------------|---------------|
| | 2024 | 2023 | 2022 |
| Profit for the period/ year (V) | 223.32 | 242.12 | 66.31 |
| Total tax expense (VI) | 32.86 | 32.45 | 45.97 |
| Finance costs (VII) | 61.40 | 51.60 | 48.62 |
| Earnings before interest and tax (EBIT) (VIII = V + VI + VII) | 317.58 | 326.17 | 160.90 |
| Return on Capital Employed (%) (IX = VIII/ IV) | 19.91 | 22.93 | 13.85 |
| <i>Without Exceptional Items</i> | | | |
| Profit for the period/ year (X) | 243.01 | 144.53 | 66.31 |
| Total tax expense (XI) | 32.86 | 32.45 | 45.97 |
| Finance costs (XII) | 61.40 | 51.60 | 48.62 |
| Earnings before interest and tax (EBIT) (XIII = X + XI + XII) | 337.26 | 228.58 | 160.90 |
| Return on Capital Employed (%) (XIV = XIII/ IV) | 21.15 | 16.07 | 13.85 |

Reconciliation of Total Equity to Return on Equity

The table below reconciles total equity to return on equity. Return on equity is calculated as restated profit for the period/ year as a percentage of total equity.

(in ₹ million, except percentages)

| Particulars | As at/ for the fiscal year ended March 31, | | |
|--|--|--------------|--------------|
| | 2024 | 2023 | 2022 |
| Total equity (I) | 1044.48 | 836.54 | 593.16 |
| Profit for the period/ year (II) | 223.32 | 242.12 | 66.31 |
| Add (Less): Exceptional Income(net) | 23.09 | (97.59) | - |
| Profit for the period/year (III) | 243.01 | 144.53 | 66.31 |
| Return on Equity (%) (III) = (II/I) | 23.27 | 17.28 | 11.18 |

Reconciliation of Revenue from Operations to Gross Fixed Assets Turnover Ratio

The table below reconciles revenue from operations to gross fixed assets turnover ratio.

(in ₹ million, except percentages)

| Particulars | As at/ for the fiscal year ended March 31, | | |
|--|--|---------------|---------------|
| | 2024 | 2023 | 2022 |
| Revenue from Operations (I) | 2025.45 | 1654.65 | 1452.77 |
| Property, plant and equipment (II) | 412.71 | 381.54 | 383.52 |
| Capital work in progress (III) | 32.30 | 12.50 | 1.26 |
| Right of use assets (IV) | 45.23 | 49.67 | 11.10 |
| Other intangible assets (V) | 185.99 | 176.80 | 168.37 |
| Total Gross Fixed Assets (VI = II + III + IV + V) | 676.22 | 620.51 | 564.25 |
| Gross Fixed Assets Turnover Ratio (in times) (VII = I/VI) | 3.00 | 2.67 | 2.57 |

Reconciliation for Net Debt, Net Debt to EBITDA and Net Debt to Total Equity

The table below reconciles total borrowings to net debt and net debt to EBITDA. Net Debt is calculated as total of non-current borrowings and current borrowings minus total of cash and cash equivalents and other bank balances.

(in ₹ million, except percentages)

| Particulars | As at/ for the fiscal year ended March 31, | | |
|---|--|--------|--------|
| | 2024 | 2023 | 2022 |
| Non-current borrowings (I) | 92.06 | 204.99 | 237.74 |
| Current borrowings (II) | 458.22 | 380.99 | 331.18 |
| Cash and cash equivalents (III) | 13.83 | 5.34 | 5.29 |
| Net Debt (IV) = I + II– III | 536.45 | 580.64 | 563.64 |
| EBITDA (V) | 405.89 | 289.41 | 223.51 |
| Net Debt to EBITDA (in times) (VI) = (IV/V) | 1.32 | 2.01 | 2.52 |
| Total equity (VII) | 1,044.48 | 836.54 | 593.16 |
| Net Debt to Total Equity (in times) = (IV/VII) | 0.51 | 0.69 | 0.95 |

Reconciliation for Revenue from Operations to Gross Profit and Gross Margin

The table below reconciles revenue from operations to gross profit and gross margin:

(in ₹ million, except percentages)

| Particulars | For the fiscal year ended March 31, | | |
|--|-------------------------------------|---------|---------|
| | 2024 | 2023 | 2022 |
| Revenue from operations (I) | 2,025.45 | 1654.65 | 1452.77 |
| Cost of raw materials consumed (II) | 900.30 | 713.64 | 600.81 |
| Changes in inventories of finished products and work in progress (III) | (72.83) | (45.75) | (8.88) |
| Gross Profit (IV) = (I – (II+III)) | 1197.98 | 986.77 | 860.84 |
| Gross Margin (%) (V = IV/I) | 59.15% | 59.64% | 59.26% |

Reconciliation for Restated Profit for the period/ year to Profit After Tax Margin (PAT Margin)

The table below reconciles restated profit for the period/ year to PAT Margin:

(in ₹ million, except percentages)

| Particulars | For the fiscal year ended March 31, | | |
|--|-------------------------------------|---------|---------|
| | 2024 | 2023 | 2022 |
| Profit for the period/ year (I) | 223.32 | 242.12 | 66.31 |
| Add/ (Less) Exceptional Items (net) | 23.09 | (97.59) | - |
| Less: Non Controlling Interest | (3.40) | - | - |
| Profit for the period/year before exceptional items(II) | 243.01 | 144.53 | 66.31 |
| Total income (III) | 2043.77 | 1670.82 | 1479.63 |
| PAT Margin (%) before exceptional items (IV = II/III) | 11.89% | 8.65% | 4.48% |
| PAT Margin (%) after exceptional items(IV = I/III) | 10.93% | 14.49% | 4.48% |

Overview of Revenue and Expenditure

Following descriptions set forth information with respect to key components of our income statement.

Revenue

Revenue from operations

Revenue from operations comprises income from domestic sales and export sales less brokerage/commission and freight.

Other income

Other income primarily comprises of interest on margin money / others, discount on forward contracts, profit on sale of PPE, gain on foreign exchange translations.

Expenses

Our expenses primarily comprise of cost of material consumed, changes in inventory, employee benefit expenses, finance costs, depreciation and amortization expense, other expenses.

Cost of raw materials consumed

Opening stock of raw material plus purchases during the year minus closing stock of raw materials

Changes in inventories of finished goods and work in progress

Changes in inventories of finished goods and work in progress between opening and closing dates of a reporting period.

Employee benefit expenses

Employee benefit expenses primarily comprises of salaries and wages, staff welfare expenses, gratuity expenses, contribution to provident and other funds

Finance costs

Finance costs primarily comprises of interest on loans and deposits, interest on working capital facilities, interest on unsecured loans, finance charges.

Depreciation and amortisation expenses

Depreciation and amortisation expenses comprises of depreciation on PPE and amortization of intangible assets.

Other expenses

Other expenses comprise primarily of consumption of store and spare parts, packing material consumed, power and fuel, labour charges, testing expenses, insurance, conveyance and vehicle expenses, freight outward.

Results of Operations

The following table sets forth our income statement data, the components of which are expressed as a percentage of total income for the periods indicated below.

| Particulars | For the year ended March 31, | | | | | |
|----------------------------|------------------------------|-------------------|-----------------|-------------------|-----------------|-------------------|
| | 2024 | | 2023 | | 2022 | |
| | (₹ in millions) | % of Total Income | (₹ in millions) | % of Total Income | (₹ in millions) | % of Total Income |
| Revenue from operations | 2,025.45 | 99.10% | 1,654.65 | 99.03% | 1,452.77 | 98.19% |
| Other income | 18.32 | 0.90% | 16.17 | 0.97% | 26.86 | 1.82% |
| Total Income | 2,043.77 | 100.00% | 1,670.82 | 100.00% | 1,479.63 | 100.00% |
| Expenses | | | | | | |
| Cost of materials consumed | 900.30 | 44.05% | 713.64 | 42.71% | 600.81 | 40.61% |
| Changes in inventory | -72.83 | -3.56% | -45.75 | -2.74% | -8.88 | -0.60% |
| Employee benefits expense | 247.75 | 12.12% | 232.30 | 13.90% | 215.12 | 14.53% |

| Particulars | For the year ended March 31, | | | | | |
|--|------------------------------|-------------------|-----------------|-------------------|-----------------|-------------------|
| | 2024 | | 2023 | | 2022 | |
| | (₹ in millions) | % of Total Income | (₹ in millions) | % of Total Income | (₹ in millions) | % of Total Income |
| Finance costs | 61.40 | 3.00% | 51.60 | 3.09% | 48.62 | 3.29% |
| Depreciation and amortisation expense | 68.62 | 3.36% | 60.83 | 3.64% | 62.61 | 4.23% |
| Other expense | 562.66 | 27.53% | 481.22 | 28.80% | 449.07 | 30.35% |
| Total Expenses | 1767.90 | 86.50% | 1493.84 | 89.41% | 1367.35 | 92.41% |
| Profit before exceptional items and tax | 275.87 | 13.50% | 176.98 | 10.59% | 112.28 | 7.59% |
| Add: exceptional items | (23.09) | (1.13)% | 97.59 | 5.84% | 0 | 0 |
| Profit before tax and after exceptional items | 252.78 | 12.37% | 274.57 | 16.43% | 112.28 | 7.59% |
| Tax Expense | | | | | | |
| Current tax | | | | | | |
| Current tax | 54.09 | 2.65% | 30.00 | 1.80% | 32.50 | 2.20% |
| Current tax for the earlier years | 7.19 | 0.35% | 8.63 | 0.52% | 12.01 | 0.81% |
| Deferred tax | | | | | | |
| Deferred tax | (28.42) | -1.39% | (6.18) | -0.37% | 1.46 | 0.10% |
| Total tax expense | 32.86 | 1.61% | 32.45 | 1.94% | 45.97 | 3.11% |
| Add:Non-Controlling Interest | (3.40) | - | - | - | - | - |
| Profit for the period/ year | 223.32 | 10.76% | 242.12 | 14.49% | 66.31 | 4.48% |
| Other comprehensive income/ (loss) | | | | | | |
| Items that will not be reclassified to profit or loss | | | | | | |
| Remeasurement of the employees defined benefit plans | 0.67 | 0.03% | 2.88 | 0.17% | (0.29) | -0.02% |
| Income tax relating to above items | (0.17) | -0.01% | (0.72) | -0.04% | 0.09 | 0.01% |
| Exchange differences in translating the financial statements of foreign operations | 4.36 | 0.21% | 0.08 | 0.005% | (3.01) | -0.20% |
| Total other comprehensive income | 4.86 | 0.23% | 2.24 | 0.13% | 3.21 | 0.22% |

| Particulars | For the year ended March 31, | | | | | |
|---|------------------------------|-------------------|-----------------|-------------------|-----------------|-------------------|
| | 2024 | | 2023 | | 2022 | |
| | (₹ in millions) | % of Total Income | (₹ in millions) | % of Total Income | (₹ in millions) | % of Total Income |
| Total comprehensive income for the period/ year | 228.18 | 11.16% | 244.36 | 14.63% | 63.10 | 4.26% |

Fiscal 2024 compared with Fiscal 2023

Our total income increased by 22.32% to ₹2034.77 million in Fiscal 2024 from ₹1670.82 million in Fiscal 2023 on account of growth in revenue from operations.

Revenue from operations

Our revenue from operations increased by 22.41%, reaching to ₹2025.45 million in Fiscal 2024 from ₹1654.65 million in Fiscal 2023. This growth was driven incremental sales of DSS due to the addition of new customers and increased demand from renewable energy, railways and industrial sectors; as well as incremental sales of CSS, owing to increased demand from the automobile industry and the commencement of supplies to the railways.

Other Income

Our other income increased by 13.30% from ₹18.32 million in Fiscal 2024 to ₹16.17 million in Fiscal 2023 on account of decrease in below stream of our other income.

- Miscellaneous income decreased to ₹0 million in Fiscal 2024 from ₹0.48 million in Fiscal 2023
- Gain on foreign exchange translations increased to ₹2.74 million in Fiscal 2024 from ₹0 million in Fiscal 2023.
- Interest on margin money rose to ₹6.00 million in Fiscal 2024 from ₹4.98 million in Fiscal 2023, due to increase in fixed deposit amount.
- Discounts on forward contracts decreased to ₹9.43 million in Fiscal 2024 from ₹10.33 million in Fiscal 2023.

Total Expense:

Our total expense has increase by 18.35% in Fiscal 2024 to Rs 1767.90 from Rs 1493.84 on account of higher business activity which increased our cost of sale of product and other expense.

Cost of materials consumed adjusted for change in inventories in finished goods and work-in-progress

Our cost of materials consumed *adjusted for change in inventories in finished goods and work-in-progress* increased by 23.89% from ₹667.89 million in Fiscal 2023 to ₹827.47 million in Fiscal 2024, primarily due to increase in turnover. Our cost of material as % of revenue was 39.97% in Fiscal 2023 which increased marginally to 40.49% in Fiscal 2024.

Employee benefits expense

Our employee benefits expense increased by 6.65% from ₹232.30 million in Fiscal 2023 to ₹247.75 million in Fiscal 2024 due to increase in salaries and wages and staff welfare expense. Salaries and wages increased by 6.96% to ₹ 219.32 million in Fiscal 2024 from ₹205.04 million in Fiscal 2023 on account of increments while staff welfare expenses reduced by 3.69 % to ₹12.01 million in Fiscal 2024 from ₹12.47 million in Fiscal 2023

Finance costs

Our finance costs increased by 18.99% from ₹51.60 million in Fiscal 2023 to ₹61.40 million in Fiscal 2024 on account of increased use of working capital facilities, increase in finance charges and the interest on loans and deposits which was partially offset by decrease in interest on unsecured loans.

- Interest on working capital facilities rose to ₹33.45 million in Fiscal 2024 from ₹22.24 million in Fiscal 2023
- Finance charges increased to ₹4.59 million in Fiscal 2024 from ₹1.69 million in Fiscal 2023.

- Interest on loans and deposits decreased to ₹10.49 million in Fiscal 2024 from ₹11.35 million in Fiscal 2023
- Interest on unsecured loans decreased to ₹11.22 million in Fiscal 2024 from ₹15.71 million in Fiscal 2023

Depreciation and amortisation expense

Our depreciation and amortization expense increased by 12.81 % from ₹60.83 million in Fiscal 2023 to ₹68.62 million in Fiscal 2024, due to capital expenditure addition, on account of a 12.49 % increase in amortisation of intangible assets from ₹21.53 million in Fiscal 2023 to ₹24.22 million in Fiscal 2024, a 4.58% increase in depreciation on property, plant and equipment from ₹38.17 million in Fiscal 2023 to ₹39.92 million in Fiscal 2024, and an increase in amortisation of right-of-use assets from ₹1.13 million in Fiscal 2023 to ₹4.48 million in Fiscal 2024.

Other expenses

Our other expenses increased by 16.92% from ₹481.22 million in Fiscal 2023 to ₹562.66 million in Fiscal 2024, on account of increase in cost of labour, stores and spare parts, packing material and power fuel cost proportionate to increase in our revenue. Decline in freight cost has partially offset the increase in other expense.

- Labour expense grew by 13.72% to ₹230.41 million in Fiscal 2024 from ₹202.62 million in Fiscal 2023, due to increase in production
- Consumption of stores and spare parts increased by 26.95% to ₹77.49 million in Fiscal 2024 from ₹61.04 million in Fiscal 2023, due to increase in production
- Power and fuel cost increased by 11.65% to ₹59.70 million in Fiscal 2024 from ₹53.47 million in Fiscal 2023, due to increase in production
- Packing material cost increase by 2.09% to ₹22.94 million in Fiscal 2024 from ₹22.47 million in Fiscal 2023, due to increase in Sales
- Freight outward cost increase by 31.19% to ₹37.14 million in Fiscal 2024 from ₹28.31 million in Fiscal 2023.

Exceptional Items:

Our company has incurred exceptional expenses of ₹23.09 million consisting of inventories write off of foreign subsidiary ₹ 23.65 million, income from sale of intangible asset of Surface SES of Rs 3.5 millions & expense relating to winding up process of foreign subsidiary Rs 2.94 millions

Profit before tax after exceptional items

As a result of the foregoing, we recorded an decrease of 7.94% in our profit before tax, from ₹274.57 million in Fiscal 2023 to ₹252.78 million in Fiscal 2024. This includes exceptional loss of ₹23.09 million in Fiscal 2024.

Tax expenses

Our tax expenses increased by 1.26 % from ₹32.45 million in Fiscal 2023 to ₹32.86 million in Fiscal 2024, due to increase in profits. The decrease in our tax expenses in Fiscal 2023 was primarily due to shifting from old regime to new regime thereby benefitting by lower rate of tax. This includes tax impact on exceptional income of ₹97.59 million in Fiscal 2023.

Profit for the year

The Profit after Tax after exceptional item decreased by 7.76% from ₹242.12 million to ₹ 223.32 million. There was an exceptional income of ₹97.59 million in Fiscal 2023, whereas in Fiscal 2024 there was an exceptional loss of ₹23.09 million.

Fiscal 2023 compared with Fiscal 2022

Our total income increased by 12.92% to ₹1,670.82 million in Fiscal 2023 from ₹1,479.63 million in Fiscal 2022 on account of growth in revenue from operations.

Revenue from operations

Our revenue from operations increased by 13.90% to ₹1,654.65 in Fiscal 2023 from ₹ 1,452.77 million in Fiscal 2022 on account of incremental sales of DSS on account of adding new customers and because of increased demand from renewable energy, railways and industrial sectors; and from CSS on account of increased demand from the automobile industry and start of supplies to the railways.

Other Income

Our other income decreased by 39.80% from ₹26.86 million in Fiscal 2022 to ₹16.17 million in Fiscal 2023 on account of decrease in below stream of our other income.

- Miscellaneous income decreased to ₹0.48 million in Fiscal 2023 from ₹0.77 million in Fiscal 2022
- Gain on foreign exchange translations decreased to ₹0 million in Fiscal 2023 from ₹13.38 million in Fiscal 2022.
- Insurance claim declined to ₹0 million in Fiscal 2023 from ₹0.22 million in Fiscal 2022.
- Receivable rent has declined to ₹0 million in Fiscal 2023 from ₹1.89 million in Fiscal 2022
- Interest on margin money rose to ₹4.98 million in Fiscal 2023 from ₹1.09 million in Fiscal 2022
- Discounts on forward contracts increased to ₹10.33 million in Fiscal 2023 from ₹9.51 million in Fiscal 2022.

Total Expense:

Our total expense has increase by 9.25% on account of higher business activity which increased our cost of sale of product and other expense.

Cost of materials consumed adjusted for change in inventories in finished goods and work-in-progress

Our cost of materials consumed *adjusted for change in inventories in finished goods and work-in-progress* increased by 12.83% from ₹591.93 million in Fiscal 2022 to ₹667.89 million in Fiscal 2023, primarily due to increase in turnover. Our cost of material as % of revenue was 40.75% in Fiscal 2022 which decreased marginally to 40.36% in Fiscal 2023.

Employee benefits expense

Our employee benefits expense increased by 7.99% from ₹215.12 million in Fiscal 2022 to ₹232.3 million in Fiscal 2023 due to increase in salaries and wages and staff welfare expense. Salaries and wages increased by 6.80% to ₹ 205.04 million in Fiscal 2023 from ₹191.98 million in Fiscal 2022 on account of increments while staff welfare expenses rose by 47.57% to ₹12.47 million in Fiscal 2023 from ₹8.45 million in Fiscal 2022

Finance costs

Our finance costs increased by 6.13% from ₹48.62 million in Fiscal 2022 to ₹51.60 million in Fiscal 2023 on account of increased use of working capital facilities, increase in finance charges and the interest on loans and deposits which was partially offset by decrease in interest on unsecured loans.

- Interest on working capital facilities rose to ₹22.24 million in Fiscal 2023 from ₹17.92 million in Fiscal 2022
- Finance charges increased to ₹1.69 million in Fiscal 2023 from ₹1.53 million in Fiscal 2022.
- Interest on loans and deposits increased to ₹11.35 million in Fiscal 2023 from ₹10.49 million in Fiscal 2022
- Interest on unsecured loans decreased to ₹15.71 million in Fiscal 2023 from ₹18.68 million in Fiscal 2022

Depreciation and amortisation expense

Our depreciation and amortization expense decreased by 2.84% from ₹62.61 million in Fiscal 2022 to ₹60.83 million in Fiscal 2023, on account of a 11.11% decrease in amortisation of intangible assets from ₹24.22 million in Fiscal 2022 to ₹21.53 million in Fiscal 2023, a 0.95% decrease in depreciation on property, plant and equipment from ₹40.85 million in Fiscal 2022 to ₹40.46 million in Fiscal 2023, and an increase in amortisation of right-of-use assets from ₹0 million in Fiscal 2022 to ₹1.13 million in Fiscal 2023.

Other expenses

Our other expenses increased by 7.16% from ₹449.07 million in Fiscal 2022 to ₹481.21 million in Fiscal 2023, on account of increase in cost of labour, stores and spare parts, packing material and power fuel cost proportionate to increase in our revenue. Decline in freight cost has partially offset the increase in other expense.

- Labour expense grew by 10.50% to ₹202.62 million in Fiscal 2023 from ₹183.37 million in Fiscal 2022.
- Consumption of stores and spare parts increased by 25.90% to ₹61.04 million in Fiscal 2023 from ₹48.28 million in Fiscal 2022
- Power and fuel cost increased by 16.20% to ₹53.47 million in Fiscal 2023 from ₹46.03 million in Fiscal 2022.
- Packing material cost increase by 13.20% to ₹22.47 million in Fiscal 2023 from ₹19.86 million in Fiscal 2022.
- Freight outward cost decrease by 9.30% to ₹28.31 million in Fiscal 2023 from ₹31.21 million in Fiscal 2022.

Exceptional Items:

Our company has earned exceptional income of ₹97.59 million from sale of property and plant & Equipment, sale of intangible assets of Surface Engineering Solutions (SES) and investment write off of the foreign subsidiary. We had not received any exceptional income, nor did we have an exceptional expense item during fiscal 2022.

Profit before tax after exceptional items

As a result of the foregoing, we recorded an increase of 144.54% in our profit before tax, from ₹112.28 million in Fiscal 2022 to ₹274.57 million in Fiscal 2023. This includes exceptional income of ₹97.59 million in Fiscal 2023.

Tax expenses

Our tax expenses decreased by 29.41% from ₹45.97 million in Fiscal 2022 to ₹32.45 million in Fiscal 2023. The decrease in our tax expenses in Fiscal 2023 was primarily due to shifting from old regime to new regime thereby benefitting by lower rate of tax. This includes tax impact on exceptional income of ₹97.59 million in Fiscal 2023.

Profit for the year

As a result of the foregoing, we recorded an increase of 265.13% in our profit for the year from ₹66.31 million in Fiscal 2022 to ₹242.12 million in Fiscal 2023.

Liquidity and Capital Resources

We have historically financed the expansion of our business and operations primarily through bank loan and internal accruals

Cash Flows

The following table summarizes our cash flows for the periods indicated below:

(₹ in millions)

| Particulars | For the year ended March 31, | | |
|---|------------------------------|----------|---------|
| | 2024 | 2023 | 2022 |
| Net cash flow from/ (used in) operating activities | 156.46 | 160.21 | 115.94 |
| Net cash flow from/(used in) investing activities | (29.92) | (123.95) | (66.25) |
| Net cash flow from/ (used in) financing activities | (118.05) | (36.21) | (69.25) |
| Net increase/decrease in cash and cash equivalents | 8.49 | 0.04 | (19.56) |
| Cash and cash equivalent at the beginning of the period/ year | 5.34 | 5.29 | 24.84 |
| Cash and cash equivalents at the end of the period/ year | 13.83 | 5.34 | 5.29 |

Cash flows from operating activities

Financial Year 2024

We generated ₹156.46 million in cash from operating activities during Fiscal 2024. While our profit before tax was ₹252.78 million, we had an operating profit before working capital changes of ₹398.16 million, primarily due to adjustments for depreciation of ₹68.62 million, finance costs of ₹61.40 million, and unrealised exchange loss of ₹7.88 million. Our adjustments for working capital changes for the Fiscal 2024 primarily consisted of (i) decrease in interest income by ₹6.00 million, (ii) increase in bad debts by ₹0.90 million, (iii) increase in impairment financial assets by ₹0.02 million, (iv) loss on sale/disposal of financial assets by ₹2.52 million, (v) decrease in fair value changes in financial assets by ₹0.15 million.

Financial Year 2023

We generated ₹160.21 million in cash from operating activities during Fiscal 2023. While our profit before tax was ₹274.57 million, we had an operating profit before working capital changes of ₹331.11 million, primarily due to adjustments for depreciation of ₹60.83 million, finance costs of ₹51.60 million, and unrealised exchange gain of ₹15.88 million. Our adjustments for working capital changes for the Fiscal 2023 primarily consisted of (i) decrease in interest income by ₹4.98 million, (ii) increase in bad debts by ₹1.17 million, (iii) increase in impairment financial assets by ₹0.02 million, (iv) gain on sale/disposal of financial assets by ₹0.31 million, (v) loss on sale of property, plant and equipment by ₹67.59 million, (vi) decrease in fair value changes in financial assets by ₹0.07 million.

Financial Year 2022

We generated ₹115.94 million in cash from operating activities during Fiscal 2022. While our profit before tax was ₹112.28 million, we had an operating profit before working capital changes of ₹260.64 million, primarily due to adjustments for depreciation of ₹62.61 million, finance costs of ₹48.62 million, and unrealised exchange loss of ₹10.11 million. Our adjustments for working capital changes for the Fiscal 2023 primarily consisted of (i) decrease in interest income by ₹1.09 million, (ii) increase in bad debts by ₹4.43 million, (iii) increase in provision for doubtful debts by ₹0.23 million, (iv) loss on sale/disposal of fixed assets by ₹4.40 million, (v) increase in intangible assets written off by ₹19.05 million.

Cash flows used in investing activities

Financial Year 2024

Net cash used in investing activities was ₹29.92 million for the Fiscal 2024, primarily on account of ₹107.45 million used towards purchase of fixed assets, ₹22.49 million received for capital work in process and capital advance, ₹1.57 million from proceeds from sale of fixed assets, ₹5.04 million towards loans (financial assets), ₹87.52 million towards deposits/balances with banks, and ₹5.89 million was received as interest income.

Financial Year 2023

Net cash used in investing activities was ₹123.95 million for the Fiscal 2023, primarily on account of ₹98.61 million used towards purchase of fixed assets, ₹18.39 million received for capital work in process and capital advance, ₹78.59 million from proceeds from sale of ROU assets, ₹6.49 million from proceeds from sale of fixed assets, ₹3.27 million towards loans (financial assets), ₹93.28 million towards deposits/balances with banks, and ₹4.51 million was received as interest income.

Financial Year 2022

Net cash used in investing activities was ₹66.25 million for the Fiscal 2022, primarily on account of ₹68.81 million used in purchase of fixed assets, ₹3.04 million from capital work in process and ₹1.03 million received from proceeds from sale of fixed assets, ₹1.49 million from loans on financial assets, ₹4.04 million towards deposits/balances with banks while ₹1.03 million was received as interest income.

Cash flows from/ used in financing activities

Financial Year 2024

Net cash used in financing activities for Fiscal 2024 amounted to ₹118.05 million, which primarily consisted of proceeds from working capital facilities of ₹61.52 million, repayment towards term loans of ₹37.38 million, proceeds from term loans amounting to ₹40.88 million, payment of lease liabilities amounting to ₹2.91 million, change in non controlling interest amounting to ₹1.36 million, and interest paid amounting to ₹59.46 million, payment for Initial Public Offer Expenses amounting to 18.33 million.

Financial Year 2023

Net cash used in financing activities for Fiscal 2023 amounted to ₹36.21 million, which primarily consisted of proceeds from working capital facilities of ₹49.31 million, repayment towards term loans of ₹67.04 million, proceeds from term loans amounting to ₹34.81 million, payment of lease liabilities amounting to ₹1.32 million, payment for acquisition of control in subsidiary amounting to ₹0.96 million, and interest paid amounting to ₹51.01 million.

Financial Year 2022

Net cash used in financing activities for Fiscal 2022 amounted to ₹69.25 million, which primarily consisted of proceeds from working capital facilities of ₹46.69 million, repayment towards term loans amounting to ₹85.31 million, proceeds from term loans amounting to ₹18.26 million, and interest paid amounting to ₹48.89 million.

Financial Indebtedness

As of March 31, 2024, we had non-current borrowings of ₹ 92.06 million, current borrowings of ₹ 458.22 million, and net debt (net off bank balances and cash and cash equivalents) aggregating ₹ 536.44 million, with a net debt to equity ratio of 0.57 times. Some of our financing agreements include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. We cannot assure you that we will be able to obtain these consents and any failure to obtain these consents could have significant adverse consequences for our business. For further information on our outstanding indebtedness, see “*Financial Indebtedness*” on page 388 and “*Risk Factor - We have incurred significant indebtedness which exposes us to various risks which may have an adverse effect on our business, results of operations and financial conditions. Conditions and restrictions imposed on us by the agreements governing our indebtedness could adversely affect our ability to operate our businesses*” on page 36.

The following table sets forth our secured and unsecured debt position as of the below mentioned time period.

| Particulars | (₹ in millions) | | |
|-------------------------------------|----------------------|----------------------|----------------------|
| | As on March 31, 2024 | As on March 31, 2023 | As on March 31, 2022 |
| Secured Short term Borrowings (I) | 458.22 | 380.99 | 331.18 |
| Unsecured Long term Borrowings (II) | 0.00 | 101.01 | 142.46 |
| Secured Long term Borrowings (III) | 92.06 | 103.98 | 95.28 |
| Total (IV = I + II + III) | 550.28 | 585.98 | 568.92 |

Contingent Liabilities and Commitments

Contingent liabilities, to the extent not provided for, as of the below mentioned time periods, as determined in accordance with Ind AS 37, are described below.

| Particulars | (₹ in millions) | | |
|---|----------------------|----------------------|----------------------|
| | As on March 31, 2024 | As on March 31, 2022 | As on March 31, 2021 |
| A. Contingent liabilities | | | |
| (i) Disputed Income Tax Demands | 32.97 | 32.97 | 18.31 |
| (ii) Bank Guarantee given | 7.96 | 8.43 | 3.23 |
| (iii) Letters of Credit | 37.45 | 6.25 | 11.28 |
| (iv) Patent | 20.00 | - | - |
| B. Commitments | | | |
| Estimated amount of contracts remaining to be executed on Capital Account, net of advances and not provided for | 74.40 | 15.80 | 11.99 |

For further details of our contingent liabilities, see “*Restated Financial Information– Annexure VI – Note 31(i) – Contingent liabilities and commitments*” on page 283.

Capital expenditure

For the financial years ending March 31, 2024, March 31, 2023 and March 31, 2022, our capital expenditures (i.e. springs, parts, fasteners and assemblies, surface engineering solutions and unallocated) were ₹127.15 million, ₹152.08 million and ₹62.86 million, respectively. The following table sets forth our gross fixed assets as at periods as indicated:

(₹ in millions)

| Particulars | As at/ for the fiscal year ended March 31, | | |
|---|--|---------------|--------------|
| | 2024 | 2023 | 2022 |
| Springs, Parts, Fasteners and Assemblies (I) | 127.15 | 152.08 | 62.86 |
| Surface Engineering Solutions (II) | - | - | - |
| Unallocated(III) | | | |
| Total Gross Fixed Assets (IV = I + II + III) | 127.15 | 152.08 | 62.86 |

Quantitative and Qualitative Disclosures about Market Risk

In the course of our business, we are exposed primarily to fluctuations in interest rates, liquidity and credit risk, which may adversely impact the fair value of our financial instruments. In order to minimise any adverse effects on the financial performance of the Company, the Company has risk management policies as described below:

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Our Company is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions, foreign exchange transactions, other financial instruments carried at amortised cost.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Our approach to manage liquidity is to have sufficient liquidity to meet our liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to our reputation.

Our management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally performed in accordance with practice and limits set by the Company.

Contractual Maturities of financial liabilities

(₹ in million)

| As at March 31, 2024 | Contractual maturities of financial liabilities | | | | |
|---------------------------------|---|-----------|-----------|-------------------|--------|
| | Less than 1 year | 1-3 years | 3-5 years | More than 5 years | Total |
| Borrowings and interest thereon | 458.22 | 59.56 | 31.17 | 1.33 | 550.28 |
| Trade payables | 136.70 | - | - | - | - |
| Other financial liabilities | 63.67 | - | - | - | - |
| As at March 31, 2023 | Less than 1 year | 1-3 years | 3-5 years | More than 5 years | Total |
| Borrowings and interest thereon | 380.99 | 156.24 | 39.41 | 9.34 | 585.98 |
| Trade payables | 74.65 | 4.47 | 1.80 | 0.16 | 81.08 |
| Other financial liabilities | 84.33 | - | - | - | 84.33 |
| As at March 31, 2022 | Less than 1 year | 1-3 years | 3-5 years | More than 5 years | Total |
| Borrowings and interest thereon | 331.18 | 204.10 | 27.16 | 6.48 | 568.92 |
| Trade payables | 133.70 | 1.32 | 1.40 | 1.58 | 138.00 |

| | | | | | |
|-----------------------------|-------|---|---|---|-------|
| Other financial liabilities | 56.91 | - | - | - | 56.91 |
|-----------------------------|-------|---|---|---|-------|

Market Risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure on financial liabilities

(₹ in millions)

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|----------------------|
| Fixed rate borrowings | 10.92 | 7.14 | 7.88 |
| Variable rate borrowings | 539.37 | 578.85 | 561.05 |
| Total borrowings (exclusive of Lease liabilities) | 550.28 | 585.99 | 568.92 |

Foreign currency risk

The Company undertakes transactions (e.g. sale of goods, foreign currency loan, purchase of raw materials, etc.) denominated in foreign currencies and thus is exposed to exchange rate fluctuations. The Company evaluates its exchange rate exposure arising from foreign currency transactions and manages the same based upon approved risk management policies.

Off-Balance Sheet Arrangements

We have off-balance sheet arrangements by way of Letter of credit (LC), Bank Guarantee (BG) with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related Party Transactions

We enter into various transactions with related parties in the ordinary course of business. Related parties with whom transactions have taken place during the year primarily include sale of finished goods, purchase of raw materials, loans taken from Directors and interest on such loans, conversion of loan and advance to equity, short term employee benefits, loans and advances given, trade receivables and directors sitting fees. For further details see "*Financial Information – Annexure VI - Note 31(e) – Related Party Disclosures*" and "*Risk Factors - We have entered into transactions with related parties. These or any future related party transactions may potentially involve conflicts of interest and there can be no assurance that we could not have achieved better terms, had such arrangements been entered into with unrelated parties.*" on page 283 and 36, respectively.

Changes in accounting policies

There have been no changes in the accounting policies of the Company during the last three Fiscals.

Auditor observations

There are no qualifications, reservations and adverse remarks by our Statutory Auditors in our Restated Consolidated Financial Statements.

Significant Economic Changes

Other than as described above, to the best of the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations. For further details, please see "*Our Business*" and "*Risk Factors*" on pages 197 and 36, respectively.

Future relationship between cost and income

Other than as described in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 36, 197 and 358, respectively, there are no known factors that might affect the future relationship between costs and revenues.

Unusual or Infrequent Events of Transactions

Except as described in this Prospectus, there have been no other events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.

Known Trends or Uncertainties

Our business has been affected and we expect will continue to be affected by the factors identified above in the heading titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 358 and the uncertainties described in the section titled “*Risk Factors*” beginning on page 36 of this Prospectus. To our knowledge, except as described or anticipated in this Prospectus, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

Segment Reporting

For management purposes, the company is organised on a worldwide basis into two major operating divisions - Springs, Parts and Assemblies and Surface Engineering Solutions. The divisions are the basis on which the company reports its primary segment information. The Springs, Parts and Assemblies segment produces a broad range of disc springs for wind mill, transformers, turbines, railways, automobiles and off high way vehicles. The Surface Engineering Solutions segment manufactures centrifugal finishing machines, washing systems and media chemicals. During the year, the company has sold the Intangible assets of Surface Engineering Solutions business relating to Deburring & Polishing Systems & related Media Chemicals and remaining Property, Plant & Equipment has been put to use for other business units during the year ended 31st Mar, 2023 and hence the said division is discontinued.

Summary of the segmental reporting is presented below for the Financial years 2024, 2023 and 2022:

(₹ in million)

| Particulars | Springs, Parts, Fasteners and Assemblies | | | Surface Engineering Solutions | | | Unallocated | | | Total | | |
|---|--|-----------------|-----------------|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 | March 31, 2024 | March 31, 2023 | March 31, 2022 | March 31, 2024 | March 31, 2023 | March 31, 2022 | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| REVENUE | | | | | | | | | | | | |
| External sales and service income | 2014.48 | 1,614.86 | 1,348.01 | 10.97 | 39.79 | 104.76 | - | - | - | 2025.45 | 1,654.65 | 1,452.77 |
| Less: Inter-segment sales | - | - | - | - | - | - | - | - | - | - | - | - |
| Total revenue | 2014.48 | 1,614.86 | 1,348.01 | 10.97 | 39.79 | 104.76 | - | - | - | 2025.45 | 1,654.65 | 1,452.77 |
| RESULT | | | | | | | | | | | | |
| Segment result | 413.24 | 298.04 | 224.55 | -7.35 | -8.62 | -1.05 | | - | - | 405.89 | 289.42 | 223.50 |
| Unallocated corporate expenses | - | - | - | - | - | - | | - | | | | |
| Financial charges | 59.75 | 48.15 | 45.24 | - | 3.45 | 3.39 | 1.65 | 0.61- | - | 61.40 | 51.60 | 48.62 |
| Depreciation | 61.72 | 53.16 | 49.28 | | 1.44 | 2.68 | 6.90 | 6.23 | 10.65 | 68.62 | 60.83 | 62.61 |
| Profit before exceptional items and tax | 291.77 | 196.73 | 130.03 | -7.35 | -13.51 | -7.12 | -8.55 | -6.84 | -10.65 | 275.87 | 176.99 | 112.27 |
| | | | | | | | | | | | | |
| Add: Exceptional items | -23.65 | - | - | 3.50 | 30.00 | - | -2.94 | 67.59 | - | -23.09 | 97.59 | - |
| Profit before tax | 268.12 | 196.73 | 130.03 | -3.85 | 16.49 | -7.12 | -11.49 | 60.75 | -10.65 | 252.78 | 274.58 | 112.27 |
| | | | | | | | | | | | | |
| Less current tax | - | - | - | -1.85 | - | - | 55.94 | 30.00 | 32.50 | 54.09 | 30.00 | 32.50 |
| - Deferred tax charges | - | - | - | - | - | - | -28.42 | -6.18 | 1.46 | -28.42 | -6.18 | 1.46 |
| -Tax adjustments of earlier years | - | - | - | - | - | - | 7.19 | 8.63 | 12.01 | 7.19 | 8.63 | 12.01 |
| Non-controlling interest | - | - | - | - | - | - | -3.40 | - | - | -3.40 | - | - |
| Profit for the Year | 268.12 | 196.73 | 130.03 | -2.00 | 16.49 | -7.12 | -42.79 | 28.30 | -56.62 | 223.32 | 242.12 | 66.30 |
| | | | | | | | | | | | | |
| Income from discontinuing operations | - | - | - | -2.00 | 16.49 | - | - | - | - | -2.00 | 16.49 | - |

| Particulars | Springs, Parts, Fasteners and Assemblies | | | Surface Engineering Solutions | | | Unallocated | | | Total | | |
|---|--|-----------------|-----------------|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 | March 31, 2024 | March 31, 2023 | March 31, 2022 | March 31, 2024 | March 31, 2023 | March 31, 2022 | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Profit from Continuing operation | 268.12 | 196.73 | 130.03 | - | - | -7.12 | -42.79 | 28.30 | -56.62 | 225.32 | 225.62 | 66.30 |
| OTHER INFORMATION | | | | | | | | | | | | |
| Segment assets | 1800.80 | 1,524.94 | 1,231.10 | 6.53 | 47.72 | 106.27 | 79.52 | 131.20 | 118.80 | 1886.85 | 1,703.86 | 1,456.17 |
| Segment Liabilities | 1395.85 | (16.73) | 118.14 | 0.87 | 1072.01 | 26.46 | (60.71) | 62.60 | 149.49 | 1336.56 | 1117.88 | 294.09 |
| Secured Loans | - | - | - | - | - | - | 550.27 | 484.97 | 426.46 | 550.28 | 484.97 | 426.46 |
| Unsecured Loans | - | - | - | - | - | - | - | 101.02 | 142.47 | | 101.01 | 142.46 |
| Total liabilities | 1395.85 | -16.73 | 118.14 | 0.87 | 1072.01 | 26.46 | 490.11 | 648.59 | 718.42 | 1886.84 | 1703.86 | 863.01 |
| Provision for doubtful debts | 2.06 | - | -1.05 | 0.24 | - | 1.28 | - | - | - | 2.30 | - | 0.23 |
| Profit/(Loss) on sale / write off of assets | -2.52 | 0.42 | -22.64 | - | -0.10 | -0.81 | - | - | - | -2.52 | 0.31 | -23.45 |
| Capital Expenditure | 127.15 | 152.08 | 62.86 | - | - | - | - | - | - | 127.15 | 152.08 | 62.86 |

NEW PRODUCTS OR BUSINESS SEGMENTS

Except as set out in this Prospectus, we have not announced and do not expect to announce in the near future any new business segments other than in the normal course of business.

Extent to which Material Increases in Net Sales or Revenue are due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices

Changes in revenue in the last three Financial Years are as described in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations - Fiscal 2024 compared with Fiscal 2023 – Revenue from Operations*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations - Fiscal 2023 compared with Fiscal 2022 - Revenue from Operations*” above on pages 358 and 358, respectively.

Seasonality

Our business is not seasonal in nature.

Significant dependence on a single or few suppliers or customers

We are dependent on our top five customers for a significant portion of our revenue. For details, please refer to “*Risk Factors- The loss of any of our key customers or significant reduction in production and sales of, or demand for our production from our significant customers may adversely affect our business, results of operations and financial condition.*” on page 36

Competitive Conditions

We expect to continue to compete with existing and potential competitors. For details, please refer to the discussions of our competition in the sections “*Risk Factors*”, “*Industry Overview*” and “*Our Business*” on pages 36, 156 and 197, respectively.

Total turnover of each major industry segment in which the Company operated

We operate only in the design and manufacturing of precision component industry and our entire revenue from operations is generated from this industry.

Significant Developments after March 31, 2024, that may affect our future results of operations

Except as mentioned elsewhere in this Prospectus, no developments have come to our attention since the date of the Restated Financial Information as disclosed in this Prospectus which materially and adversely affect or are likely to materially and adversely affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2024, as derived from our Restated Financial Information. This table should be read in conjunction with the sections titled “*Management's Discussion and Analysis of Financial Condition and Results of Operations*”, “*Financial Information – Restated Financial Statements*” and “*Risk Factors*” on pages 358, 283 and 36, respectively.

(₹ in million)

| Particulars | Pre-Offer as at March 31, 2024 | Post-Offer ^{*^} |
|---|--------------------------------|--------------------------|
| Borrowings | | |
| Current Borrowings | 458.22 | 458.22 |
| Non-current Borrowings (including current maturity) | 92.06 | 92.06 |
| Total Borrowings | 550.28 | 550.28 |
| Total Equity | | |
| Equity Share Capital | 101.11 | 126.70 |
| Other Equity | 946.74 | 2,274.56 |
| Non-controlling Interest | (3.37) | (3.37) |
| Total Capital | 1044.48 | 2,397.89 |
| Ratio: Non-Current Borrowing/ Total Equity | 0.09 | 0.19 |
| Ratio: Total Borrowing/ Total Equity | 0.53 | 0.23 |

The above terms carry the meaning as per division II of Schedule III to the Companies Act, 2013 (as amended)

^{*}Subject to finalization of Basis of Allotment

[^]Considering issue of new equity shares of 25,58,416 of ₹10 each at ₹529 per share.

FINANCIAL INDEBTEDNESS

Our Company avails loans in the ordinary course of business for purposes such as, *inter alia*, term loans and other fund-based working capital loans. Our Company has obtained the necessary consents required under the relevant loan documentation for undertaking activities in relation to the Offer, such as, *inter alia*, effecting a change in our shareholding pattern, change in the management of our board and change in our capital structure in connection with or post the Offer. For details regarding the resolution passed by our Shareholders on January 15, 2024 authorizing the borrowing powers of our Board, see “*Our Management – Borrowing Powers of our Board*” and “*Risk Factors – We may be subject to liquidity risks, which may adversely impact our cash flows, financial condition and results of operations.*” on pages 248 and 36.

As on June 30, 2024, the aggregated outstanding borrowings of our Company amounted to ₹ 585.61 million.

Set forth below is a brief summary:

(₹ in million)

| Category of borrowing | Sanctioned amount as on June 30, 2024* | Outstanding amount as on June 30, 2024* | Sanctioned amount as on March 31, 2024 | Outstanding amount as on March 31, 2024 | Sanctioned amount as on March 31, 2023 | Outstanding amount as on March 31, 2023 | Sanctioned amount as on March 31, 2022 | Outstanding amount as on March 31, 2022 |
|--|--|---|--|---|--|---|--|---|
| Secured | | | | | | | | |
| Fund based | | | | | | | | |
| - Working capital facilities | 450.00 | 390.99 | 450.00 | 404.38 | 340.00 | 342.86 | 285.00 | 293.55 |
| - Term Loan | 331.50 | 83.12 | 331.50 | 87.45 | 116.69 | 65.55 | 208.61 | 49.15 |
| - Emergency Credit Line Guarantee Scheme | 77.64 | 39.42 | 77.64 | 46.55 | 86.31 | 68.73 | 79.60 | 75.17 |
| Total (fund based) | 859.14 | 513.54 | 859.14 | 538.38 | 542.99 | 477.14 | 573.21 | 417.87 |
| - Vehicle loan | 20.45 | 15.42 | 15.44 | 10.92 | 9.92 | 7.14 | 9.99 | 7.88 |
| Non fund based | 125.00 | 56.66 | 125.00 | 59.67 | 125.00 | 21.05 | 125 | 54.56 |
| Unsecured | | | | | | | | |
| - Inter-corporate deposits | 0.00 | 0.00 | 0.00 | 0.00 | 22.50 | 22.50 | 22.50 | 22.50 |
| -Loans from shareholders /Directors | 0.00 | 0.00 | 0.00 | 0.00 | 78.51 | 78.51 | 119.96 | 119.96 |
| Total | 1004.59 | 585.61 | 999.59 | 608.97 | 778.92 | 606.33 | 850.66 | 622.77 |

As certified by our Statutory Auditors, by way of their certificate dated August 23, 2024.

** As per Unaudited Financial Statements at June 30, 2024.*

| Sr no | Bank name | Type of loan | Date of sanctioning of loan | Opening balance of loan as on April 01, 2023 | Closing balance of loan as on March 31, 2024 | Any new loan sanctioned during the Fiscal 2023 - 2024 | Amount repaid during the Fiscal 2023 - 2024 | Additional loan drawn during the Fiscal 2023 - 2024 |
|-------|-----------|---------------------------------|-----------------------------|--|--|---|---|---|
| 1 | HDFC Bank | Term Loan | September 20, 2021 | 30.22 | 62.53 | Nil | 5.28 | 37.59 |
| 2 | HDFC Bank | Emergency Credit Line Guarantee | September 24 2020 | 21.10 | 9.13 | Nil | 11.97 | Nil |

| Sr no | Bank name | Type of loan | Date of sanctioning of loan | Opening balance of loan as on April 01, 2023 | Closing balance of loan as on March 31, 2024 | Any new loan sanctioned during the Fiscal 2023 - 2024 | Amount repaid during the Fiscal 2023 - 2024 | Additional loan drawn during the Fiscal 2023 - 2024 |
|-------|--------------|---------------------------------|-----------------------------|--|--|---|---|---|
| 3 | HDFC Bank | Emergency Credit Line Guarantee | September 14, 2022 | 15.12 | 15.12 | Nil | Nil | Nil |
| 4 | HDFC Bank | HDFC Working Capital | June 28, 2023 | 245.62 | 306.07 | 110.00 | - | - |
| 5 | HDFC Bank | Term Loan | June 28, 2023 | Nil | Nil | 44.10 | Nil | Nil |
| 6 | HDFC Bank | Term Loan | June 28, 2023 | Nil | Nil | 175.50 | Nil | Nil |
| 7 | Yes Bank | Term Loan | January 16, 2019 | 35.32 | 24.92 | Nil | 10.40 | Nil |
| 8 | Yes Bank | Emergency Credit Line Guarantee | October 01, 2020 | 16.17 | 5.96 | Nil | 10.21 | Nil |
| 9 | Yes Bank | Emergency Credit Line Guarantee | February 01, 2022 | 16.34 | 16.34 | Nil | Nil | Nil |
| 10 | Yes Bank | Working Capital | December 14, 2023 | 97.23 | 98.30 | Nil | Nil | Nil |
| | Total | - | - | 477.14 | 538.38 | 329.60 | 37.87 | 37.59 |

As certified by our Statutory Auditors, by way of their certificate dated August 23, 2024.

* As per Unaudited Financial Statements at June 30, 2024.

Principal terms of the facilities sanctioned to our Company:

- Interest:** In respect of the facilities sanctioned to our Company, the interest rate ranges from 2.00% per annum to 11.98% with monthly resets. The interest rate for the loans sanctioned to our Company is typically tied to a base rate / marginal cost of lending rate, which may vary from lender to lender.
- Tenor:** Typically, cash credit facilities sanctioned to our Company are renewable at annual rests and repayable on demand. The tenor for Emergency Credit Line Guarantee Scheme is for 48 months to 84 months as per the terms of the borrowing arrangements.
- Security:** The facilities sanctioned are typically secured by way of equitable mortgage on specific property of our Company, hypothecation of our Company's movable fixed assets (both present and future) and current assets and personal guarantee of our Promoters. The nature of securities described herein is indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by our Company.
- Pre-payment:** The facilities availed by our Company allow pre-payment. Pre-payment may be subject to pre-payment penalties as may be prescribed by the lenders.
- Re-payment:** The cash credit facilities availed by our Company are repayable on demand and subject to annual renewal. Our Company may repay all amounts of the facilities on the due dates for payment.
- Penal interest:** The terms of certain financing facilities availed by our Company prescribe penalties for non-compliance of certain obligations by our Company. These include, inter alia, overdues/ delays/ default in payment of monies. Further, the default interest payable on the facilities availed by us typically ranges from 4% per annum to 18% per annum.
- Restrictive Covenants:** The facilities sanctioned to our Company contain certain restrictive covenants, which require prior written consent of the lender or prior intimation to be made to the lender, including:

- a. formulate or enter into any scheme of merger, amalgamation, compromise or reconstruction;
- b. permit any change in the ownership or control whereby the effective beneficial ownership or control of the Company shall change;
- c. effect any material change in the management of the business of the Company;
- d. make any amendments in the Company's Memorandum and Articles;
- e. approach the capital market for mobilizing additional resources either in the form of debt or equity;
- f. effect any change in the Company's capital structure or shareholding pattern or effect any change in the management set up or ownership interest structure where the shareholding by the existing promoter(s) or capital control or ownership interest of the partners including managing partner, gets diluted below the present level; and
- g. declaring any dividend or making any withdrawal in the form of salary, remuneration, incentive or commission by the Promoters and Directors in case of any over dues with the lenders;

8. Events of default: Borrowing arrangements entered into by our Company contain events of default, including, among others:

- a. if any representation or statements or particulars made by our Company are found to be incorrect or if our Company commits any breach or default of the conditions made under any agreements with the Bank;
- b. in case of any death, insolvency, winding up, failure in business, commission of an act of bankruptcy, general assignment for the benefit of creditors, suspension of payments to any creditors or threats to do so, filing of any petition for bankruptcy by, or against the Company under the Insolvency and Bankruptcy Code, 2016 or the threat to do so or the death of any guarantor;
- c. if the Company ceases or threatens to cease or carry on its business;
- d. upon happening of any substantial change in constitution or management of the Company without previous consent of the Bank or upon the Company or the management of the Company ceasing to enjoy the confidence of the Bank; and
- e. non adherence by the Company to maintain financial ratios, parameters, financial covenants as stipulated by the Bank from time to time.

This is an indicative list and there may be additional restrictive covenants under the various borrowing arrangements entered into by us.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding (i) criminal proceedings involving our Company, Subsidiaries, Directors, or Promoters (“**Relevant Parties**”); (ii) actions by any statutory or regulatory authorities involving the Relevant Parties; or (iii) claim involving our Company, Subsidiary, Directors or Promoters for any direct or indirect tax liabilities (disclosed in a consolidated manner giving the total number of claims and total amounts involved), (iv) proceeding involving our Company, Subsidiaries, Directors or Promoters (other than proceedings covered under (i) to (iii) above) which has been determined to be “material” pursuant to the materiality policy approved by our Board in its meeting held on November 30, 2023 (“**Materiality Policy**”) (as disclosed herein below)*

*In accordance with the Materiality Policy, all outstanding litigation (other than outstanding criminal proceedings, actions by statutory or regulatory authorities and claims relating to direct and indirect taxes involving the Relevant Parties wherein (i) the aggregate monetary claim made by or against the Relevant Parties (individually or in the aggregate), in any such outstanding litigation, is equal to or in excess of an amount equivalent to 5% of the profit after tax on a consolidated basis, as per the Restated Financial Information for Fiscal 2024 would be considered material for our Company (“**Threshold**”) (ii) where the monetary liability is not quantifiable, or which does not fulfil the threshold specified in (i) above, but the outcome of which could nonetheless have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company, or (iii) the pending litigation where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in an individual litigation may not exceed the Threshold, have been considered “material” and accordingly have been disclosed in this Prospectus.*

Accordingly, all such outstanding litigation proceedings where the aggregate monetary claim made by or against the Relevant Parties (individually or in aggregate), in any such outstanding litigation or arbitration proceeding is equal to or in excess of ₹ 11.17 million (being 5 % of our profit after tax of our Company for Fiscal 2024), have been disclosed in this Prospectus.

Further, there are no: (i) disciplinary actions (including penalties) imposed by SEBI or a recognized stock exchange against any of our Promoters in the last five Fiscals immediately preceding the date of this Prospectus, including any outstanding action; and (ii) outstanding litigation involving the Group Companies, which may have a material impact on our Company.

For the purposes of the above, pre-litigation notices received by the Relevant Parties or the Group Companies from third parties (excluding notices issued by statutory or regulatory authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered “material” until such time that the Relevant Parties are impleaded as a defendant before any judicial or arbitral forum.

*Further, in accordance with the Materiality Policy, our Company has considered such creditors to be ‘material’, to whom the amount due is equal to or in excess of 5% of the consolidated trade payables of our Company as of Fiscal 2024. The consolidated trade payables of our Company as on March 31, 2024 was ₹ 136.70 million. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditor individually exceeds ₹ 6.84 million as on March 31, 2024. Further, for outstanding dues to any party which is a micro, small or medium enterprise (“**MSME**”), the disclosure will be based on information available with the Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.*

Unless stated to the contrary, the information provided below is as of the date of this Prospectus. All terms defined in a particular litigation disclosure below are for that particular litigation only.

LITIGATIONS INVOLVING OUR COMPANY

i. Outstanding criminal proceedings

Criminal proceedings against our Company

As on the date of this Prospectus, there are no pending criminal proceedings filed against our Company.

Criminal proceedings initiated by our Company

1. Our Company, Gala Precision Engineering Private Limited (“**Complainant**”) filed a complaint against Triton Valves Limited (“**Accused No. 1**”), Mr. V. Ramesh (“**Accused No. 2**”) and Mr. Krishna Murthy R.G. (“**Accused No. 3**”) vide private criminal case no. 1183 of 2020 before the Court of Judicial Magistrate First Class, Thane under Section 120A, 120B, 405, 406, 409, 415, 418, 420 of the Indian Penal Code, 1860 alleging cheating and criminal breach of trust causing the Complainant a loss to the tune of ₹ 0.50 million. The case is pending before the court.

Other material proceedings

Civil proceedings against our Company

A patent infringement suit (“**Suit**”) was filed against our Company, Gala Precision Engineering Private Limited (“**Defendant No. 1**”) and Gala Fasteners Private Limited (“**Defendant No. 2**”) by Nord-Lock AB (“**Plaintiff No.1**”) and Nord-Lock (India) Private Limited (“**Plaintiff No. 2**”) before the High Court of Delhi on December 14, 2023 under the provisions of the Patent Act, 1970 alleging infringement of Plaintiffs’ patents pertaining to Wedge-Lock technology washers namely, Patent No. 311313 titled “A method and a device for the manufacturing of washers for locking and washer for locking” and Patent No. 302324 titled “A method for coating washers for locking and coated washer for locking”). The Plaintiffs’ allege this infringement as a direct consequence by the Company’s manufacture, sale and advertisement of its washers under the brand name “Gallock Washers”. The High Court of Delhi vide order dated December 18, 2023 appointed local commissioners to visit the premises of our Company situated at “Plot No. 295, Village Vadali at Post Met, Musarne Road, Bhiwandi-Wada, Highway, Taluka Wada, Maharashtra, Palghar” and called for a hearing on December 22, 2023. The local commissioners visited our plants on December 20, 2023 and submitted their report to the Delhi High Court on January 03, 2024. At the hearing dated December 22, 2023, the Delhi High Court fixed February 08, 2024 for arguments. Meanwhile, our Company filed a reply on January 12, 2024, denying all averments made by the Plaintiff and for removal of Defendant No. 2 from the array of Defendants since Gala Fasteners Private Limited is no longer in existence. The Plaintiffs’ have sought reliefs of *inter alia* permanent injunction against our Company and have claimed damaged amounting to ₹20.00 million. However, the Plaintiffs’ have reserved their rights to enhance their claim amount at a later stage taking into account the Defendants’ total sales revenue for all the infringing products sold during the entire period of infringement, which will be assessed after the trial takes place. The matter is currently pending. Meanwhile, our Company filed a reply on January 12, 2024, denying all averments made by the Plaintiff and for removal of Defendant No. 2 from the array of Defendants since Gala Fasteners Private Limited is no longer in existence. On May 27, 2024, a Written Statement was filed by our Company to the counter claim and on June 21, 2024. The civil litigation matter is currently pending.

Civil proceedings initiated by our Company

As on the date of this Prospectus, there are no pending material civil proceedings filed by our Company which have been considered material in accordance with the Materiality Policy.

ii. Outstanding actions by Statutory Authorities or Regulatory Authorities

As on the date of this Prospectus, there are no outstanding actions initiated by Statutory Authorities or Regulatory Authorities against our Company.

iii. Outstanding tax proceedings

As on the date of this Prospectus, there are no outstanding tax proceedings involving our Company except as listed below.

| Nature of case | Number of cases | Amount Involved (in ₹ million) |
|----------------|-----------------|---------------------------------|
| Direct Tax | 07 | 28.12 |

LITIGATIONS INVOLVING OUR SUBSIDIARIES

i. Outstanding Criminal Litigations involving our Subsidiaries

Criminal proceedings against our Subsidiaries

As on the date of this Prospectus, there are no pending criminal proceedings filed against our Subsidiaries.

Criminal proceedings by our Subsidiaries

As on the date of this Prospectus, there are no pending criminal proceedings filed by our Subsidiaries.

ii. Other material proceedings involving by our Subsidiaries

Civil proceedings against our Subsidiaries

As on the date of this Prospectus, there are no outstanding material civil litigations initiated against our Subsidiaries.

Civil litigations by our Subsidiaries

As on the date of this Prospectus, there are no outstanding material civil litigations initiated against our Subsidiaries.

iii. Outstanding actions by Statutory Authorities or Regulatory Authorities involving our Subsidiaries

As on the date of this Prospectus, there are no outstanding actions initiated by Statutory Authorities or Regulatory Authorities against our Subsidiaries.

iv. Outstanding Tax proceedings involving our Subsidiaries

As on date of this Prospectus, there are no outstanding tax proceedings involving our Subsidiaries.

LITIGATIONS INVOLVING OUR PROMOTERS

i. Criminal proceedings involving our Promoters

Criminal proceedings against our Promoters

As on the date of this Prospectus, there are no outstanding criminal proceedings initiated against our Promoters.

Criminal proceedings initiated by our Promoters

As on the date of this Prospectus, there are no outstanding criminal proceedings initiated by our Promoters.

ii. Other material proceedings involving by our Promoters

Civil proceedings against our Promoters

As on the date of this Prospectus, there are no outstanding civil proceedings initiated against our Promoters.

Civil proceedings initiated by our Promoters

As on the date of this Prospectus, there are no outstanding civil proceedings initiated by our Promoters.

iii. Outstanding actions by Statutory or Regulatory authorities against our Promoters

As on the date of this Prospectus, there are no outstanding actions by Statutory or Regulatory authorities against our Promoters

iv. Outstanding tax proceedings against our Promoters

As on the date of this Prospectus, there are no outstanding tax proceedings involving our Promoters.

LITIGATIONS INVOLVING OUR DIRECTORS

i. Criminal litigations involving our Directors

Criminal proceedings against our Directors

As on the date of this Prospectus, there are no outstanding criminal proceedings initiated against our Directors.

Criminal proceedings initiated by our directors

As on the date of this Prospectus, there are no outstanding criminal proceedings initiated by our Directors.

ii. Other material proceedings involving by our Directors

Civil proceedings against our Directors

As on the date of this Prospectus, there are no outstanding civil proceedings initiated against our Directors

Civil proceedings initiated by our Directors

As on the date of this Prospectus, there are no outstanding civil proceedings initiated by our Directors

iii. Outstanding actions by Statutory or Regulatory authorities against our Directors

As on the date of this Prospectus, there are no outstanding actions by Statutory or Regulatory authorities against our Directors.

iv. Outstanding tax proceedings against our Directors

As on the date of this Prospectus, there are no outstanding tax proceedings against our Directors.

Outstanding dues to creditors

In accordance with the Materiality Policy, our Company has considered such creditors material to whom the amount due is equal to or in excess of 5% of the consolidated trade payables of our Company as of the end of the most recent period covered in the Restated Financial Information, i.e. ₹ 6.83 million, as of March 31, 2024 (“**Material Creditors**”).

The details of the total outstanding over dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), Material Creditors and other creditors as on March 31, 2024 is as set forth below:

| Types of Creditors | Number of Creditors | Amount involved (₹ in million) |
|--------------------------------------|---------------------|--------------------------------|
| Micro, small and medium enterprises* | 11 | 3.28 |
| Material Creditors | 5 | 47.10 |
| Other Creditors [#] | 363 | 86.32 |
| Total | 379 | 136.70 |

*As defined under the Micro, Small and Medium Enterprises Development Act, 2006.

[#] Including provisions and unbilled dues.

As certified by our Statutory Auditor by way of their certificate dated August 23, 2024.

Details pertaining to outstanding over dues to material creditors, if any, along with names and amounts involved for each such material creditor shall be made available on the website of our Company at www.galagroup.com

LITIGATIONS INVOLVING OUR GROUP COMPANIES

i. Outstanding Criminal Litigations involving our Group Companies

Criminal proceedings against our Group Companies

As on the date of this Prospectus, there are no pending criminal proceedings filed against our Group Companies.

Criminal proceedings by our Group Companies

As on the date of this Prospectus, there are no pending criminal proceedings filed by our Group Companies.

ii. Other material proceedings involving by our Group Companies

Civil proceedings against our Group Companies

As on the date of this Prospectus, there are no outstanding material civil litigations initiated against our Group Companies.

Civil litigations by our Group Companies

As on the date of this Prospectus, there are no outstanding material civil litigations initiated against our Group Companies.

iii. Outstanding actions by Statutory Authorities or Regulatory Authorities involving our Group Companies

As on the date of this Prospectus, there are no outstanding actions initiated by Statutory Authorities or Regulatory Authorities against our Group Companies.

iv. Outstanding Tax proceedings involving our Group Companies

As on date of this Prospectus, there are no outstanding tax proceedings involving our Group Companies.

Material Developments

Except as disclosed in “*Management’s Discussion and Analysis of Financial Position and Results of Operations—Significant Developments Occurring after March 31, 2024*” on page 358, no circumstances have arisen since March 31, 2024, the date of the last Restated Financial Information disclosed in this Prospectus, which may materially and adversely affect, or are likely to affect our profitability, our operations, the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Set out below is a list of all material approvals, consents, licenses, registrations and permits obtained by our Company and Material Subsidiaries, which are necessary for undertaking our business. Further, we have obtained all material consents, licenses, permissions, registrations, permits and approvals, from various governmental statutory and regulatory authorities, which are necessary for undertaking the current business activities and operations of our Company and Material Subsidiaries. We have also disclosed below (i) the material approvals applied for, including renewal applications made, but not received; (ii) the material approvals which have expired and renewal for which are yet to be applied for; and (iii) the material approvals which are required but not obtained or applied for. Unless otherwise stated, these approvals and licenses are valid as on the date of this Prospectus and in case of licenses and approvals which have expired; we have either made application for renewal or are in the process of making an application for renewal. For further details in connection with the regulatory and legal framework within which we operate, see “Key Regulations and Policies” on page 235. For incorporation details of our Company, see “History and Certain Corporate Matters” on page 241.

In view of the key approvals listed below, our Company can undertake this Offer, current business activities and operations.

Incorporation details of our company

- a) Certificate of incorporation dated February 23, 2009 issued by the Assistant Registrar of Companies, Mumbai to our Company, in the name of ‘Gala Precision Engineering Private Limited’.
- b) Fresh certificate of incorporation dated October 25, 2023 issued by the Registrar of Companies, Mumbai to our Company, consequent upon change of name upon conversion to a public company in the name of ‘Gala Precision Engineering Limited’.

I. Material approvals in relation to the Offer

For details regarding the approvals and authorizations obtained by our Company in relation to the Offer, see “Other Regulatory and Statutory Disclosures – Authority for the Offer” on page 401.

II. Material Approvals in relation to Our Company

Our Company has received the following material approvals, licenses, consents, registrations, and permits pertaining to our business:

A. Tax related approvals

- 1. Permanent Account Number AADCG3963C issued by the Income Tax Department, Government of India, under the Income Tax Act, 1961.
- 2. Tax Deduction and Collection Account Number PNEG09711C issued by the Income Tax Department under Income Tax Act, 1961.
- 3. The GST registration number of our Company is 27AADCG3963C1ZR, issued by the Government of India for GST payments in the State of Maharashtra, where our Registered and Corporate Office is situated. Our Company has obtained goods and services tax identification numbers under the applicable provisions of the goods and services tax legislations applicable in the states and union territories where we operate.
- 4. Letter of Undertaking approval for export of goods and services without payment of integrated tax issued under the Goods and Service Tax Act, 2017.
- 5. Importer-exporter code 0309005035, issued by the Directorate General of Foreign Trade, Mumbai under the Foreign Trade (Development and Regulation) Act, 1992.

B. Material approvals in relation to our business operations

| Particular | Reference No. | Authority | Date of Issuance | Date of validity |
|--|---|--|--------------------|-------------------|
| Consent to Operate under Red category under Water (Prevention & Control of Pollution) Act, 1974, the Air (Prevention & Control of Pollution) Act, 1981 and Authorization under the Hazardous & Other Wastes (Management & Transboundary Movement) Rules 2016 | Format1.0/APA E Section/UAN No.0000173130/CR/2312000451 | Maharashtra Pollution Control Board | December 05, 2023 | June 30, 2028 |
| Grant of Consent to Operate under the Water (Prevention & Control of Pollution) Act, 1974, the Air (Prevention & Control of Pollution) Act, 1981 and Authorization under the Hazardous & Other Wastes (Management & Transboundary Movement) Rules 2016 | Format1.0/SRO/ UAN No.0000147318/CO/2209001525 | Maharashtra Pollution Control Board | September 23, 2022 | January 31, 2028 |
| Grant of Renewal of Consent under the Water (Prevention & Control of Pollution) Act, 1974, the Air (Prevention & Control of Pollution) Act, 1981 and Authorization under the Hazardous & Other Wastes (Management & Transboundary Movement) Rules 2016 | Format1.0/APA E Section/UAN No.0000115175/CR/CC- 1544 | Maharashtra Pollution Control Board | July 29, 2021 | June 30, 2025 |
| Factory License, under the Factories Act, 1948 | 10019568 | Directorate of Industrial Safety and Health, Labour Department | November 9, 2023 | December 31, 2026 |
| Factory License under the Factories Act, 1948 | 10019588 | Directorate of Industrial Safety and Health, Labour Department | November 9, 2023 | December 31, 2026 |
| Factory License under the Factories Act, 1948 (Plot No. 302/2) | 10019602 | Directorate of Industrial Safety and Health, Labour Department | November 30, 2021 | December 31, 2024 |
| Stability Certificate under Rule 3A of the Maharashtra Factories Rules, 1963 | - | Chartered Engineer (Arun Bhakri) | October 23, 2022 | - |
| Stability Certificate under Rule 3A of the Maharashtra Factories Rules, 1963 | - | Chartered Engineer (Arun Bhakri) | October 23, 2022 | - |
| Stability Certificate under Rule 3A of the Maharashtra Factories Rules, 1963 | - | Chartered Engineer (Arun Bhakri) | April 17, 2023 | - |
| Registration cum membership certificate as a manufacturer exporter | 201/M22548/2022-23 | EEPC India | June 26, 2024 | March 31, 2025 |
| License to import and store Class A Petroleum | P/WC/MH/16/758 (P418504) | Controller of Explosives, Mumbai | May 1, 2023 | December 31, 2025 |
| Certificate under The Legal Metrology Act, 2009 and The | 9120233601268 | Inspector of Legal | November 29, 2023 | November 28, 2024 |

| Particular | Reference No. | Authority | Date of Issuance | Date of validity |
|---|---------------|---------------------------------------|-------------------|-------------------|
| Maharashtra Legal Metrology (Enforcement) Rules, 2011 | | Metrology, Palghar | | |
| Certificate under The Legal Metrology Act, 2009 and The Maharashtra Legal Metrology (Enforcement) Rules, 2011 | 9120233601269 | Inspector of Legal Metrology, Palghar | November 29, 2023 | November 28, 2024 |
| Certificate under The Legal Metrology Act, 2009 and The Maharashtra Legal Metrology (Enforcement) Rules, 2011 | 9120233601270 | Inspector of Legal Metrology, Palghar | November 29, 2023 | November 28, 2024 |
| Certificate under The Legal Metrology Act, 2009 and The Maharashtra Legal Metrology (Enforcement) Rules, 2011 | 9120233601271 | Inspector of Legal Metrology, Palghar | November 30, 2023 | November 29, 2024 |
| Certificate under The Legal Metrology Act, 2009 and The Maharashtra Legal Metrology (Enforcement) Rules, 2011 | 9120233601272 | Inspector of Legal Metrology, Palghar | November 30, 2023 | November 29, 2024 |

C. Labour and commercial approvals

1. Certificate of registration bearing establishment code number THTHA0202611000, issued by the Employees' Provident Fund Organisation, India under the Employees Provident Fund and Miscellaneous Provisions Act, 1952.
2. Certificate of registration bearing code number 35000378800000606, issued by Employees State Insurance Corporation, India under the Employees State Insurance Act, 1948.
3. Certificate of registration bearing code number 1610200710001857, issued by the Assistant Commissioner of Labour, Palghar-2 under the Contract Labour (Regulation and Abolition) Act, 1970, valid till December 31, 2024.
4. The professional tax enrolment certificate bearing number 99981680783P issued under Maharashtra Tax on Profession, Trades, Callings and Employments Act, 1975.
5. The professional tax registration certificate bearing number 27850709569P issued under Maharashtra Tax in Profession, Traders, Callings and Employments Act, 1975,
6. Intimation Receipt issued under the Maharashtra Shops and Establishments Act, 2017, bearing number 2310200318349712, by the Deputy Commissioner of Labour, Thane, on December 21, 2023, for the office building located at A-801, 8th Floor, Thane One DIL Complex, Ghodbunder Road Majiwade, Thane (west), Maharashtra – 400610.
7. Shops and Establishment Registration under the Maharashtra Shops and Establishments Act, 2017, bearing number 2410200318651624 by the Deputy Commissioner of Labour, Thane, on December 21, 2023, for the office located at A-801, 8th Floor, Thane One DIL Complex, Ghodbunder Road Majiwade, Thane (west), Maharashtra – 400610
8. Grant of license to store petroleum products issued by the Joint Chief Controller of Explosives.
9. Provisional No objection certificate from the Maharashtra Fire Department for our units in Maharashtra.

III. Material approvals applied for by our Company but not received:

Nil

IV. Material approvals that have expired and for which renewal applications have been made:

Nil

V. Material approvals that have expired and for which renewal applications are yet to be made:

Nil

VI. Intellectual Property related approvals

Trademarks

As on the date of this, we do not have any registered trademarks. However, as on the date of this, we have applied for two trademarks which are pending at various stages in India.

Patents

As on the date of this Prospectus, we do not have any registered patents in India. Further, as on the date of this Prospectus, we have applied for 02 patents which are pending at various stages in India.

For details, see “*Our Business*” on page 197 and for risks associated with intellectual property, see “*Risk Factors – Any failure to protect our intellectual property rights could adversely affect our competitive position, business, financial condition and results of operation.*” on page 36.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Corporate Approvals

Our Board has approved the Offer pursuant to the resolution passed at its meeting held on November 30, 2023 and our Shareholders have approved the Fresh Issue pursuant to a resolution dated January 15, 2024 in terms of Section 62(1)(c) of the Companies Act, 2013.

Our Board has pursuant to the resolution passed at its meeting held on February 14, 2024 approved the Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges. The Red Herring Prospectus has been approved pursuant to a resolution passed by the IPO Committee on August 23, 2024. The Board has approved this Prospectus pursuant to a resolution passed on September 4, 2024

Approval from the Selling Shareholder

The Selling Shareholders has confirmed and authorized the transfer of the Offered Shares pursuant to the Offer for Sale, as set out below:

| Sr. No. | Name of the Selling Shareholder | Equity Shares offered in the Offer for Sale | Date of consent letter |
|---------|---------------------------------|---|------------------------|
| 1. | Taramati V Gala | 385,200 Equity Shares aggregating to ₹ 203.77 million | August 12, 2024 |
| 2. | Kirit Vishanji Gala(HUF) | 79,200 Equity Shares aggregating to ₹ 41.90 million | August 12, 2024 |
| 3. | Nayna Gala | 50,000 Equity Shares aggregating to ₹ 26.45 million | January 31, 2024 |
| 4. | Satish Kotwani* | 40,000 Equity Shares aggregating to ₹ 21.16 million | January 31, 2024 |
| 5. | Hemlata Dhiraj Shah* | 23,600 Equity Shares aggregating to ₹ 12.48 million | August 12, 2024 |
| 6. | Dhiraj Nanchand Shah* | 28,000 Equity Shares aggregating to ₹ 14.81 million | January 31, 2024 |
| 7. | Rupa Sunil Mehta | 10,000 Equity Shares aggregating to ₹ 5.29 million | January 31, 2024 |

**Equity Shares held jointly with a second shareholder*

In-principle Listing Approvals

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters each dated June 20, 2024.

Relationship of our Selling Shareholders

| Sr No. | Name of the Selling Shareholder | Relationship |
|--------|---------------------------------|--|
| 1 | Taramati Gala | Mother of Kirit V Gala Mother of Nayna Gala |
| 2. | Kirit V Gala (HUF) | Karta is Kirit V Gala Son of Taramati Gala Brother of Nayna Gala |
| 3 | Nayna Gala | Daughter of Taramati Gala Sister of Kirit V Gala |
| 4 | Hemlata Dhiraj Shah | Wife of Dhiraj Shah |

| Sr No. | Name of the Selling Shareholder | Relationship |
|--------|---------------------------------|---|
| | | Mother of Urmil Shah |
| 5 | Dhiraj Nanchand Shah | Husband of Hemlata Shah Father of Urmil Shah |

Prohibition by SEBI or other Governmental Authorities

Our Company, our Subsidiaries, our Promoters, our Directors and the members of the Promoter Group are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoters and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

Neither our Company nor our Directors or Promoters or Promoter Group entities have been declared as a ‘wilful defaulter’ or a ‘fraudulent borrower’, as defined under the SEBI ICDR Regulations.

Our individual Promoters or Directors have not been declared as fugitive economic offenders under section 12 of the Fugitive Economic Offenders Act, 2018.

The Selling Shareholders, severally and not jointly, confirm that they are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Directors associated with the Securities Market

None of our Directors are associated with securities market related business. There are no outstanding actions initiated by SEBI in the last five years preceding the date of this Prospectus against our Directors.

Confirmation under the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters, members of the Promoter Group, and the Selling Shareholder, severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable to them, as on the date of this Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has net tangible assets of at least ₹30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- Our Company has an average profit of at least ₹150 million, calculated on a restated and consolidated basis, during the preceding three full years (of 12 months each), with operating profit in each of these preceding three years;
- Our Company has a net worth of at least ₹10 million in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and
- Except as disclosed in this Prospectus, our Company has not changed its name in the last one year.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

- a. None of the companies with which our Promoters and Directors are associated with as promoters, directors or persons in control are debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.
- b. None of our Company, our Promoters, members of our Promoter Group, our Directors or the Selling Shareholders are debarred from accessing the capital markets by SEBI.
- c. Neither our Company nor our Directors or Promoters have been declared as a 'willful defaulter' or a 'fraudulent borrower', as defined under the SEBI ICDR Regulations.
- d. Our individual Promoters or Directors have not been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.
- e. There are no convertible securities that are required to be converted on or before the filing of the Red Herring Prospectus;
- f. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Prospectus.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000.

Our Company's operating profit, net worth, net tangible assets and monetary assets derived from the Restated Financial Information included in this Prospectus, as at, and for the last three years ended March 31 are set forth below:

Derived from our Restated Financial Information

(₹ in million, unless otherwise stated)

| Particulars | Fiscal | | |
|---|----------|----------|----------|
| | 2024 | 2023 | 2022 |
| Restated net tangible assets (A) ⁽¹⁾ | 1,667.52 | 1,492.44 | 1,258.47 |
| Pre-tax operating profit (B) ⁽⁴⁾ | 337.71 | 222.74 | 167.00 |
| Net Worth (C) ⁽³⁾ | 1,044.48 | 836.54 | 593.16 |
| Restated monetary assets (D) ⁽²⁾ | 41.80 | 120.71 | 26.93 |
| Restated monetary assets as a percentage of the restated net tangible assets (D)/(A)(%) | 2.51 | 8.09 | 2.14 |

Source: Restated Financial Information as included in "Financial Information" beginning on page 283.

Notes:

⁽¹⁾ 'Net tangible assets' means the sum of all net assets of the Company, excluding intangible assets as defined in Indian Accounting Standard (Ind AS) 38 and deferred tax assets as defined in Ind AS 12 and excluding the impact of deferred tax liabilities as defined in Ind AS 12 issued by Institute of Chartered Accountants of India.

⁽²⁾ 'Monetary assets' is the aggregate of cash on hand and balance with banks (including other bank balances and interest accrued thereon).

⁽³⁾ Net worth' means aggregate value of the paid-up share capital and other equity created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred

expenditure and miscellaneous expenditure not written off, derived from Restated Financial Information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

⁽⁴⁾ 'Operating Profit' has been calculated as profit before finance costs, other non operating income, exceptional item and tax expenses.

Our Company has operating profits in each of Fiscal 2024, 2023 and 2022 in terms of our Restated Consolidated Financial Information. Our average operating profit for Fiscals 2024, 2023 and 2022 is ₹ 242.48 million. For further details, please see, "Annexure II A of, Financial Information" beginning on page 283.

Each Selling Shareholder, severally and not jointly, confirms that it is in compliance with Regulation 8 of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS 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 OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BRLM, PL CAPITAL MARKETS LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS, THE RED HERRING PROSPECTUS AND PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BRLM IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLM HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 14, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS, THE RED HERRING PROSPECTUS AND THIS PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, AS AMENDED OR FROM THE REQUIRE/MENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLM, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

DISCLAIMER CLAUSE OF THE SELLING SHAREHOLDER

THE SELLING SHAREHOLDERS WILL BE RESPONSIBLE FOR THE RESPECTIVE STATEMENTS CONFIRMED OR UNDERTAKEN BY IT IN THE DRAFT RED HERRING PROSPECTUS, THE RED HERRING PROSPECTUS AND THIS PROSPECTUS IN RELATION TO ITSELF AND ITS RESPECTIVE PORTION OF THE OFFERED SHARES

All legal requirements pertaining to this Offer have been complied with at the time of filing of the Red Herring Prospectus with the RoC including in terms of Section 32 of the Companies Act. All legal requirements pertaining to this Offer will be complied with at the time of filing of this Prospectus with the RoC including in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, our Directors, the Selling Shareholders and the BRLM

Our Company, our Directors, the Selling Shareholders and the BRLM accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, or any website of any of the members of our Promoter Group, Group Companies or any affiliate of our Company, would be doing so at his or her own risk. Each Selling Shareholder and their affiliates, associates and officers accept/undertake no responsibility for any statements made or undertakings provided other than those specifically undertaken or confirmed by such Selling Shareholder, and only in relation to itself and/or to the respective Offered Shares in this Prospectus.

The BRLM accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, the Selling Shareholders (to the extent of themselves and their Offered Shares) and the BRLM to the Bidders and public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

The BRLM and its associates may engage in transactions with, and perform services for our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business, and have engaged, or may in the future engage in commercial banking and investment banking transactions with our Company or the Selling Shareholders or their respective group companies, affiliates or associates or third parties for which they have received, and may in future receive compensation.

Bidders were required to confirm, and have been deemed to have represented to our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares, and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders and the Underwriters and their respective directors, officers, agents, affiliates, employees and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Disclaimer in respect of jurisdiction

Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at Mumbai, India only.

This Offer has been made in India to persons resident in India (including individual Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, multilateral and bilateral development financial institutions, state industrial development corporations, regional rural banks, co-operative banks (subject to permission from the RBI), trusts under the applicable trust laws and who are authorized under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act 2013, venture capital funds, National Investment Fund set up by the GoI, provident funds and pension funds fulfilling the minimum corpus requirements under the SEBI ICDR Regulations,

permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Post, (India), systematically important NBFCs, permitted non-residents including Eligible NRIs, AIFs, FPIs registered with SEBI and QIBs. The Red Herring Prospectus and this Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Red Herring Prospectus and this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Red Herring Prospectus will be and this Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and the Red Herring Prospectus and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Red Herring Prospectus nor this Prospectus nor the offer of the Offered Shares shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Selling Shareholders since the date of the Red Herring Prospectus or that the information contained herein is correct as of any time subsequent to this date.

The Red Herring Prospectus and this Prospectus does not constitute offer to sell or an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, other than in India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

Directors, Promoters and Promoter Group associated with the Securities Market

None of our Directors, Promoters and Promoter Group are, in any manner, associated with the securities market. There are no outstanding action(s) initiated by SEBI against the Directors of our Company in the five years preceding the date of this Prospectus.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest

therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Important Information for Investors – Eligibility and Transfer Restrictions

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of the Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act, unless made pursuant to available exemptions from the registration requirements of the U.S. Securities Act and in accordance with applicable securities laws of any state or other jurisdiction of the United States.

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved.

Disclaimer clause of BSE

As required, a copy of the Draft Red Herring Prospectus was submitted to BSE. The disclaimer clause as intimated by BSE to our Company post scrutiny of the Draft Red Herring Prospectus is set forth below:

"BSE Limited ('the Exchange') has given vide its letter dated June 20, 2024 permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner: -

- a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or*
- b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or*
- c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.*

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever".

Disclaimer clause of NSE

As required, a copy of the Red Herring Prospectus was submitted to NSE. The disclaimer clause as intimated by NSE to us post scrutiny of the Draft Red Herring Prospectus is set forth below:

"As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/3483 dated June 20, 2024, permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant,

certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Listing

The Equity Shares issued through the Red Herring Prospectus and this Prospectus are proposed to be listed on the Stock Exchanges. Application has been made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares being offered and sold in the Offer and BSE Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of this Prospectus in accordance with applicable law. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. Any expense incurred by our Company on behalf of any of the Selling Shareholders with regard to interest on such refunds will be reimbursed by such Selling Shareholders in proportion to its respective portion of the Offered Shares. For the avoidance of doubt, subject to applicable law, a Selling Shareholders shall not be responsible to pay and/or reimburse any expenses towards refund or any interest thereon for any delay, unless such failure or default or delay, as the case may be, is by, and is directly attributable to, an act or omission, of to such Selling Shareholders and such liability shall be limited to the extent of its respective portion of the Offered Shares.

The Selling Shareholders undertake to provide such reasonable support and extend reasonable cooperation as may be required and requested by our Company, to the extent such support and cooperation is required from such Selling Shareholders to facilitate the process of listing and commencement of trading of their respective portion of the Offered Shares on the Stock Exchanges within three working days from the Bid/Offer Closing Date.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within three Working Days of the Bid/Offer Closing Date. If our Company does not allot Equity Shares pursuant to the Offer within three Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

Consents

Consents in writing of the Selling Shareholder, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Legal Counsel to our Company and Selling Shareholders as to Indian law, the Bankers to our Company, BRLM, Statutory Auditor, and the Registrar to the Offer, Syndicate Members, Escrow Collection Banks, Public Offer Account Bank, Refund Bank, and Sponsor Bank to act in their respective capacities, have been obtained. Further, such consents shall not be withdrawn up to the time of filing of the Red Herring Prospectus and this Prospectus with RoC.

Expert opinion

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

Our Company has received written consent dated February 14, 2024 from the Statutory Auditor, namely, M.M Nissim, & Co., Chartered Accountants, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in the Red Herring Prospectus and this Prospectus, and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report dated August 01, 2024 on the Restated Financial Information; and (ii) their report dated August 23, 2024 on the statement of possible special tax benefits in this Prospectus and such consent has not been withdrawn as on the date of in the Red Herring Prospectus and this Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

In addition, our Company has received written consents dated December 15, 2023 from M/s M.C. Punjwani, as Chartered Engineer to include its name as an “expert” as defined under Section 2(38) and other applicable provisions of the Companies Act, 2013 in respect of the report dated August 02, 2024, on installed capacity, actual production and capacity utilisation at our manufacturing facilities owned and/or controlled by the Company and estimated cost for the Proposed Project, and such consent has not been withdrawn as on the date of in the Red Herring Prospectus and this Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Our Company has received written consent dated December 22, 2023 from RBSA Advisors LLP, an Independent Consultant, issuing the detailed project report dated February 12, 2024, to include their name, as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in the Red Herring Prospectus and this Prospectus and as an ‘expert’ under Section 2(38) of Companies Act, 2013 in respect of the DPR. Such consent shall not be withdrawn up to the time of delivery of in the Red Herring Prospectus and this Prospectus.

Our Company has received written consent dated August 02, 2024, from the independent architect, namely, TSO Design Commune Private Limited (registration number: 94/17056), to include their name as an “expert” as defined under Section 2(38) and other applicable provisions of the Companies Act, 2013 to the extent and in their capacity as an architect, in relation to their certificate dated August 10, 2024. The consent of the independent architect has not been withdrawn as on the date of in the Red Herring Prospectus and this Prospectus.

Particulars regarding public or rights issues undertaken by our Company during the last five years

Except as disclosed in the section entitled “*Capital Structure*” on page 83, there have been no public issues or rights issues undertaken by our Company during the five years immediately preceding the date of this Prospectus.

Commission or brokerage on previous issues during the last five years

Since this is the initial public offering of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares in the five years preceding the date of this Prospectus.

Capital Issues in the preceding three years

Except as disclosed in the section entitled “*Capital Structure*” on page 83, our Company has not made any capital issues during the three years immediately preceding the date of this Prospectus. None of our Group Companies are listed on any stock exchange. Accordingly, none of our Group Companies have made any capital issues during the three years immediately preceding the date of this Prospectus.

Performance vis-à-vis objects - Public/ rights issue of our Company

Except as disclosed in the section entitled “*Capital Structure*” on page 83, our Company has not undertaken any public, including any rights issues to the public in the five years immediately preceding the date of this Prospectus.

Performance vis-à-vis objects: Public/ rights issue of the listed Subsidiaries and listed Promoters

As on the date of this Prospectus our Company does not have a corporate promoter or a listed subsidiary.

Price information of past issued handled by the BRLM

PL Capital Markets Limited has not handled any issue during the current Financial Year and two Financial Years preceding the current Financial Year.

Summary statement of price information of past issues

PL Capital Markets Limited has not handled any issue during the current Financial Year and two Financial Years preceding the current Financial Year.

Track record of past issues handled by the BRLM

For details regarding the track record of the BRLM, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the website of the BRLM as set forth in the table below:

| Sr. No. | Name of the BRLM | Website |
|----------------|------------------------------------|--|
| 1. | PL Capital Markets Private Limited | www.plindia.com |

Stock market data of the Equity Shares

As the Offer is the initial public offering of the Equity Shares, the Equity Shares are not listed on any stock exchange as on the date of this Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a minimum period of eight years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

SEBI, by way of its circular dated March 16, 2021 (“**March 2021 Circular**”), has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism inter alia in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures. Per the March 2021 Circular, for initial public offerings opening for subscription on or after May 1, 2021, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) hosting of a web portal by the Sponsor Bank containing statistical details of mandate blocks/unblocks; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid; and (v) mandating SCSBs to ensure that the unblock process for non-allotted/partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalization of the Basis of Allotment.

Separately, pursuant to the March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

| Scenario | Compensation amount | Compensation period |
|--|--|--|
| Delayed unblock for cancelled / withdrawn / deleted applications | ₹100 per day or 15% per annum of the Bid Amount, whichever is higher | From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock |
| Blocking of multiple amounts for the same Bid made through the UPI Mechanism | 1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher | From the date on which multiple amounts were blocked till the date of actual unblock |
| Blocking more amount than the Bid Amount | 1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher | From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock |
| Delayed unblock for non – Allotted/ partially Allotted applications | ₹100 per day or 15% per annum of the Bid Amount, whichever is higher | From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock |
| Delayed unblock for cancelled / withdrawn / deleted applications | ₹100 per day or 15% per annum of the Bid Amount, whichever is higher | From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock |
| Blocking of multiple amounts for the same Bid made through the UPI Mechanism | 1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher | From the date on which multiple amounts were blocked till the date of actual unblock |
| Blocking more amount than the Bid Amount | 1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher | From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock |
| Delayed unblock for non – Allotted/ partially Allotted applications | ₹100 per day or 15% per annum of the Bid Amount, whichever is higher | From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock |
| Delayed unblock for cancelled / withdrawn / deleted applications | ₹100 per day or 15% per annum of the Bid Amount, whichever is higher | From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding |

| Scenario | Compensation amount | Compensation period |
|--|--|--|
| | | platform of the Stock Exchanges till the date of actual unblock |
| Blocking of multiple amounts for the same Bid made through the UPI Mechanism | 1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher | From the date on which multiple amounts were blocked till the date of actual unblock |
| Blocking more amount than the Bid Amount | 1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher | From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock |
| Delayed unblock for non – Allotted/ partially Allotted applications | ₹100 per day or 15% per annum of the Bid Amount, whichever is higher | From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock |
| Delayed unblock for cancelled / withdrawn / deleted applications | ₹100 per day or 15% per annum of the Bid Amount, whichever is higher | From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock |
| Blocking of multiple amounts for the same Bid made through the UPI Mechanism | 1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher | From the date on which multiple amounts were blocked till the date of actual unblock |

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the post-Offer BRLM shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

The agreement between the Registrar to the Offer, our Company and the Selling Shareholders provide for retention of records with the Registrar to the Offer for a period of at least eight years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

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

All grievances, other than by Anchor Investors, were addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary, where the Bid cum Application Form was submitted, quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number (for Bidders other than RIIs bidding through the UPI mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of RIIs applying through the UPI mechanism in which the amount equivalent to the Bid Amount is blocked. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders DP' ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid amount paid on submission of the Bid cum Application Form and the name and address of the BRLM where the Bid cum Application Form was submitted by the Anchor Investor.

The Company has obtained authentication on the SCORES and shall comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013, SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 and SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) dated October 14, 2021, in relation to redressal of investor grievances through SCORES.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Manager shall compensate the investors at the rate higher of ₹ 100 or 15% per annum of the application amount for the period of such delay in such other manner as may be specified under applicable law.

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer. Further, Bidders shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove. Our Company has not received any investor complaint during the three years preceding the date of this Prospectus. There are no investor complaint in relation to our Company pending as on the date of this Prospectus. Our Group Companies are not listed on any stock exchange.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Selling Shareholder, the BRLM and the Registrar to the Offer accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations. Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre- Issue or post- Issue related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Disposal of investor grievances by our Company

Our Company has constituted a Stakeholders Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer, and issue of duplicate shares. The Selling Shareholders have authorised the Company Secretary and Compliance Officer of the Company, and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Our Company estimates that the average time required by our Company and/or the Registrar to the Offer for the redressal of routine investor grievances shall be 15 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Pooja Ladha, our Company Secretary, as our Compliance Officer. For details, please see the section entitled “*General Information*” on page 74.

Further, our Board has constituted the Stakeholders Relationship Committee which is responsible for redressal of grievances of the security holders of our Company. For further information, please see the section entitled “*Our Management – Corporate Governance*” on page 248.

Disposal of investor grievances by listed Group Companies and Subsidiaries

As on the date of this Prospectus, our Group Companies are not listed on any stock exchange, and therefore there are no investor complaints pending against them. Further, as on the date of this Prospectus, our Company does not have a listed subsidiary.

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

As on the date of this Prospectus, our Company has not been granted by SEBI any exemption from complying with any provisions of securities laws.

Other confirmations

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

SECTION VII – OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued, offered and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, SEBI Listing Regulations, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus, this Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in Allotment Advices and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

The Offer

The Offer comprises of a Fresh Issue and an Offer for Sale by the Selling Shareholders. The expenses for the Offer shall be shared amongst our Company and the Selling Shareholders in the manner specified in “*Objects of the Offer – Offer Expenses*” on page 114.

Ranking of the Equity Shares

The Equity Shares Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, 2013, our Memorandum of Association and our Articles of Association and shall rank pari passu in all respects with the existing Equity Shares, including in respect of the right to receive dividend and voting. The Allottees, upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see “*Description of Equity Shares and Terms of the Articles of Association*” beginning on page 457.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For details, in relation to dividends, see “*Dividend Policy*” and “*Description of Equity Shares and Terms of Articles of Association*” beginning on pages 282 and 457, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹ 10 and the Offer Price at the lower end of the Price Band is ₹ 503 per Equity Share (“**Floor Price**”) and at the higher end of the Price Band is ₹ 529 per Equity Share (“**Cap Price**”). The Anchor Investor Offer Price is ₹ 529 per Equity Share.

The Price Band and the minimum Bid Lot for the Offer has been decided by our Company and the Selling Shareholders, in consultation with the BRLM, as per applicable law and advertised in all editions of English national daily newspaper, Financial Express and all editions of Hindi national daily newspaper, Jansatta, and regional editions of Navshakti, a Marathi regional daily newspaper, (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation, at least two Working Days prior

to the Bid/Offer Opening Date and was made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. The Offer Price has been determined by our Company (acting through the IPO Committee), and the Selling Shareholders in consultation with the BRLM after the Bid/ Offer Closing Date, on the basis of assessment of market demand for the Equity Shares issued and offered by way of Book Building Process.

At any given point of time, there shall be only one denomination for the Equity Shares.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, or 'e-voting' in accordance with the provisions of the Companies Act, 2013;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation, subject to any statutory and other preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations and foreign exchange regulations; and
- Such other rights, as may be available to a Shareholder of a listed public company under the Companies Act 2013, the terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Description of Equity Shares and Terms of Articles of Association*" on page 457.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

In this context, our Company has entered into the following agreements with the respective Depositories and Registrar to the Offer:

- Tripartite Agreement dated October 5, 2023, among CDSL, our Company and the Registrar to the Offer
- Tripartite Agreement dated September 29, 2023, among NSDL, our Company and the Registrar to the Offer

Market Lot and Trading Lot

Since trading of the Equity Shares on the Stock Exchanges shall only be in dematerialized/electronic form, the tradable lot is one Equity Share. Allotment in this Offer will be only in dematerialized/electronic form in multiples of one Equity Share subject to a minimum Allotment of 28 Equity Shares. For further details, see “*Offer Procedure*” beginning on page 429.

Compliance with disclosure and accounting norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

The courts of Maharashtra at Mumbai, India will have exclusive jurisdiction in relation to this Offer.

Period of operation of subscription list

See “*Bid/Offer Programme*” on page 418.

Nomination facility to Investors

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if they were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

Withdrawal of the Offer

Our Company and Selling Shareholder, in consultation with the BRLM, reserve the right to not proceed with the Offer, in whole or part thereof, to the extent of their respective portion of Offered Shares after the Bid/Offer Opening Date but before the Allotment. In the event that our Company and Selling Shareholder, in consultation with the BRLM, decide not to proceed with the Offer, our Company shall issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Offer. In such event, the BRLM through the Registrar to the Offer shall notify the SCSBs and the Sponsor Bank, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company and Selling Shareholder, in consultation with the Book Running Lead Manager withdraw the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with a public offering of Equity Shares, our Company shall file a fresh draft red herring prospectus with the SEBI and Stock Exchanges.

Bid/Offer Programme

| | |
|---------------------|---|
| BID/OFFER OPENED ON | Monday, September 2, 2024 ⁽¹⁾ |
| BID/OFFER CLOSED ON | Wednesday, September 4, 2024 [#] |

1. The Anchor Investor Bid/Offer Period was one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations

UPI mandate end time and date was at 5:00pm on Bid/Offer Closing Date, i.e., on September 4, 2024

An indicative timeline in respect of the Offer is set out below:

| Event | Indicative Date |
|---|--|
| Finalisation of Basis of Allotment with the Designated Stock Exchange | On or about Thursday, September 05, 2024 |
| Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account* | On or about Thursday, September 06, 2024 |
| Credit of Equity Shares to demat accounts of Allottees | On or about Thursday, September 06, 2024 |
| Commencement of trading of the Equity Shares on the Stock Exchanges | On or about Monday, September 09, 2024 |

* In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date for cancelled/ withdrawn/ deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, and the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable. The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company, our Selling Shareholders or the BRLM.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within the time prescribed under applicable law, the timetable may be extended due to various factors, such as revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Prospectus may result in changes to the above mentioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

In terms of the UPI Circulars, in relation to the Offer, the Book Running Lead Manager will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working Days from the Bid/ Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Submission of Bids (other than Bids from Anchor Investors):

| Bid/Offer Period (except the Bid/Offer Closing Date) | |
|--|--|
| Submission and Revision in Bids | Only between 10.00 a.m. and 5.00 p.m. Indian Standard Time ("IST") |
| Bid/Offer Closing Date* | |

| | |
|--|--|
| Submission and Revision in Bids | Only between 10.00 a.m. and 3.00 p.m. IST |
| Submission of Electronic Applications (Online ASBA through 3-in-1 accounts)–For Retail Individual Bidders and Eligible Employees | Only between 10.00 a.m. and up to 5.00 p.m. IST |
| Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications where Bid Amount is up to ₹ 0.50 million) | Only between 10.00 a.m. and up to 4.00 p.m. IST |
| Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications) | Only between 10.00 a.m. and up to 3.00 p.m. IST |
| Submission of Physical Applications (Bank ASBA) | Only between 10.00 a.m. and up to 1.00 p.m. IST |
| Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications of QIBs and NIIs where Bid Amount is more than ₹ 0.50 million) | Only between 10.00 a.m. and up to 12.00 p.m. IST |
| Modification/ Revision/cancellation of Bids | |
| Upward Revision of Bids by QIBs and Non-Institutional Investors categories [#] | Only between 10.00 a.m. and up to 5.00 p.m. IST on Bid/ Offer Closing Date |
| Upward or downward Revision of Bids or cancellation of Bids by RIIs and Eligible Employees | Only between 10.00 a.m. and up to 5.00 p.m. on Bid/ Offer Closing Date |

***UPI mandate end time and date was at 5:00 p.m. on Bid/ Offer Closing Date.*

[#]QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.

On the Bid/ Offer Closing Date, Bids were required to be uploaded until:

- 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs and Eligible Employees bidding in the Employee Reservation Portion.

On Bid/Offer Closing Date, extension of time could be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion, after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchanges.

The Registrar to the Offer submitted the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's unblocked such applications by the closing hours of the Working Day and submit a confirmation in respect thereof to the BRLM and the Registrar to the Offer on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members was allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders were advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in the Red Herring Prospectus is IST. Bidders were cautioned that, in the event a large number of Bids were received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded on the electronic bidding system were considered for allocation under this Offer. Bids and any revision in Bids were accepted only during Working Days during the Bid / Offer Period.

In case of discrepancy in data entered in the electronic book *vis-a-vis* data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges will be taken as the final data for the purpose of Allotment.

Minimum Subscription

If (i) our Company does not make the minimum Allotment in the Offer as specified under Rule 19(2)(b) of the SCRR or does not achieve the minimum subscription of 90% of the Fresh Issue on the Bid/ Offer Closing Date; or (ii) subscription level falls below the aforesaid minimum subscription after the Bid/ Offer Closing Date due to withdrawal of Bids, or after technical rejections, or any other reason; or (iii) in case of devolvement of Underwriting, aforesaid minimum subscription is not received within 60 days from the date of Bid/ Offer Closing Date; or (iv) if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Offer, each of the Selling Shareholders, to the extent of its portion of the Offered Shares and our Company shall forthwith refund the entire subscription amount in accordance with applicable law. If there is a delay beyond four days, our Company, and every Director of our Company, who are officers in default, shall pay interest at the rate of 15% per annum in accordance with the SEBI ICDR Regulations and any other applicable law. Each of the Selling Shareholders shall reimburse, in proportion to its respective portion of the Offered Shares, any expenses and interest incurred by our Company on behalf of such Selling Shareholder for any delays in making refunds as required under the Companies Act and any other applicable law, provided that none of the Selling Shareholders shall be responsible or liable for payment of such interest, unless such delay is solely and directly attributable to an act or omission of the respective Selling Shareholder in relation to its respective portion of the Offered Shares. All refunds made, interest borne, and expenses incurred (with regard to payment of refunds) by our Company on behalf of any of such Selling Shareholders will be adjusted or reimbursed by such Selling Shareholder (only to the extent of its respective portion of the Offered Shares), to our Company as agreed among our Company and each of the Selling Shareholders in writing, in accordance with Applicable Law.

The requirement for minimum subscription is not applicable for the Offer for Sale.

In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and in compliance with Rule 19(2)(b) of the SCRR, the Allotment for the valid Bids will be made in the first instance towards subscription for 100% of the Fresh Issue. If there remain any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be made towards Equity Shares offered by the Selling Shareholder in such manner as specified in the Offer Agreement.

Further our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be allotted shall not be less than 1,000 in compliance with Regulation 49(1) of the SEBI ICDR Regulations, failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Offer capital of our Company, lock-in of the Promoters' minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 83 and except as provided under the Articles of Association, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or

splitting, except as provided in the Articles of Association. For details, see “*Description of Equity Shares and Terms of Articles of Association*” beginning on page 457.

OFFER STRUCTURE

Initial public Offer of 3,174,416 Equity Shares for cash at a price of ₹529 per Equity Share (including a premium of ₹519 per Equity Share) aggregating to ₹ 1,679.27 million comprising of a Fresh Issue of 2,558,416 Equity Shares aggregating to ₹ 1,353.40 million and offer for sale of 385,200 equity shares by Taramati V Gala aggregating to ₹ 203.77 million, 79,200 equity shares by Kirit Vishanji Gala(HUF) aggregating to ₹ 41.90 million, 50,000 equity shares by Nayna Gala aggregating to ₹ 26.45 million, 40,000 equity shares by Satish Kotwani aggregating ₹ 21.16 million, 23,600 equity shares by Hemlata Dhiraj Shah* aggregating to ₹ 12.48 million, 28,000 equity shares by Dhiraj Nanchand Shah* aggregating to ₹ 14.81 million and 10,000 equity shares by Rupa Sunil Mehta aggregating to ₹ 5.29 million. The Offer comprises of a Net Offer of 3,168,620 Equity Shares and Employee Reservation Portion of 5,796 Equity Shares aggregating to ₹ 3.07 million for subscription by Eligible Employees (constituting to 0.05% of our post-Offer paid-up Equity Share capital). The Offer and the Net Offer shall constitute 25.05% and 25.01% respectively of the post-Offer paid-up Equity Share capital of our Company.

**Equity Shares held jointly with a second shareholder*

The face value of the Equity Shares is ₹ 10 each.

In terms of Rule 19(2)(b) of the SCRR, the Offer is being made through the Book Building Process, in compliance with Regulation 6(1) and Regulation 31 of the SEBI ICDR Regulations:

| Particulars | QIBs | Non-Institutional Bidders | Retail Individual Bidders | Eligible Employees [#] |
|---|--|---|---|---|
| Number of Equity Shares available for Allotment/allocation ⁽²⁾ | Not more than 1,584,310 Equity Shares | Not less than 475,293 Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders | Not less than 1,109,017 Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders | Up to 5,796 Equity Shares aggregating up to ₹3.07 million |
| Percentage of Offer size available for Allotment/allocation | Not more than 50% of the Net Offer was made available for allocation to QIBs. However, 5% of the Net QIB Portion (excluding the Anchor Investor Portion) was made available for allocation proportionately to Mutual Funds only. Mutual Funds | Not less than 15% of the Net Offer or the Offer less allocation to QIBs and Retail Individual Bidders was made available for allocation | Not less than 35% of the Net Offer or the Offer less allocation to QIBs and Non-Institutional Bidders was made available for allocation | The Employee Reservation Portion shall constitute up to 0.05% of the post Offer paid-up equity share capital of our Company |

| Particulars | QIBs | Non-Institutional Bidders | Retail Individual Bidders | Eligible Employees [#] |
|---|---|--|--|--|
| | participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs | | | |
| Basis of Allotment/allocation if respective category is oversubscribed* | Proportionate as follows (excluding the Anchor Investor Portion): (a) 31,686 Equity Shares were available for allocation on a proportionate basis to Mutual Funds only; and (b) 633,724 Equity Shares was made available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. 60% of the QIB Portion (of to 950,586 Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third was made available for | The allotment to each Non-Institutional Bidders shall not be less than the minimum application size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis, in accordance with the conditions specified in the SEBI ICDR Regulations subject to: a. one third of the portion available to Non-Institutional Bidders being 158,431 Equity Shares are reserved for Bidders Biddings more than ₹ 0.20 | Allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, were made allotted on a proportionate basis. For details see, “Offer Procedure” on page 429. | Proportionate; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹0.20 million. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for a value exceeding ₹0.20 million up to ₹0.50 million each (net of Employee Discount) |

| Particulars | QIBs | Non-Institutional Bidders | Retail Individual Bidders | Eligible Employees [#] |
|-------------|---|---|--|---|
| | allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price | <p>million and up to ₹1.00 million;</p> <p>b. two third of the portion available to Non-Institutional Bidders being 316,862 Equity Shares are reserved for Bidders Bidding more than ₹1.00 million.</p> <p>Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above, may be allocated to Bidders in the other category.</p> | | |
| Minimum Bid | Such number of Equity Shares and in multiples of 28 Equity Shares so that the Bid Amount exceeds ₹0.20 million | Such number of Equity Shares and in multiples of 28 Equity Shares so that the Bid Amount exceeds ₹0.20 million | 28 Equity Shares and in multiples of 28 Equity Shares | 28 Equity Shares and in multiples of 28 Equity Shares |
| Maximum Bid | Such number of Equity Shares in multiples of 28 Equity Shares so that the Bid does not exceed the size of the Net Offer (excluding the Anchor portion), subject to applicable limits. | Such number of Equity Shares in multiples of 28 Equity Shares so that the Bid does not exceed the size of the Net Offer (excluding the QIB Portion), subject to applicable limits | Such number of Equity Shares in multiples of 28 Equity Shares so that the Bid Amount does not exceed ₹0.20 million | <p>Such number of Equity Shares and in multiples of 28 Equity Shares so that the maximum Bid Amount by each Eligible Employee in this portion does not exceed ₹0.50 million less Employee Discount^{##}, if any.</p> <p>Unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹0.20 million . In the</p> |

| Particulars | QIBs | Non-Institutional Bidders | Retail Individual Bidders | Eligible Employees [#] |
|---------------------------------|--|--|---|---|
| | | | | event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for a value exceeding ₹0.20 million up to ₹0.50 million each |
| Mode of Allotment | Compulsorily in dematerialized form | | | |
| Bid Lot | 28 Equity Shares and in multiples of 28 Equity Shares thereafter | | | |
| Allotment Lot | A minimum of 28 Equity Shares and thereafter in multiples of one Equity Share | | | |
| Trading Lot | One Equity Share | | | |
| Who can apply ⁽³⁾⁽⁴⁾ | Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, mutual funds registered with SEBI, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million National Investment Fund | Resident Indian individuals, Eligible NRIs on a non-repatriable basis, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, trusts and FPIs who are individuals, corporate bodies and family offices which are recategorized as category II FPIs and registered with SEBI | Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta) applying for Equity Shares such that the Bid amount does not exceed ₹ 0.20 million in value. | Eligible Employees (such that the Bid Amount does not exceed ₹0.50 million) net of Employee Discount. |

| Particulars | QIBs | Non-Institutional Bidders | Retail Individual Bidders | Eligible Employees [#] |
|------------------|---|---------------------------|---------------------------|---------------------------------|
| | set up by the Government, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs | | | |
| Terms of Payment | <p>In case of Anchor Investors: Full Bid Amount was made payable by the Anchor Investors at the time of submission of their Bids⁽⁴⁾</p> <p>In case of all other Bidders: Full Bid Amount was blocked in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism (for RIBs using the UPI Mechanism) that is specified in the ASBA Form at the time of submission of the ASBA Form.</p> | | | |
| Mode of Bidding | Only through the ASBA process (except for Anchor Investors). In case of UPI Bidders, ASBA process will include the UPI Mechanism. | | | |

**Subject to finalization of Basis of Allotment*

Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹0.50 million (net of Employee Discount). However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹0.20 million. In the event of under-subscription in the Employee Reservation Portion the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹0.20 million, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹0.50 million (net of Employee Discount). Further, an Eligible Employee Bidding in the Employee Reservation Portion could also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. Eligible Employee can also apply under Retail Portion.

- 1. Our Company and Selling Shareholder, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price. For details, see "Offer Procedure" on page 429..*
- 2. Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR in compliance with Regulation 6(1) of the SEBI ICDR Regulations.*
Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. Eligible Employees Bidding in the Employee Reservation portion can Bid up to a Bid Amount of ₹ 0.50 million. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 0.20 million. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 0.20 million, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 0.50 million. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. For further details, please see "Terms of the Offer" on page 415.
- 3. In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids, except as otherwise permitted, in any or all categories.*
- 4. Full Bid Amount was payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price was payable by the Anchor Investor Pay-In Date as indicated in the CAN. Bidders required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares. The Bids by FPIs with certain structures as*

described under “Offer Procedure - Bids by FPIs” on page 437 to 438 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

OFFER PROCEDURE

All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, and the UPI Circulars (the “**General Information Document**”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Bidders/Applicants; (v) Issuance of CAN and allotment in the Offer; (vi) General instructions (limited to instructions for completing the Bid Form); (vii) Submission of Bid cum Application Form; (viii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) interest in case of delay in allotment or refund; and (xiii) disposal of applications and electronic registration of bids.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“**UPI Phase I**”). The UPI Phase I was effective till June 30, 2019. Pursuant to its circular SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, the SEBI has increased the UPI limit from ₹ 0.20 million to ₹ 0.50 million for all the individual investors applying in public issues.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public Offers, whichever is later (“**UPI Phase II**”). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II until further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders (“**UPI Phase III**”) and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all Offers opening on or after September 1, 2023 and on a mandatory basis for all Offers opening on or after December 1, 2023. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification Offered by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. Subsequently, vide the SEBI

RTA Master Circular, consolidated the aforementioned circulars (excluding SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023) to the extent relevant for RTAs, and rescinded these circulars (excluding SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023) to extent applicable to RTAs. The provisions of these circulars are deemed to form part of this Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹0.50 million shall use the UPI Mechanism. This circular has come into force for initial public offers opening on or after May 1, 2022 and the provisions of these circular are deemed to form part of this Prospectus.

Pursuant to SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, the board of directors of the SEBI, have approved the proposal to reduce the time period for listing of equity shares pursuant to a public Offer from six Working Days to three Working Days. The above timeline will be applicable on a voluntary basis for public Offers opening on or after September 1, 2023 and on a mandatory basis for public offers opening on or after December 1, 2023. Therefore, the time period for listing of equity shares pursuant to this Offer will be undertaken mandatorily on T+3 basis.

Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed by the Registrar along with the SCSBs only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Stock Exchanges shall, for all categories of investors and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the application amount for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking.

Further, our Company, the Selling Shareholders and the BRLM and the members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Book Building Procedure

The Offer has been made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations, through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer was allocated on a proportionate basis to QIBs, provided that our Company and Selling Shareholders, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the Net QIB Portion was made available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the Net QIB Portion was made available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer was made available for allocation on a proportionate basis to Non-Institutional Bidders, and not less than 35% of the Net Offer was available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, were subject to the following: (i) one-third of the portion available to Non-Institutional Bidders was made reserved for Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million, and (ii) two-third of the portion was made available to Non-Institutional Bidders was reserved for Bidders with application size of more than ₹1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories was allocated to Bidders in the other sub-

category of Non-Institutional Bidders. Furthermore 5,796 Equity Shares, aggregating to ₹3.07 million was made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price. The Employee Reservation Portion did not exceed 5% of our post -Offer paid-up equity share capital subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company and Selling Shareholder, in consultation with the BRLM the Designated Stock Exchange subject to receipt of valid Bids having been received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which did not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, for RIBs using the UPI Mechanism, were treated as incomplete and were rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, in compliance with applicable laws.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021, read with CBDT circular no.7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019, until March 31, 2019, or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019, and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: This phase has become applicable on a voluntary basis for all Offers opening on or after September 1, 2023 and on a mandatory basis for all Offers opening on or after December 1, 2023, vide

SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("T+3 Notification"). In this phase, the time duration from public Offer closure to listing has been reduced to three Working Days.

The Offer is has been made under UPI Phase III of the UPI Circular on mandatory basis. The same has been advertised in all editions of the English national daily newspaper Financial Express, all editions of the Hindi national daily newspaper, Jansatta and regional editions of the Marathi daily newspaper, Navshakti (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), each with wide circulation on or prior to the Bid/Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

All SCSBs offering the facility of making application in public Offers shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/or payment instructions of the UPI Bidders using the UPI.

Pursuant to the UPI Streamlining Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

The processing fees for application made by UPI Bidders using the UPI mechanism may be released to the remitter banks (SCSBs) only after such banks make an application to the BRLM with a copy to the Registrar, and such application shall be made only after (i) unblocking of application amounts in the bank accounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2022/51) dated April 20, 2022.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLM.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus were made available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form was also made available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date. The Bid Cum Application Forms for Eligible Employees Bidding in the Employee Reservation Portion were made available at our Registered and Corporate office.

Copies of the Anchor Investor Application Form were made available at the office of with the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process.

UPI Bidders bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

Anchor Investors are not permitted to participate in the Offer through the ASBA process. The RIBs can additionally Bid through the UPI Mechanism. RIBs bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected. Retail Individual Investors Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI ASBA Bidders (other than Retail Individual Investors using UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form.

ASBA Bidders were required ensure that the Bids were made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp were liable to be rejected. RIBs using UPI Mechanism, could submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account. RIBs may also submit their ASBA Forms with the SCSBs (except RIBs using the UPI Mechanism). ASBA bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid. In order to ensure timely information to Bidders, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

The Sponsor Bank were required to host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process. The prescribed colour of the Bid cum Application Form for the various categories was as follows:

| Category | Colour of Bid cum Application Form* |
|--|-------------------------------------|
| Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis | White |
| Non-Residents including Eligible NRIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Portion), FVCIs, FPIs and registered bilateral and multilateral development financial institutions applying on a non-repatriation basis | Yellow |
| Anchor Investors | Green |
| Eligible Employees Bidding in the Employee Reservation Portion | Blue |

*Excluding electronic Bid cum Application Forms

Notes:

- (1) Electronic Bid cum Application forms and the abridged prospectus was also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com)
- (2) Bid cum Application Forms for Anchor Investors was made available at the offices of the BRLM
- (3) Bid cum Application Forms for Eligible Employees was made available at the Registered and Corporate Office of our Company

In case of ASBA forms, the relevant Designated Intermediaries were required to upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For UPI Bidders using UPI Mechanism, the Stock Exchanges were required to share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Bidders using UPI Mechanism) Designated Intermediaries (other than SCSBs) were required to submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and were required not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges were required validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

The Sponsor Bank shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Issue shall provide the audit trail to the BRLM for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021. For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Issue Closing Date (“**Cut-Off Time**”). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLM in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

Pursuant to NSE circular dated August 3, 2022 with reference no. 25/2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

- a. Cut-off time for acceptance of UPI mandate was up to 5:00 p.m. on the initial public offer closure date and existing process of UPI bid entry by syndicate members, registrars to the offer and Depository Participants shall continue till further notice;
- b. There was no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued;
- c. Bid entry and modification/ cancellation (if any) was allowed in parallel to the regular bidding period up to 4.00 p.m. for QIBs and Non-Institutional Bidders categories and up to 5.00 p.m. for Retail Individual and Eligible Employee Bidders categories on the initial public offer closure day;
- d. QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids;

- e. The Stock Exchanges shall display Offer demand details on its website and for UPI bids the demand shall include/consider UPI bids only with latest status as RC 100–black request accepted by Investor/client, based on responses/status received from the Sponsor Bank(s).

ELECTRONIC REGISTRATION OF BIDS

- a) The Designated Intermediary could register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.
- b) On the Bid/Offer Closing Date, the Designated Intermediaries have upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in this Prospectus.
- c) The Designated Intermediaries could modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in 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. The Equity Shares are being offered and sold only outside the United States as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where such offers and sales occurs.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by Promoters and members of the Promoter Group of the Company, the BRLM and the Syndicate Members and the persons related to Promoter, Promoter Group, BRLM and the Syndicate Members

The BRLM and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members could Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as could be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLM and Syndicate Members, was treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLM or any associates of the BRLM (except Mutual Funds sponsored by entities which are associates of the BRLM or insurance companies promoted by entities which are associate of BRLM or AIFs sponsored by the entities which are associate of the BRLM or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLM, Pension funds sponsored by entities which are associate of BRLM) nor (ii) any “person related to the Promoters/ Promoter Group” were required to apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights was deemed to be a “person related to the Promoters/ Promoter Group”: (a) rights under a shareholders’ agreement or voting agreement entered into with the Promoters or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor was deemed to be an associate of the BRLM, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLM.

The Promoters and members of the Promoter Group will not participate in the Offer, except to the extent of participation by our Promoters and members of the Promoter Group in the Offer for Sale.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate was required to be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLM reserved the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds were required to specifically state names of the concerned schemes for which such Bids are made. In case of a Mutual Fund, a separate Bid could have been made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme could invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% was not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes could own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs could obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange considered for Allotment. Eligible NRIs bidding on a repatriation basis by using the Non-Resident forms were required to authorise their SCSB to block their Non-Resident External ("NRE") accounts (including UPI ID, if activated), or Foreign Currency Non- Resident ("FCNR") accounts, and Eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSB to block their Non-Resident Ordinary ("NRO") accounts or accept the UPI mandate request (in case of UPI Bidders using the UPI Mechanism) for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Offer through the UPI Mechanism were advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form. Participation of Eligible NRIs in the Offer was subject to the FEMA Rules.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the members of the Indian company in a general meeting.

Eligible NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Offer, provided the UPI facility is enabled for their NRE/ NRO accounts.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (yellow in colour).

For details of investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 455. Participation of Eligible NRIs was subject to the FEMA Non-debt Rules.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, were required be made in the individual name of the Karta. The Bidder/Applicant was required to specify that the Bid was being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids/Applications by HUFs were considered at par with Bids/Applications from individuals.

Bids by FPIs

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company in consultation with BRLM, reserves the right to reject any Bid without assigning any reason.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital on a fully diluted basis. Further, in terms of the FEMA Non-debt Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e. up to 100%). In terms of the FEMA Non-Debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments. FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms as specified by SEBI; and (iv) such other conditions as may be specified by SEBI from time to time. In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of derivative instrument is made by, or on behalf of it subject to, inter alia, the following conditions:

- a) each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents. (yellow in colour). Further, Bids received from FPIs bearing the same PAN will be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 (such structure “**MIM Structure**”) provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids will be rejected. Further, in the following cases, the bids by FPIs will not be considered as multiple Bids involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments (“**ODI**”) which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category I FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations, inter-alia, prescribe the respective investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI.

Accordingly, the holding in any company by any individual VCF or FVCIs (under Schedule I of the FEMA Non-Debt Rules) registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 (“**SEBI VCF Regulations**”), the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding equity shares of a company prior to an initial public offering being undertaken by such company, shall be exempt from lock-in requirements, provided that such equity shares shall be locked in for a period of at least one year from the date of purchase by the venture capital fund or alternative investment fund or foreign venture capital investor.

There is no reservation for Eligible NRI Bidders, AIFs and FPIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, the Selling Shareholders or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLM reserve the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, (the "**Banking Regulation Act**"), and the Master Directions – RBI (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial services company cannot exceed 20% of the investee company's paid up share capital and reserves. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on investment made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in excess of 30% of the paid-up share capital of the investee company, (ii) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (iii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the RBI (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for

the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended, are broadly set forth below:

- a) equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer or health insurer;
- b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or health insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,50,000 crore or more or the above limit of 10% shall stand substituted as 12% of outstanding equity shares (face value) for insurers with investment assets of ₹50,000 crore or more but less than ₹2,50,000 crore.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association

and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLM reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLM in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company in consultation with the BRLM may deem fit.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditors, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section, the key terms for participation by Anchor Investors are provided below.

- 1) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the Book Running Lead Managers.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds subject to valid Bids being received from domestic Mutual Funds at or above Anchor Investor Allocation Price.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date and will be completed on the same day.
- 5) Our Company in consultation with the Book Running Lead Managers will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than: (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million; (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and (c) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum Allotment of ₹50 million per Anchor Investor.
- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the Book Running Lead Managers before the Bid/ Offer Opening Date, through intimation to the Stock Exchanges.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

- 8) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.
- 9) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment and the remaining 50% of the Equity Shares Allotted to Anchor Investors will be locked in for a period of 30 days from the date of Allotment.
- 10) Neither the Book Running Lead Managers or any associate of the Book Running Lead Managers (other than Mutual Funds sponsored by entities which are associates of the BRLM or AIFs sponsored by entities which are associates of the BRLM or FPIs (other than individuals, corporate bodies and family offices) which are associates of the BRLM or insurance companies promoted by entities which are associates of the BRLM or pension funds sponsored by entities which are associates of the BRLM) shall apply in the Offer under the Anchor Investors Portion. For details, see “*Offer Procedure – Participation by the Promoter, Promoter Group, the BRLM, associates and affiliates of the BRLM and the Syndicate Member and the persons related to Promoter, Promoter Group, BRLM and the Syndicate Member*” on page 429. Further, no person related to the Promoters or Promoter Group shall apply under the Anchor Investors category.
- 11) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

If the aggregate demand in this portion was greater than 950,572 Equity Shares at or above the Offer Price, the allocation was made on a proportionate basis. For the method of proportionate basis of Allotment, see “*Offer Procedure*” on page 429.

Bids by Eligible Employees

The Bid must be for a minimum of 28 Equity Shares and in multiples of 28 Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹0.50 million (net of Employee Discount). However, the initial allocation to an Eligible Employee in the Employee Reservation Portion did not exceed ₹0.20 million. Allotment in the Employee Reservation Portion will be as detailed in the section “*Offer Structure*” beginning on page 423.

However, Allotments to Eligible Employees in excess of ₹0.20 million shall be considered on a proportionate basis, in the event of undersubscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹0.50 million (net of Employee Discount). Subsequent undersubscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer. Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees were:

- a) Made only in the prescribed Bid cum Application Form or Revision Form.
- b) The Bid must be for a minimum of 28 Equity Shares and in multiples of 28 Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹0.50 million. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid amounting up to ₹0.20 million. In the event of any under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees, who have bid in excess of ₹0.20 million, provided however that the maximum Bid in this category by an Eligible Employee cannot exceed ₹0.50 million (net of Employee Discount).

- c) Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form.
- d) Only Eligible Employees (as defined in the Draft Red Herring Prospectus) would be eligible to apply in this Offer under the Employee Reservation Portion.
- e) Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion were not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.
- f) Only those Bids, which are received at or above the Offer Price, net of Employee Discount, would be considered for Allotment under this category.
- g) Eligible Employees can apply at Cut-off Price.
- h) In case of joint bids, the First Bidder shall be an Eligible Employee.
- i) If the aggregate demand in this category was less than or equal to 5,796 Equity Shares at or above the Offer Price, full allocation was made to the Eligible Employees to the extent of their demand.
- j) Eligible Employees bidding in the Employee Reservation Portion could either Bid through the UPI mechanism or ASBA.

For the method of proportionate basis of Allotment, see “*Offer Procedure*” beginning on page 429.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Offer.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder’s responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares would be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders and/or the BRLM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the

contents of the Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
4. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not an UPI Bidder bidding using the UPI Mechanism in the Bid cum Application Form and if you are an UPI Bidder using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle) in the Bid cum Application Form;
5. UPI Bidders using UPI Mechanism could make Bids only through the SCSBs, mobile applications and UPI handles have ensured that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders should ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;
6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the General Information Document;
7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;
8. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
9. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms;
10. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
11. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the

first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

12. UPI Bidders Bidding in the Offer to ensure that they use only their own ASBA Account or only their own bank account linked UPI ID (only for UPI Bidders using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
14. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
15. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
16. Ensure that the Demographic Details are updated, true and correct in all respects;
17. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
18. Ensure that the category and the investor status is indicated in the Bid cum Application Form;
19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
20. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
21. Since the Allotment will be in demat form only, ensure that the Bidder’s depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

22. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;
23. In case of QIBs and NII bidders, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
24. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 5:00 p.m. of the Bid/ Offer Closing Date;
25. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;
26. UPI Bidders ensured that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form; and
27. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLM. Bids by Eligible NRIs for a Bid Amount of less than ₹0.20 million would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹0.20 million would be considered under the Non- Institutional Category for allocation in the Offer.
28. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021, September 17, 2021, March 30, 2022 and March 28, 2023.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid for a Bid Amount exceeding ₹0.20 million (for Bids by Retail Individual Bidders) and ₹0.50 million for Bids by Eligible Employees Bidding in the Employee Reservation Portion;

4. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
7. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
8. Do not submit the Bid for an amount more than funds available in your ASBA account.
9. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
10. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
11. If you are a UPI Bidders and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
12. Anchor Investors should not Bid through the ASBA process;
13. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
14. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
15. Do not submit the General Index Register (GIR) number instead of the PAN;
16. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
17. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
18. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
19. Do not submit a Bid using UPI ID, if you are not a RIB;
20. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
21. Do not Bid for Equity Shares in excess of what is specified for each category;
22. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of this Prospectus;

23. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders or Eligible Employees Bidding in the Employee Reservation Portion can revise or withdraw their Bids on or before the Bid/Offer Closing Date;
24. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
25. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;
26. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIBs using the UPI Mechanism;
27. If you are a QIB, do not submit your Bid after 12:00 p.m. on the Bid/ Offer Closing Date (for Physical Applications) and after 3 p.m. on the QIB Bid / Offer Closing Date (for online applications);
28. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned in the list provided on the SEBI website is liable to be rejected; and
29. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for Technical Rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders were requested to note that Bids could be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the first Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

9. ASBA Form by the RIBs by using third party bank accounts or using third party linked bank account UPI IDs;
10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
11. GIR number furnished instead of PAN;
12. Bids by RIBs with Bid Amount of a value of more than ₹0.20 million;
13. Bids by Eligible Employees Bidding in the Employee Reservation Portion with Bid Amount of a value of more than ₹ 0.50 million.
14. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
15. Bids accompanied by stock invest, money order, postal order or cash; and
16. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors can reach out to the Company Secretary and Compliance Officer. For details of our Company Secretary and Compliance Officer, see “*General Information*” on page 74.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable.

For helpline details of the BRLM pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see “*General Information – Book Running Lead Managers*” on page 74.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares through the Red Herring Prospectus and this Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent of the Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Bidders, Non Institutional Bidders and Anchor Investors were on a proportionate basis within the respective investor categories and the number of securities allotted were rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to Retail Individual Bidders was not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available shares, if any, were allotted on a proportionate basis. Not less than 15% of the Offer was made available for allocation to Non-Institutional Bidders. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment to Non-Institutional Bidder shall not be less than the minimum NII Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares.

Payment into Escrow Account(s) for Anchor Investors

Our Company and Selling Shareholder, in consultation with the BRLM, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

- (a) In case of resident Anchor Investors: “*Gala Precesion Engineering Limited – Anchor R A/C*”
- (b) In case of Non-Resident Anchor Investors: “*Gala Precesion Engineering Limited – Anchor NR A/C*”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholder and the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company has, after filing of the Red Herring Prospectus with the RoC, published a pre- Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) all editions of Financial Express an English national daily newspaper, and (ii) all editions of Jansatta a Hindi national daily newspaper and (iii) regional editions of Marathi regional daily newspaper Navshakti, (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation.

In the pre-Offer advertisement, we have stated the Bid/Offer Opening Date and the Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, was in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The above information is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholder and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and the RoC Filing

- a) Our Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Offer Price but prior to the filing of Prospectus.
- b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Allotment Advertisement

Our Company, the Book Running Lead Managers and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of Financial Express an English national daily newspaper, in all editions of Hindi national daily newspaper Jansatta and regional editions of Marathi regional daily newspaper Navshakti (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation.

The information set out above is given for the benefit of the Bidders. Our Company, the Selling Shareholder, and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus and this Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within three Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- No further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus and this Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc
- Promoter's contribution, if any, shall be brought in advance before the Bid/ Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees.
- Our Company and Selling Shareholders, in consultation with the BRLM, reserves the right not to proceed with the Fresh Issue, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed.
- that if the Offer is withdrawn after the Bid/Offer Closing Date, our Company shall be required to file a fresh Offer Document with SEBI, in the event a decision is taken to proceed with the Offer subsequently.
- that our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.
- It shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer.

Undertakings by the Selling Shareholder

The Selling Shareholder specifically undertakes in respect of itself as a 'selling shareholder' and its portion of the Equity Shares offered by it in the Offer for Sale that:

- it is the legal and beneficial owner of, and has clear and marketable title to, the Equity Shares which are offered by it pursuant to the Offer for Sale;
- the Offered Shares, other than equity shares received through bonus issue have been held by it for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus with SEBI
- the Equity Shares offered for sale by the Selling Shareholder in the Offer are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;
- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;
- the Equity Shares being offered for sale by the Selling Shareholder pursuant to the Offer are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances and shall be in dematerialized form at the time of transfer;
- it shall deposit its Equity Shares offered for sale in the Offer in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement;
- that it shall provide such reasonable assistance to our Company and the BRLM in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer;

- it shall provide such reasonable cooperation to our Company in relation to the Equity Shares offered by it in the Offer for Sale for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges; and
- it shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from the Stock Exchanges has been received.

The decisions with respect to the Price Band, the minimum Bid lot, revision of Price Band, Offer Price, will be taken by our Company and Selling Shareholders in consultation with the BRLM, in accordance with applicable law.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite Agreement dated October 5, 2023, among CDSL, our Company and the Registrar to the Offer
- Tripartite Agreement dated September 29, 2023, among NSDL, our Company and the Registrar to the Offer.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

“Any person who—

- makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- 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*
- otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name*
- shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 0.1 crore or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹0.1 crore or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹0.5 crore or with both.

Utilisation of Offer Proceeds

Our Board of Directors certifies and declares that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

The Company and the Selling Shareholders, specifically confirm and declare that all monies received out of the Offer shall be transferred to a separate bank account other than the bank account referred to in sub-section 3 of Section 40 of the Companies Act, 2013.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment (“**FDI**”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion) (“**DPIIT**”), issued the FDI Policy Circular of 2020 (“**FDI Policy**”) by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy, which, with effect from October 15, 2020 consolidated, subsumed and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions. The FDI Policy will be valid and remain in force until superseded in totality or in part thereof.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For details, see “*Offer Procedure*” on page 429.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the FDI Policy and the FEMA Non-Debt Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Offer Period.

Foreign Exchange Laws

The foreign investment in our Company is governed by, *inter-alia*, the FEMA, as amended, the FEMA Non-debt Rules, the FDI Policy issued and amended by way of press notes.

Pursuant to the FDI Policy, FDI of up to 100% is permitted under the automatic route in our Company.

In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The aggregate limit for FPI investments shall be the sectoral cap applicable to our Company. In accordance with the FEMA Non-debt Rules, the total holding by any individual

NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company. For details of the aggregate limit of investments by NRIs and FPIs in our Company, see “*Offer Procedure – Bids by Eligible NRIs*” and “*Offer Procedure – Bids by FPIs*” on pages 429 and 429.

The 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 U.S. state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and were not be offered or sold, and Bids were not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, our Promoters, our Directors, the Selling Shareholders and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

(COMPANY LIMITED BY SHARES)

ARTICLES OF ASSOCIATION

OF

GALA PRECISION ENGINEERING LIMITED

*This set of Articles of Association has been approved pursuant to the provisions of Section 14 of the Companies Act, 2013 and by a special resolution passed at the Extraordinary General Meeting of Gala Precision Engineering Limited (the “Company”) held on 3 October 2023. These Articles have been adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles thereof.

No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to this Company unless expressly made applicable in these Articles or by the said Act but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.

| | | |
|---------------------------------------|---|---|
| 1. (1) | The regulations contained in table “F” of schedule I to the Companies Act, 2013 shall apply only in so far as the same are not provided for or are not inconsistent with these Articles. | Table ‘F’ shall apply |
| (2) | The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles. | Company to be governed by these Articles |
| Definitions and Interpretation | | |
| 2. | In these Articles — | |
| | (a) “Act” means the Companies Act, 2013 (including the relevant rules framed thereunder) or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable. | “Act” |
| | (b) “Applicable Laws” means all applicable statutes, laws, ordinances, rules and regulations, judgments, notifications circulars, orders, decrees, byelaws, guidelines, or any decision, or determination, or any interpretation, policy or administration, having the force of law, including but not limited to, any authorization by any authority, in each case as in effect from time to time | “Applicable Laws” |
| | (c) “Articles” means these articles of association of the Company or as altered from time to time. | “Articles” |

| | | |
|---------------------|---|--|
| | (d) “Board of Directors” or “Board”, means the collective body of the Directors of the Company nominated and appointed from time to time in accordance with Articles 84 to 90, herein, as may be applicable. | “Board of Directors” or “Board” |
| | (e) “Company” means Gala Precision Engineering Limited | “Company” |
| | (f) “Lien” means any mortgage, pledge, charge, assignment, hypothecation, security interest, title retention, preferential right, option (including call commitment), trust arrangement, any voting rights, right of set-off, counterclaim or banker’s lien, privilege or priority of any kind having the effect of security, any designation of loss payees or beneficiaries or any similar arrangement under or with respect to any insurance policy; | “Lien” |
| | (g) “Rules” means the applicable rules for the time being in force as prescribed under relevant sections of the Act. | “Rules” |
| | (h) “Memorandum” means the memorandum of association of the Company or as altered from time to time. | “Memorandum” |
| Construction | | |
| | <p>In these Articles (unless the context requires otherwise):</p> <p>(i) References to a party shall, where the context permits, include such party’s respective successors, legal heirs and permitted assigns.</p> <p>(ii) The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.</p> <p>(iii) References to articles and sub-articles are references to Articles and sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and sub-articles herein.</p> <p>(iv) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.</p> <p>(v) Wherever the words “include,” “includes,” or “including” is used in these Articles, such words shall be deemed to be followed by the words “without limitation”.</p> <p>(vi) The terms “hereof”, “herein”, “hereto”, “hereunder” or similar expressions used in these Articles mean and refer to these Articles and not to any Article of these Articles, unless expressly stated otherwise.</p> <p>(vii) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of such period is not a Business Day; and whenever any payment is to be made or action to be taken under these Articles is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following.</p> <p>(viii) A reference to a party being liable to another party, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).</p> <p>(ix) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.</p> <p>(x) References made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the MCA. The applicable</p> | |

| | | |
|--|---|---|
| | <p>provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Companies Act, 2013 have been notified.</p> <p>(xi) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.</p> | |
| Share capital and variation of rights | | |
| 3. | <p>The authorized share capital of the Company shall be such amount and be divided into such shares as may from time to time, be provided in Clause V of Memorandum, divided into such number, classes and descriptions of Shares and into such denominations, as stated therein, with power to reclassify, subdivide, consolidate and increase and with power from time to time, to issue any shares of the original capital or any new capital and upon the sub-division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division.</p> | Authorized share capital |
| 4. | <p>Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par (subject to the compliance with the provision of section 53 and 54 of the Act) and at such time as they may from time to time think fit provided that the option or right to call for shares shall not be given to any person or persons without the sanction of the Company in the general meeting. The Board shall cause to be filed the returns as to allotment as may be prescribed from time to time.</p> <p>Any application signed by or on behalf of an applicant for subscription for Shares in the Company, followed by an allotment of any Shares therein, shall be an acceptance of Shares within the meaning of these Articles, and every person, who, thus or otherwise, accepts any Shares and whose name is entered on the Registered shall, for the purpose of these Articles, be a member.</p> <p>The money, if any, which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly, in the manner prescribed by the Board.</p> <p>Every member or his heirs, executors or administrators, shall pay to the Company the portion of the capital represented by his Share or Shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time, in accordance with the Regulations of the Company, require or fix for the payment thereof.</p> | Shares under control of Board |
| 5. | <p>Subject to the provisions of the Act, these Articles and with the sanction of the Company in the general meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board think fit, the Board may issue, allot or otherwise dispose shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be, provided that</p> | Board may allot shares otherwise than for cash |

| | | |
|--------|---|-------------------------------|
| | the option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the general meeting. | |
| 5A. | <p>The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other Applicable Laws:</p> <p>(a) Equity Share capital:</p> <p>(i) with voting rights; and / or</p> <p>(ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and</p> <p>(b) Preference share capital</p> | Kinds of share capital |
| 6. (1) | <p>The Company shall keep or cause to be kept a Register and Index of Members, in accordance with the applicable Sections of the Act. The Company shall be entitled to keep, in any State or Country outside India, a Branch Register of Members, in respect of those residents in that State or Country.</p> <p>Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission, sub-division, consolidation or renewal of shares or within such other period as the conditions of issue shall provide –</p> <p>(a) one or more certificates in marketable lots for all his shares of each class or denomination registered in his name without payment of any charges; or</p> <p>(b) several certificates, each for one or more of his shares, upon payment of Rupees Twenty for each certificate or such charges as may be fixed by the Board for each certificate after the first.</p> | Issue of certificate |

| | | |
|-----|--|--|
| (2) | In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to the person first named on the register of members shall be sufficient delivery to all such holders. | Issue of share certificate in case of joint holding |
| (3) | Every certificate shall specify the shares to which it relates, distinctive numbers of shares in respect of which it is issued and the amount paid-up thereon and shall be in such form as the Board may prescribe and approve. | Option to receive share certificate or hold shares with depository |
| 7. | <p>A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a depository, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time, or any statutory modification thereto or re-enactment thereof. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.</p> <p>The Company shall also maintain a register and index of beneficial owners in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996 with details of shares held in dematerialized form in any medium as may be permitted by law including in any form of electronic medium.</p> | Option to receive share certificate or hold shares with depository |
| 8. | If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed | Issue of new certificate in place of one defaced, lost or destroyed |

| | | |
|---------|--|---|
| | <p>then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees not less than Rupees twenty and not more than Rupees fifty for each certificate as may be fixed by the Board.</p> <p>Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above, the Board shall comply with such rules or regulations or requirements of any stock exchange or the rules made under the Act or rules made under the Securities Contracts (Regulation) Act, 1956 or any other act, or rules applicable thereof in this behalf.</p> | |
| 8A. | Except as required by Applicable Laws, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by Applicable Laws) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder. | Company not compelled to recognize any equitable, contingent interest |
| 8B. | Subject to the applicable provisions of the Act and other Applicable Laws, any debentures, debenture-stock or other securities may be issued at a premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at a general meeting, appointment of nominee directors, etc. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in a general meeting by special resolution. | Terms of issue of debentures |
| 9. | The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company. | Provisions as to issue of certificates to apply mutatis mutandis to debentures, etc. |
| 10. (1) | The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules. | Power to pay commission in connection with securities issued |
| (2) | The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules. | Rate of commission in accordance with Rules |
| (3) | The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other. | Mode of payment of commission |
| 11. (1) | If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act. | Variation of members' rights |
| (2) | To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply. | Provisions as to general meetings |

| | | |
|---------|--|---|
| | | to apply mutatis mutandis to each Meeting |
| 12. | The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith. | Issue of further shares not to affect rights of existing members |
| 13. | <p>Subject to section 55 and other provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.</p> <p>On the issue of Redeemable Preference Shares under the provisions of the preceding Article, the following provisions shall take effect:-</p> <p>(i) No such Shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of the redemption.</p> <p>(ii) No such Shares shall be redeemed unless they are fully paid. The period of redemption in case of preference shares shall not exceed the maximum period for redemption provided under Section 55 of the Act;</p> <p>(iii) The premium, if any, payable on redemption, must have been provided for, out of the profits of the Company or the Share Premium Account of the Company before, the Shares are redeemed; and</p> <p>(iv) Where any such Shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund to be called "Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed and the provisions of the Act, relating to the reduction of the Share Capital of the Company, shall, except as provided in Section 80 of the Act, apply as if "Capital Redemption Reserve Account" were paid up Share capital of the Company.</p> <p>Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the applicable provisions of the Act, be modified, commuted, affected or abrogated, or dealt with by an agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified, in writing, by holders of at least three-fourths in nominal value of the issued Shares of the class or is confirmed by a special resolution passed at a separate general meeting of the holders of Shares of that class and all the provisions hereinafter contained as to general meetings, shall, mutatis mutandis, apply to every such meeting.</p> | Power to issue redeemable preference shares |
| 14. (1) | <p>Where at any time, the Company proposes to increase its subscribed capital by issue of further shares, either out of the unissued capital or the increased share capital, such shares shall be offered:</p> <p>to persons who, at the date of offer, are holders of Equity Shares of the Company, in proportion as near as circumstances admit, to the share</p> | Further issue of share capital |

| | | |
|--|---|--|
| | <p>capital paid up on those shares by sending a letter of offer on the following conditions : -</p> <p>the aforesaid offer shall be made by a notice specifying the number of shares offered and limiting a time prescribed under the Act from the date of the offer within which the offer, if not accepted, will be deemed to have been declined</p> <p>the aforementioned offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice mentioned in sub-Article (i), above shall contain a statement of this right; and</p> <p>after the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the Company; or</p> <p>to employees under any scheme of employees' stock option, subject to a special resolution passed by the Company and subject to the conditions as specified under the Act and Rules thereunder; or</p> <p>to any persons, if it is authorized by a special resolution passed by the Company in a General Meeting, whether or not those persons include the persons referred to in clause (a) or clause (b) above, either for cash or for consideration other than cash, subject to applicable provisions of the Act and Rules thereunder.</p> <p>The notice referred to in sub-clause (i) of sub-Article (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing Members at least 3 (three) days before the opening of the issue.</p> <p>The provisions contained in this Article shall be subject to the provisions of the section 42 and section 62 of the Act, the rules thereunder and other applicable provisions of the Act.</p> <p>Notwithstanding anything contained in sub-clause (i) thereof, the further Shares aforesaid may be offered to any persons, if it is authorised by a special resolution, (whether or not those persons include the persons referred to in clause (a) of sub-clause (i) hereof) in any manner either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the compliance with the applicable provisions of Chapter III and any other conditions as may be prescribed in the Act and the rules made thereunder.</p> <p>The notice referred to in above sub-clause hereof shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least 3 (three) days before the opening of the issue.</p> <p>Nothing in sub-clause above hereof shall be deemed:</p> <p>(a) To extend the time within the offer should be accepted; or</p> <p>(b) To authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the</p> | |
|--|---|--|

| | | |
|---------|---|--|
| | remuneration was first made has declined to take the Shares comprised in the renunciation. | |
| (2) | Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the Company to convert such debenture or loans into shares in the Company. Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debenture or the raising of loan by a special resolution passed by the Company in general meeting. | |
| (3) | A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules. The provisions contained in this Article shall be subject to the provisions of the section 42 and section 62 of the Act and other applicable provisions of the Act and rules framed thereunder. | Mode of further issue of shares |
| | Subject to the provisions of the Act, the Company shall have the power to make compromise or make arrangements with creditors and members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other applicable laws. | Power to make compromise or arrangement |
| 15. (1) | The Company shall have a first and paramount Lien – (a) on every share (not being a fully paid share) and upon the proceeds of sale thereof for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and (b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company: Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article. Provided further that Company's lien, if any, on such partly paid shares, shall be restricted to money called or payable at a fixed price in respect of such shares. | Company's lien on shares |
| (2) | The Company's Lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company. However, a member shall exercise any voting rights in respect of the shares in regard to which the Company has exercised the right of Lien. | Lien to extend to dividends, etc. |
| (3) | Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's Lien. | Waiver of Lien in case of registration |
| 16. | The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a Lien: Provided that no sale shall be made— (a) unless a sum in respect of which the Lien exists is presently payable; or (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the Lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise. | As to enforcing Lien by sale |

| | | |
|------------------------|---|--|
| 17. (1) | To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof | Validity of sale |
| (2) | The purchaser shall be registered as the holder of the shares comprised in any such transfer. | Purchaser to be registered holder |
| (3) | The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share. | Validity of Company's receipt |
| (4) | The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale | Purchaser not affected |
| 18. (1) | The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the Lien exists as is presently payable. | Application of proceeds of sale |
| (2) | The residue, if any, shall, subject to a like Lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale. | Payment of residual money |
| 19. | The provisions of these Articles relating to Lien shall mutatis mutandis apply to any other securities including debentures of the Company. | Provisions as to Lien to apply mutatis mutandis to debentures, etc. |
| Calls on shares | | |
| 20. (1) | The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call. | Board may make Calls |
| (2) | Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares. | Notice of call |
| (3) | A call may be revoked or postponed at the discretion of the Board | Revocation or postponement of call |
| 21. | A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments. | Call to take effect from date of resolution |
| 22. | The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. | Liability of joint holders of shares |
| 23. (1) | If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board. | When interest on call or instalment payable |
| (2) | The Board shall be at liberty to waive payment of any such interest wholly or in part. | Board may waive interest |
| 24. (1) | Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. | Sums deemed to be calls |
| (2) | In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. | Effect of nonpayment of sums |

| | | |
|-----|---|---|
| (3) | On the trial or hearing of any action or suit brought by the Company against any member or his representative for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the member, in respect of whose Shares the money is sought to be recovered, appears or is entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered, is alleged to have become due on the Shares in respect of which money is sought to be recovered, and that the resolution making the call is duly recorded in the minute book, and that notice, of which call, was duly given to the member or his representatives and used in pursuance of these Articles, and it shall not be necessary to prove the appointment of the Directors who made such call, and not that a quorum of Directors was present at the meeting of the Board at which any call was made, and nor that the meeting, at which any call was made, has duly been convened or constituted nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt. | Suit by company for recovery of money against any member |
| (4) | Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided. | Enforcing forfeiture of shares by Company |
| 25. | <p>The Board –</p> <p>(a) may, if it thinks fit, subject to the provisions of the Act, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and</p> <p>(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.</p> <p>The Directors may at any time repay the amount so advanced.</p> | Payment in anticipation of calls may carry interest |
| 26. | If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder. | Installments on shares to be duly paid |
| 27. | <p>All calls shall be made on a uniform basis on all shares falling under the same class.</p> <p>Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.</p> | Calls on shares of same class to be on uniform basis |
| 28. | The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company. | Provisions as to calls to apply mutatis mutandis to debentures, etc. |
| 29. | Dematerialization | |

| | | |
|--|--|---|
| | <p>Notwithstanding anything contained in the Articles, the Company shall be entitled to dematerialise its shares, debentures and other securities and offer such shares, debentures and other securities in a dematerialised form pursuant to the Depositories Act 1996.</p> <p>Notwithstanding anything contained in the Articles, and subject to the provisions of the law for the time being in force, the Company shall on a request made by a beneficial owner, re-materialise the shares, which are in dematerialised form.</p> <p>Every Person subscribing to the shares offered by the Company shall have the option to receive share certificates or to hold the shares with a Depository. Where Person opts to hold any share with the Depository, the Company shall intimate such Depository of details of allotment of the shares to enable the Depository to enter in its records the name of such Person as the beneficial owner of such shares. Such a Person who is the beneficial owner of the shares can at any time opt out of a Depository, if permitted by the law, in respect of any shares in the manner provided by the Depositories Act 1996 and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of shares. In the case of transfer of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act 1996 shall apply.</p> <p>If a Person opts to hold his shares with a Depository, the Company shall intimate such Depository the details of allotment of the shares, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the shares.</p> <p>All shares held by a Depository shall be dematerialised and shall be in a fungible form.</p> <p>(a) Notwithstanding anything to the contrary contained in the Act or the Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of shares on behalf of the beneficial owner.</p> <p>(b) Save as otherwise provided in (a) above, the Depository as the registered owner of the shares shall not have any voting rights or any other rights in respect of shares held by it.</p> <p>Every person holding shares of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be the owner of such shares and shall also be deemed to be a shareholder of the Company. The beneficial owner of the shares shall be entitled to all the liabilities in respect of his shares which are held by a Depository. The Company shall be further entitled to maintain a register of members with the details of members holding shares both in material and dematerialised form in any medium as permitted by law including any form of electronic medium.</p> <p>Notwithstanding anything in the Act or the Articles to the contrary, where shares are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of disks, drives or any other mode as prescribed by law from time to time.</p> <p>Nothing contained in the Act or the Articles regarding the necessity to have distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.</p> | <p>Dematerialization Of Securities</p> |
|--|--|---|

| Transfer of shares | | |
|---------------------------|--|---|
| 30. (1) | <p>A common form of transfer shall be used and the instrument of transfer of any share in the Company shall be in writing which shall be duly executed by or on behalf of both the transferor and transferee and shall be duly stamped and delivered to the Company within the prescribed period and all provisions of section 56 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.</p> <p>Every instrument of transfer shall be in writing and all provisions of the Act, the rules and applicable laws shall be duly complied with. The instrument shall also be duly stamped, under the relevant provisions of the Law, for the time being, in force, and shall be signed by or on behalf of the transferor and the transferee, and in the case of Share held by two or more holders or to be transferred to the joint names of two or more transferees by all such joint holders or by all such joint transferees, as the case may be.</p> | Instrument of transfer to be executed by transferor and transferee |
| (2) | <p>The Company shall keep the "Register of Transfers" and therein shall fairly and distinctly enter particulars of every transfer or transmission of any Share.</p> <p>The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.</p> | Register of transfer |
| 31. | <p>The Board may, subject to the right of appeal conferred by the section 58 of the Act decline to register –</p> <p>(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</p> <p>(b) any transfer of shares on which the Company has a Lien.</p> <p>The registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.</p> | Board may refuse to register transfer |
| 32. | <p>The Board may decline to recognize any instrument of transfer unless-</p> <p>(a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under sub-section (1) of section 56 of the Act;</p> <p>(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and</p> <p>(c) the instrument of transfer is in respect of only one class of shares.</p> <p>The registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.</p> | Board may decline to recognize instrument of transfer |
| 33. | <p>On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:</p> <p>Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty five days in the aggregate in any year.</p> | Transfer of shares when suspended |

| | | |
|-------------------------------|--|--|
| 33A | Subject to the provisions of sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Applicable Laws for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or any other Applicable Laws to register the transfer of, or the transmission by operation of Applicable Laws of the right to, any shares or interest of a member in or debentures of the Company. The Company shall within one (1) month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, or such other period as may be prescribed, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that, subject to provisions of Article 32, the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever. Transfer of shares/debentures in whatever lot shall not be refused. | Notice of refusal to register transfer |
| 34. | The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company. | Provisions as to transfer of shares to apply mutatis mutandis to debentures, etc. |
| 35. | An application for the registration of a transfer of Shares in the Company may be made either by the transferor or the transferee. Where such application is made by a transferor and relates to partly paid Shares, the Company shall give notice of the application to the transferee. The transferee may, within two weeks from the date of the receipt of the notice and not later, object to the proposed transfer. The notice to the transferee shall be deemed to have been duly given, if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered at the time when it would have been delivered in the ordinary course of post. | Application for registration of transfer of shares |
| Transmission of shares | | |
| 36. (1) | On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares. | Title to shares on death of a member |
| (2) | Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons. | Estate of deceased member liable |
| (3) | Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either – (a) to be registered himself as holder of the share; or (b) to make such transfer of the share as the deceased or insolvent member could have made. | Transmission Clause |
| (4) | The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency. | Board's right unaffected |

| | | |
|--------------------------------------|--|--|
| 37. (1) | If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. | Right to election of holder of share |
| (2) | If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share. | Manner of testifying election |
| (3) | All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member. | Limitations applicable to notice |
| 38. | <p>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p> | Claimant to be entitled to same advantage |
| 39. | The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company | Provisions as to transmission to apply mutatis mutandis to debentures, etc. |
| 39A | No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document | No fee for transfer or transmission |
| Nomination by security holder | | |
| | <p>(i) Every holder of Securities in the Company may, at any time, nominate, in the prescribed manner, a person to whom his Securities in the Company, shall vest in the event of his death.</p> <p>(ii) Where the Securities in the Company are held by more than one person jointly, the joint-holders may together nominate, in the prescribed manner, a person to whom all the rights in the Securities in the Company shall vest in the event of death of all joint holders.</p> <p>(iii) Notwithstanding anything contained in these Articles or any other law, for the time being, in force, or in any disposition, whether testamentary or otherwise, in respect of such Securities in the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the Securities in the Company, the nominee shall, on the death of the Shareholders of the Company or, as the case may be, on the death of the joint holders, become entitled to all the rights in the Securities of the Company or, as the case may be, all the joint holders, in relation to such securities in the Company, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.</p> <p>(iv) In the case of fully paid up Securities in the Company, where the nominee is a minor, it shall be lawful for the holder of the Securities, to make the nomination to appoint in the prescribed manner any person, being a guardian, to become entitled to Securities in the Company, in the event of his death, during the minority.</p> | Manner of nomination by security holder |

| | | |
|-----------------------------|---|--|
| | <p>(i) Any person who becomes a nominee by virtue of the provisions of the preceding Article, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either –</p> <p>(a) to be registered himself as holder of the Share(s); or</p> <p>(b) to make such transfer of the Share(s) as the deceased Shareholder could have made.</p> <p>(ii) If the person being a nominee, so becoming entitled, elects to be registered as holder of the Share(s), himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects, and such notice shall be accompanied with the death certificate of the deceased shareholder.</p> <p>(iii) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfers of Securities shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer has been signed by that Shareholder.</p> <p>(iv) A person, being a nominee, becoming entitled to a Share by reason of the death of the holder, shall be entitled to the same dividends and other advantages which he would be entitled if he were the registered holder of the Share except that he shall not, before being registered a member in respect of his Share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share(s) and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share(s) or until the requirements of the notice have been complied with.</p> | |
| Forfeiture of shares | | |
| 40. | If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment. | If call or instalment not paid notice must be given |
| 41. | <p>The notice aforesaid shall:</p> <p>(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and</p> <p>(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.</p> | Form of Notice |
| 42. | If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Subject to the provisions of the Act, such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture. | In default of payment of shares to be forfeited |

| | | |
|---------|--|--|
| 43. | When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members. But no forfeiture shall be, in any manner, invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid. | Entry of forfeiture in register of members |
| 44. | The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share. | Effect of forfeiture |
| 45. (1) | A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit. | Forfeited shares may be sold, etc. |
| (2) | At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit. | Cancellation of forfeiture |
| 46. (1) | A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. | Members still liable to pay money owing at the time of forfeiture |
| (2) | The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares. | Cesser of liability |
| 47. (1) | A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share; | Certificate of forfeiture |
| (2) | The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of | Title of purchaser and transferee of forfeited shares |
| (3) | The transferee shall thereupon be registered as the holder of the share; and | Transferee to be registered as holder |
| (4) | The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share | Transferee not affected |
| 48. | Upon any sale after forfeiture or for enforcing a Lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person. | Validity of sales |
| 49. | Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto. | Cancellation of share certificate in respect of forfeited shares |
| 50. | The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit. | Surrender of share certificates |

| | | |
|------------------------------|---|--|
| 51. | The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified. | Sums deemed to be calls |
| 52. | The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company. | Provisions as to forfeiture of shares to apply mutatis mutandis to debentures, etc. |
| Alteration of capital | | |
| 53. | <p>Subject to the provisions of the Act, the Company may, by ordinary resolution -</p> <p>(a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;</p> <p>(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares:</p> <p>Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;</p> <p>(c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</p> <p>(d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum;</p> <p>(e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.</p> | Power to alter share capital |
| 54. | <p>Where shares are converted into stock:</p> <p>(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;</p> <p>(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends, voting and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;</p> <p>(c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/ "member" shall include "stock" and "stock-holder" respectively.</p> <p>The Company, by resolution in general meeting, may convert any paid-up Shares into stock, or may, at any time, reconvert any stock into paid up Shares of any denomination.</p> | Right of stockholders |

| | | |
|------|---|--|
| | <p>The notice of such conversion of Shares into stock or reconversion of stock into Shares shall be filed with the Registrar of Companies as provided in the Act.</p> | |
| 54 A | <p>Share warrants-</p> <p>The Company may issue Share warrants in the manner provided by the said Act and accordingly the Directors may, in their discretion, with respect to any fully paid up Share or stock, on application, in writing, signed by the person or all persons registered as holder or holders of the Share or stock, and authenticated by such evidence, if any, as the Directors may, from time to time, require as to the identity of the person or persons signing the application, and on receiving the certificate, if any, of the Share or stock and the amount of the stamp duty on the warrant and such fee as the Directors may, from time to time, prescribe, issue, under the Seal of the Company, a warrant, duly stamped, stating that the bearer of the warrant is entitled to the Shares or stock therein specified, and may provide by coupons or otherwise for the payment of future dividends, or other moneys, on the Shares or stock included in the warrant. On the issue of a Share warrant the names of the persons then entered in the Register of Members as the holder of the Shares or stock specified in the warrant shall be struck off the Register of</p> <p>Members and the following particulars shall be entered therein.</p> <p>(i) fact of the issue of the warrant.</p> <p>(ii) a statement of the Shares or stock included in the warrant distinguishing each Share by its number, and</p> <p>(iii) the date of the issue of the warrant.</p> <p>A Share warrant shall entitle the bearer to the Shares or stock included in it, and, notwithstanding anything contained in these articles, the Shares or stock shall be transferred by the delivery of the Share-warrant, and the provisions of the regulations of the Company with respect to transfer and transmission of Shares shall not apply thereto.</p> <p>The bearer of a Share-warrant shall, on surrender of the warrant to the Company for cancellation, and on payment of such fees, as the Directors may, from time to time, prescribe, be entitled, subject to the discretion of the Directors, to have his name entered as a member in the Register of Members in respect of the Shares or stock included in the warrant.</p> <p>The bearer of a Share-warrant shall not be considered to be a member of the Company and accordingly save as herein otherwise expressly provided, no person shall, as the bearer of Share-warrant, sign a requisition for calling a meeting of the Company, or attend or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company of meetings or otherwise, or qualified in respect of the Shares or stock specified in the warrant for being a director of the Company, or have or exercise any other rights of a member of the Company. The Directors may, from time to time, make rules as to the terms on which,</p> | <p>Issue of share warrants and rights of holder of share warrants</p> |

| | | |
|----------------------------------|--|--|
| | if they shall think fit, a new Share warrant or coupon may be issued by way of renewal in case of defacement, loss, or destruction. | |
| 55. | The Company may, by special resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, — (a) its share capital; and/or (b) any capital redemption reserve account; and/or (c) any securities premium account; and/or (d) any other reserve in the nature of share capital. | Reduction of capital |
| 56. | Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles: | Joint holders |
| | (a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share. | Liability of Joint holders |
| | (b) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Board may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person. | Death of one or more joint-holders |
| | (c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share. | Receipt of one Sufficient |
| | (d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders. | Delivery of certificate and giving of notice to first named holder |
| | (e) (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof. | Vote of joint holders |
| | (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders. | Executors or administrators as joint holders |
| | (f) The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names. | Provisions as to joint holders as to shares to apply mutatis mutandis to debentures, etc. |
| Capitalization of profits | | |
| 57. (1) | The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve — (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and | Capitalization |

| | | |
|---------|--|---|
| | (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. | |
| (2) | <p>The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards:</p> <p>(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(B) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;</p> <p>(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B).</p> | Sum how applied |
| (3) | Subject to the provisions of the act, securities premium account , a capital redemption reserve account or free reserves , for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares; | Source of issue of bonus issue |
| (4) | The Board shall give effect to the resolution passed by the Company in pursuance of these Article. | Articles to be considered at the time of passing of Resolution |
| 58. (1) | <p>Whenever such a resolution as aforesaid shall have been passed, the Board shall –</p> <p>(a) make all appropriations and applications of the amounts resolved to be capitalized thereby, and all allotments and issues of fully paid shares or other securities, if any; and</p> <p>(b) generally do all acts and things required to give effect thereto.</p> | Powers of the Board for capitalization |
| (2) | <p>The Board shall have power—</p> <p>(a) to make such provisions, by the issue of fractional certificates/coupons and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of value less than Rs.10/- (Rupees Ten Only) may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalised funds, as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act and the Board may appoint any person to sign such contract, on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective. or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and</p> <p>(b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be</p> | Board's power to issue fractional certificate/ coupon etc. |

| | | |
|---------------------------|---|--|
| | capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares. | |
| (3) | Any agreement made under such authority shall be effective and binding on such members. | Agreement binding on members |
| (4) | A general meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company, not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital. | Surplus money to be distributed to the members |
| Buy-back of shares | | |
| 59. | <p>Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other Applicable Laws for the time being in force, the Company may purchase its own shares or other specified securities.</p> <p>The Company may purchase its own Shares or other specified securities out of free reserves, the securities premium account or the proceeds of issue of any Share or specified securities.</p> <p>Subject to the provisions contained in sections 68 to 70 and all applicable provisions of the Act and subject to such approvals, permissions, consents and sanctions from the concerned authorities and departments, including the SEBI, Registrar and the Reserve Bank of India, if any, the Company may, by passing a special resolution at a general meeting, purchase its own Shares or other specified securities from its existing Shareholders on a proportionate basis and/or from the open market and/or from the lots smaller than market lots of the securities (odd lots), and/or the securities issued to the employees of the Company pursuant to a scheme of stock options or sweat Equity, from out of its free reserves or out of the securities premium account of the Company or out of the proceeds of any issue made by the Company specifically for the purpose, on such terms, conditions and in such manner as may be prescribed by law from time to time; provided that the aggregate of the securities so bought back shall not exceed such number as may be prescribed under the Act or Rules made from time to time.</p> | Buy-back of shares |
| General meetings | | |
| 60. | All general meetings other than annual general meeting shall be called extraordinary general meeting. | Extraordinary general meeting |
| 61. | The Board may, whenever it thinks fit, call an extraordinary general meeting. | Powers of Board to call extraordinary general meeting |
| 61A | <p>The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting and it shall do so upon a requisition, in writing, by any member or members holding, in aggregate not less than one-tenth or such other proportion or value, as may be prescribed, from time to time, under the Act, of such of the paid-up capital as at that date carries the right of voting in regard to the matter, in respect of which the requisition has been made.</p> <p>Any valid requisition so made by the members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the office, provided that such requisition may consist of several documents, in like form, each of which has been signed by one or more requisitionists.</p> <p>Upon receipt of any such requisition, the Board shall forthwith call an Extra-ordinary General Meeting and if they do not proceed within 21</p> | Calling of Extra-ordinary General Meeting |

| | | |
|--|--|---|
| | <p>(Twenty-one) days or such other lessor period, as may be prescribed, from time to time, under the Act, from the date of the requisition, being deposited at the office, to cause a meeting to be called on a day not later than 45 (Forty-five) days or such other lessor period, as may be prescribed, from time to time, under the Act, from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid up Share capital held by all of them or not less than one-tenth of such of the paid up Share Capital of the Company as is referred to in Section 100(4) of the Act, whichever is less, may themselves call the meeting, but, in either case, any meeting so called shall be held within 3 (Three) months or such other period, as may be prescribed, from time to time, under the Act, from the date of the delivery of the requisition as aforesaid.</p> <p>Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible as that in which such meetings are to be called by the Board.</p> | |
| Proceedings at general meetings | | |
| 62. | No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. | Presence of Quorum |
| 63. | No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant. | Business confined to election of Chairperson whilst chair vacant |
| 63 (A) | Not more than 15 (Fifteen) months or such other period, as may be prescribed, from time to time, under the Act, shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of the Act to extend time within which any Annual General Meeting may be held. | Gap between two Annual General Meetings |
| 63 (B) | Every Annual General Meeting shall be called for a time during business hours i.e., between 9 a.m. and 6 p.m., on a day that is not a National Holiday, and shall be held at the Office of the Company or at some other place within the city, in which the Office of the Company is situated, as the Board may think fit and determine and the notices calling the Meeting shall specify it as the Annual General Meeting. | Time for Annual General Meeting |
| | <p>At least 21 (Twenty-one) days' notice, of every general meeting, Annual or Extra-ordinary, and by whomsoever called, specifying the day, date, place and hour of meeting, and the general nature of the business to be transacted there at, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company, provided that in the case of an General Meeting, with the consent of members holding not less than 95 per cent of such part of the paid up Share Capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting of the Shareholders of the Company, if any business other than</p> <p>(i) the consideration of the Accounts, Balance Sheet and Reports of the Board and the Auditors thereon</p> <p>(ii) the declaration of dividend,</p> <p>(iii) appointment of directors in place of those retiring,</p> <p>(iv) the appointment of, and fixing the remuneration of, the Auditors,</p> | Dispatch of documents before Annual General Meeting |

| | | |
|---------|--|---|
| | <p>is to be transacted, and in the case of any other meeting, in respect of any item of business, a statement setting out all material facts concerning each such item of business, including, in particular, the nature and extent of the interest, if any, therein of every director and manager, if any, where any such item of special business relates to, or affects any other company, the extent of shareholding interest in that other company or every director and manager, if any, of the Company shall also be set out in the statement if the extent of such Share-holding interest is not less than such percent, as may be prescribed, from time to time, under the Act, of the paid-up Share Capital of that other Company.</p> <p>Where any item of business consists of the according of approval of the members to any document at the meeting, the time and place, where such document can be inspected, shall be specified in the statement aforesaid.</p> <p>The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt thereof shall not invalidate any resolution passed at any such meeting.</p> <p>No general meeting, whether Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.</p> | |
| 64. | The quorum for a general meeting shall be as provided in the Act. | Quorum for general meeting |
| 65. | If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting. | Members to elect a Chairperson |
| 66. | On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote. | Casting vote of Chairperson at general meeting |
| 67. (1) | The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered. | Minutes of proceedings and resolutions passed by postal ballot |
| (2) | <p>There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting –</p> <p>(a) is, or could reasonably be regarded, as defamatory of any person; or</p> <p>(b) is irrelevant or immaterial to the proceedings; or</p> <p>(c) is detrimental to the interests of the Company.</p> | Certain matters not to be included in Minutes |
| (3) | The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause. | Discretion of Chairperson in relation to Minutes |
| (4) | The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein. | Minutes to be Evidence |
| 68. (1) | <p>The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:</p> <p>(a) be kept at the registered office of the Company; and</p> | Inspection of minute books of general meeting |

| | | |
|-------------------------------|--|---|
| | (b) be open to inspection of any member without charge, during business hours on all working days. | |
| (2) | A body corporate, being a member, shall be deemed to be personally present, if it is represented in accordance with and in the manner as may be prescribed by, the applicable provisions of the Act. | When body corporate is member of the company |
| (3) | Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above. | Members may obtain copy of minutes |
| Adjournment of meeting | | |
| 69. (1) | The Chairman, with the consent of the meeting, may adjourn any meeting, from time to time, and from place to place, in the city or town, in which the office of the Company is situated | Chairperson may adjourn the meeting |
| (2) | No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. | Business at adjourned meeting |
| (3) | If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, then the meeting, if convened by or upon the requisition of members, shall stand dissolved, but in any other case, it shall stand adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called adjourned to such time on the following day or such other day and to such place, as the Board may determine, and, if no such time and place be determined, to the same day in the next week, at the same time and place in the city or town in which the office of the Company is, for the time being, situate, as the Board may determine, and, if at such | Adjournment in case quorum is not present |
| (4) | When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. | Notice of adjourned meeting |
| (5) | Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. | Notice of adjourned meeting not required |
| Voting rights | | |
| 70. | Subject to any rights or restrictions for the time being attached to any class or classes of shares - (a) on a show of hands, every member present in person shall have one vote; and (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up Equity Share capital of the company. (c) every member, not disqualified by these articles shall be entitled to be present, speak and vote at such meeting, and, on a show of hands, every member, present in person (d) Provided, however, if any preference Shareholder be present at any meeting of the Company, subject to the provision of section 47, he shall have a right to vote only on resolutions, placed before the meeting, which directly affect the rights attached to his Preference Shares. | Entitlement to vote on show of hands and on poll |
| 71. | A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once. (The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the SEBI Listing Regulations or any other Law, if applicable to the Company | Voting through electronic means |

| | | |
|---------|--|---|
| 72. (1) | <p>In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.</p> <p>The proxy so appointed shall not have any right to speak at the meeting.</p> <p>Several executors or administrators of a deceased member in whose name Shares stand shall, for the purpose of these Articles, be deemed joint holders thereof.</p> | Vote of joint holders, proxy |
| (2) | <p>For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p> <p>Such person shall alone be entitled to speak and to vote in respect of such Shares, but the other of the joint holders shall be entitled to be present at the meeting.</p> | Seniority of names |
| 73. | <p>A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.</p> | How members non compos mentis and minor may vote |
| 74. | <p>Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.</p> <p>At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is demanded, before or on the declaration of the result of the show of hands, by any member or members present in person or by proxy and holding Shares in the Company, which confer a power to vote on the resolution not being less than one-tenth or such other proportion as may statutorily be prescribed, from time to time, under the Act, of the total voting power, in respect of the resolution or on which an aggregate sum of not less than Rs. 500,000/- or such other sum as may statutorily be prescribed, from time to time, under the Act, has been paid up, and unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried unanimously or by a particular majority, or has been lost and an entry to that effect in the minutes book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.</p> <p>If a poll is demanded as aforesaid, the same shall subject to the clause herein with respect to the election of chairman and question of adjournment of meeting hereunder, be taken at such place as may be decided by the Board, at such time not later than 48 (Forty-eight) hours from the time when the demand was made and place in the city or town in which the office of the Company is, for the time being, situated, and, either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the persons, who made the demand.</p> <p>Where a poll is to be taken, the Chairman of the meeting shall appoint one or, at his discretion, two scrutinisers, who may or may not be members of the Company to scrutinise the votes given on the poll and to report thereon to him, subject to that one of the scrutinisers so appointed shall always be a member, not being an officer or employee of the Company, present at the meeting, provided that such a member is available and willing to be appointed. The Chairman shall have power, at any time, before the result of the poll is declared, to remove</p> | Voting by poll |

| | | |
|--------------|--|---|
| | <p>a scrutiner from office and fill the vacancy so caused in the office of a scrutiner arising from such removal or from any other cause.</p> <p>Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment of the meeting shall be taken forthwith at the same meeting.</p> <p>The demand for a poll, except on questions of the election of the Chairman and of an adjournment thereof, shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.</p> <p>On a poll taken at a meeting of the Company, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes, he uses</p> <p>No objections shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote, whether given personally or by proxy, or not disallowed at such meeting or on a poll, shall be deemed as valid for all purposes of such meeting or a poll whatsoever.</p> | |
| 75. | No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of Lien. | Restriction on voting rights |
| 76. | A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article. | Restriction on exercise of voting rights in other cases to be void |
| 77. | Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class. | Equal rights of members |
| Proxy | | |
| 78. (1) | Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting. | Member may vote in person or otherwise |
| | A member, present by proxy, shall be entitled to vote only on a poll. | |
| (2) | <p>The instrument appointing a proxy and the power-of attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.</p> <p>No instrument appointing a proxy shall be a valid after the expiration of 12 (Twelve) months or such other period as may be prescribed under the Laws, for the time being, in force, or if there shall be no law, then as may be decided by the Directors, from the date of its execution.</p> | Proxies when to be deposited |
| 79. | <p>An instrument of Proxy may state the appointment of a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting of the Company or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting. An instrument appointing a proxy shall be in the form as prescribed in the Rules.</p> <p>Every Instrument of proxy, whether for a specified meeting or otherwise, shall, as nearly as circumstances thereto will admit, be in any of the forms as may be prescribed from time to time</p> | Form of proxy |

| | | |
|---------------------------|--|---|
| 80. | <p>A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:</p> <p>Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.</p> | Proxy to be valid notwithstanding death of the principal |
| 80 (A) | <p>Every proxy, whether a member or not, shall be appointed, in writing, under the hand of the appointer or his attorney, or if such appointer is a body corporate under the common seal of such corporate, or be signed by an officer or officers or any attorney duly authorised by it or them, and, for a member of unsound mind or in respect of whom an order has been made by a court having jurisdiction in lunacy, any committee or guardian may appoint such proxy.</p> | Manner of appointment of proxy |
| Board of Directors | | |
| 81. | <p>Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than fifteen (fifteen), provided that the Company may appoint more than fifteen directors after passing a special resolution. The Company shall have at the minimum such number of independent Directors on the Board of the Company, as may be required in terms of the provisions of applicable law. In addition, not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations.</p> <p>The Company shall have such number of Independent Directors on the Board or Committees of the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, SEBI Listing Regulations or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under the SEBI Listing Regulations.</p> | Board of Directors |
| 81A | The Directors shall not be required to hold any qualification shares in the Company. | Qualification shares |
| 82. (1) | <p>The Board of Directors shall appoint the Chairperson of the Company.</p> <p>The same individual may, at the same time, be appointed as the Chairperson as well as the Managing Director of the Company.</p> | Chairperson and Managing Director |
| (2) | <p>At every Annual General Meeting of the Company, one-third of such of the Directors, for the time being, as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from Office. The Independent, Nominee, Special and Debenture Directors Managing Directors, if any, shall not be subject to retirement under this clause and shall not be taken into account in determining the rotation of retirement or the number of directors to retire, subject to Section 152 and other applicable provisions, if any, of the Act.</p> <p>If the Managing Director ceases to hold the office of director, he shall ipso-facto and forthwith ceases to hold the office of Managing Director.</p> <p>Subject to Section 152 of the Act, the directors, liable to retire by rotation, at every annual general meeting, shall be those, who have</p> | Directors liable to retire by rotation |

| | | |
|---------|---|---|
| | <p>been longest in Office since their last appointment, but as between the persons, who became Directors on the same day, and those who are liable to retire by rotation, shall, in default of and subject to any agreement among themselves, be determined by lot.</p> <p>A retiring director shall be eligible for re-election and shall act as a director throughout the meeting at which he retires.</p> <p>Subject to Section 152 of the Act, the Company, at the general meeting at which a director retires in manner aforesaid, may fill up the vacated Office by electing a person thereto.</p> <p>If the place of retiring director is not so filled up and further the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday, till the next succeeding day, which is not a public holiday, at the same time and place.</p> <p>If at the adjourned meeting also, the place of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring director shall be deemed to have been re-appointed at the adjourned meetings, unless:-</p> <p>(a) at that meeting or at the previous meeting, resolution for the re-appointment of such director has been put to the meeting and lost;</p> <p>(b) the retiring director has, by a notice, in writing, addressed to the Company or its Board, expressed his unwillingness to be so re-appointed;</p> <p>(c) he is not qualified, or is disqualified, for appointment.</p> <p>(d) a resolution, whether special or ordinary, is required for the appointment or reappointment by virtue of any provisions of the Act; or</p> <p>(e) Section 162 of the Act is applicable to the case.</p> | |
| 83. (1) | The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. | Remuneration of Directors |
| (2) | The remuneration payable to the directors, including manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting. | Remuneration to require members' consent |
| (3) | <p>In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—</p> <p>(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or</p> <p>(b) in connection with the business of the Company.</p> <p>(c) and if any director be called upon to go or reside out of the ordinary place of his residence for the Company's business, he shall be entitled to be repaid and reimbursed of any travelling or other expenses incurred in connection with business of the Company. The Board may also permit the use of the Company's car or other vehicle, telephone(s) or any such other facility, by the director, only for the business of the Company.</p> | Travelling and other expenses |
| (4) | Subject to the provisions of these Articles and the provisions of the Act, the Board may, decide to pay a Director out of funds of the Company by way of sitting fees, within the ceiling prescribed under the Act, a sum to be determined by the Board for each meeting of the | Sitting Fees |

| | | |
|--|---|--|
| | Board or any committee or sub-committee thereof attended by him in addition to his traveling, boarding and lodging and other expenses incurred | |
| Appointment and Remuneration of Directors | | |
| 84. | <p>Subject to the provisions of section 196, 197 and read with schedule V of the Companies Act, 2013 and other provisions of the Act, the Rules, Law including the provisions of the SEBI Listing Regulations, and these Articles, the Board of Directors, may from time to time, appoint one or more of the Directors to be Managing Director or Managing Directors or other whole-time Director(s) of the Company, for a term not exceeding five years at a time and may, from time to time, (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places and the remuneration of Managing or Whole-Time Director(s) by way of salary and commission or paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, or in any other manner, as may be, from time to time, permitted under the Act or as may be thought fit and proper by the Board or, if prescribed under the Act, by the Company in general meeting. The Board shall have the power to pay remuneration to such director for his services rendered.</p> <p>Subject to the superintendence, directions and control of the Board, the Managing Director or Managing Directors shall exercise the powers, except to the extent mentioned in the matters, in respect of which resolutions are required to be passed only at the meeting of the Board, under Section 179 of the Act and the rules made thereunder</p> | Appointment |
| 85. | Subject to the provisions of the Act, the Board shall appoint Independent Directors, who shall have appropriate experience and qualifications to hold a position of this nature on the Board. | Independent Director |
| 86. (1) | Subject to the provisions of section 196, 197 and 188 read with Schedule V to the Act, the Directors shall be paid such further remuneration, whether in the form of monthly payment or by a percentage of profit or otherwise, as the Company in General meeting may, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and in such manner as the Board may, from time to time, determine and in default of such determination shall be divided among the Directors equally or if so determined paid on a monthly basis. | Remuneration |
| (2) | Subject to the provisions of these Articles, and the provisions of the Act, if any Director, being willing, shall be called upon to perform extra service or to make any special exertions in going or residing away from the place of his normal residence for any of the purposes of the Company or has given any special attendance for any business of the Company, the Company may remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Director | Payment for Extra Service |
| 87. | All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine. | Execution of negotiable instruments |
| 88. (1) | Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. | Appointment of additional directors |

| | | |
|---------|---|--|
| (2) | Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act. | Duration of office of additional director |
| 89. (1) | The Board may appoint an alternate director to act for a director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act. | Appointment of alternate director |
| (2) | An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India | Duration of office of alternate director |
| (3) | If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director. | Re-appointment provisions applicable to Original Director |
| 90. (1) | If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board. | Appointment of director to fill a casual vacancy |
| (2) | The director so appointed shall hold office only up to the date upto which the director in whose place he is appointed would have held office if it had not been vacated. | Duration of office of Director appointed to fill casual vacancy |
| (3) | <p>The office of director shall be vacated, pursuant to the provisions of section 164 and section 167 of the Companies Act, 2013. Further, the Director may resign his office by giving notice to the Company pursuant to section 168 of the Companies Act, 2013</p> <p>Subject to the provisions of Section 149 of the Act, the Company may, by special resolution, from time to time, increase or reduce the number of directors, and may alter their qualifications and the Company may, subject to the provisions of Section 169 of the Act, remove any director before the expiration of his period of Office and appoint another qualified person in his stead. The person so appointed shall hold Office during such time as the director, in whose place he is appointed, would have held, had he not been removed.</p> | Manner of vacation of office of director |
| (4) | If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any person or persons shall have power to nominate a director of the Company, then in the case of any and every such issue of Debentures, the person or persons having such power may exercise such power, from time to time, and appoint a director accordingly. Any director so appointed is hereinafter referred to as “the Debenture Director”. A Debenture Director may be removed from Office, at any time, by the person or persons in whom, for the time being, is vested the power, under which he was appointed, and another director may be appointed in his place. A Debenture Director shall not be required to hold any qualification Share(s) in the Company. | Debenture Director |

| | | |
|------------------------|--|---|
| (5) | <p>(i) No person, not being a retiring director, shall be eligible for appointment to the office of director at any general meeting unless he or some member, intending to propose him, has, not less than 14 (Fourteen) days or such other period, as may be prescribed, from time to time, under the Act, before the meeting, left at the Office of the Company, a notice, in writing, under his hand, signifying his candidature for the Office of director or an intention of such member to propose him as a candidate for that office, along with a deposit of Rupees One lakh or such other amount as may be prescribed, from time to time, under the Act, which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a director or gets more than twenty-five per cent of total valid votes cast either on show of hands or on poll on such resolution.</p> <p>(ii) Every person, other than a director retiring by rotation or otherwise or a person who has left at the Office of the Company a notice under Section 160 of the Act signifying his candidature for the Office of a director, proposed as a candidate for the Office of a director shall sign and file with the Company, the consent, in writing, to act as a director, if appointed.</p> <p>(iii) A person, other than a director re-appointed after retirement by rotation immediately on the expiry of his term of Office, or an Additional or Alternate Director, or a person filling a casual vacancy in the Office of a director under Section 161 of the Act, appointed as a director or reappointed as a director immediately on the expiry of his term of Office, shall not act as a director of the Company, unless he has, within thirty days of his appointment, signed and filed with the Registrar his consent, in writing, to act as such director.</p> | Right of Persons Other than retiring Directors to Stand for Directorship |
| (6) | <p>The Company shall keep at its Office a Register containing the particulars of its directors and key managerial personnel and their shareholding as mentioned in Section 170 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.</p> <p>Every director and Key Managerial Personnel within a period of thirty days of his appointment, or relinquishment of his office, as the case may be, disclose to the company the particulars specified in sub-section (1) of section 184 relating to his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association which are required to be included in the register under that section 189 of the Companies Act, 2013.</p> | Register of Directors and key Managerial Personnel and their Shareholding |
| (7) | <p>(iii) Subject to the provisions of the Act, a director, who is neither in the Whole-time employment nor a Managing Director, may be paid remuneration either;</p> <p>(a) by way of monthly, quarterly or annual payment with the approval of the Central Government; or</p> <p>(b) by way of commission, if the Company, by a special resolution, authorises such payment.</p> <p>(iv) The fee payable to a director, excluding a Managing or Whole time Director, if any, for attending a meeting of the Board or Committee thereof shall be such sum, as the Board may, from time to time, determine, but within and subject to the limit prescribed by the Central Government pursuant to the provisions, for the time being, under the Act.</p> | Remuneration of director who is neither in the Whole-time employment nor a Managing Director |
| Powers of Board | | |
| 91. (1) | The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the Memorandum or otherwise | General powers of the Company vested in Board |

| | | |
|-----|--|----------------------------|
| | <p>authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other Applicable Laws and of the Memorandum and these Articles and to any regulations, not being inconsistent with the Memorandum and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.</p> | |
| (2) | <p>Without prejudice to the general powers as well as those under the Act, and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles or otherwise, it is hereby declared that the Directors shall have, inter alia, the following powers, that is to say, power -</p> <p>(i) to pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company;</p> <p>(ii) to pay and charge, to the account of the Company, any commission or interest lawfully payable thereon under the provision of the Act;</p> <p>(iii) subject to the provisions of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges, which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and being in the interests of the Company, and in any such purchase or other acquisition to accept such title or to obtain such right as the directors may believe or may be advised to be reasonably satisfactory;</p> <p>(iv) at their discretion and subject to the provisions of the Act, to pay for any property, right or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in Shares, Bonds, Debentures, mortgages, or other securities of the Company, and any such Shares may be issued either as fully paid up, with such amount credited as paid up thereon, as may be agreed upon, and any such bonds, Debentures, mortgages or other securities may either be specifically charged upon all or any part of the properties of the Company and its uncalled capital or not so charged;</p> <p>(v) to secure the fulfilment of any contracts or engagement entered into by the Company or, in the interests or for the purposes of this Company, by, with or against any other Company, firm or person, by mortgage or charge of all or any of the properties of the Company and its uncalled capital, for the time being, or in such manner and to such extent as they may think fit;</p> <p>(vi) to accept from any member, as far as may be permissible by law, a surrender of his Shares or any part thereof, whether under buy-back or otherwise, on such terms and conditions as shall be agreed mutually, and as may be permitted, from time to time, under the Act or any other Law or the Regulations, for the time being, in force,</p> <p>(vii) to appoint any person to accept and hold in trust, for the Company, any property belonging to the Company, in which it is interested, or for any other purposes, and execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;</p> | Powers of the Board |

| | | |
|--|--|--|
| | <p>(viii) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts, due and of any differences to arbitration and observe and perform any awards made thereon;</p> <p>(ix) to act on behalf of the Company in all matters relating to bankruptcy and insolvents;</p> <p>(x) to make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company;</p> <p>(xi) subject to the applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security, not being Shares of this Company, or without security and in such manner, as they may think fit, and from time to time, to vary or realise such investments, save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name;</p> <p>(xii) to execute, in the name and on behalf of the Company, in favour of any director or other person, who may incur or be about to incur any personal liability whether as principal or surety, for the benefit or purposes of the Company, such mortgages of the Company's property, present and future, as they may think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon;</p> <p>(xiii) to determine from time to time, who shall be entitled to sign, on behalf of the Company, bills, invoices, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and or any other document or documents and to give the necessary authority for such purpose, and further to operate the banking or any other kinds of accounts, maintained in the name of and for the business of the Company;</p> <p>(xiv) to distribute, by way of bonus, incentive or otherwise, amongst the employees of the Company, a Share or Shares in the profits of the Company, and to give to any staff, officer or others employed by the Company a commission on the profits of any particular business or transaction, and to charge any such bonus, incentive or commission paid by the Company as a part of the operational expenditure of the Company;</p> <p>(xv) to provide for the welfare of directors or ex-directors, Shareholders, for the time being, or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses or dwellings, or grants of moneys, whether as a gift or otherwise, pension, gratuities, allowances, bonus, loyalty bonuses or other payments, also whether by way of monetary payments or otherwise, or by creating and from time to time, subscribing or contributing to provident and other association, institutions, funds or trusts and by providing or subscribing or contributing towards places of worship, instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance, as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects, which shall have any moral or</p> | |
|--|--|--|

| | | |
|--|---|--|
| | <p>other claim to support or aid by the Company, either by reason of locality or place of operations, or of public and general utility or otherwise;</p> <p>(xvi) before recommending any dividend, to set aside out of the profits of the Company such sums, as the Board may think proper, for depreciation or to a Depreciation Fund, or to an Insurance Fund, a Reserve Fund, Capital Redemption Fund, Dividend Equalisation Fund, Sinking Fund or any Special Fund to meet contingencies or to repay debentures or debenture-stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes, including the purposes referred to in the preceding clause, as the Board may, in their absolute discretion, think conducive to the interests of the Company and, subject to the provisions of the Act, to invest the several sums so set aside or so much thereof, as required to be invested, upon such investments, other than shares of the Company, as they may think fit, and from time to time, to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes, as the Board, in their absolute discretion, think conducive to the interests of the Company, notwithstanding, that the matter, to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended, and to divide the Reserve Fund into such special funds, as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or divisions of a Reserve Fund and with full powers to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase of or repayment of debentures or debenture stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, subject to the provisions of the applicable laws, for the time being, in force.</p> <p>(xvii) to appoint and at their discretion, remove or suspend such general managers, secretaries, assistants, supervisors, clerks, agents and servants or other employees, in or for permanent, temporary or special services, as they may, from time to time, think fit, and to determine their powers and duties and to fix their salaries, emoluments or remuneration of such amount, as they may think fit.</p> <p>(xviii) to comply with the requirements of any local laws, Rules or Regulations, which, in their opinion, it shall, in the interests of the Company, be necessary or expedient to comply with.</p> <p>(xix) at any time, and from time to time, by power of attorney, under the Seal of the Company, to appoint any person or persons to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions, not exceeding those vested in or exercisable by the Board under these presents and excluding the powers to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys, and for such period and subject to such conditions as the Board may, from time to time, think fit, and any such appointment may, if the Board thinks fit, be made in favour of the members or in favour of any Company, or the Share-holders, directors, nominees, or managers of any Company or firm or otherwise in favour of any fluctuating body</p> | |
|--|---|--|

| | | |
|---------------------------------|--|--|
| | <p>of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such powers for the protection of convenience of person dealing with such Attorneys, as the Board may think fit, and may contain powers enabling any such delegates all or any of the powers, authorities and discretions, for the time being, vested in them;</p> <p>(xx) Subject to the provisions of the Act, for or in relation to any of the matters, aforesaid or otherwise, for the purposes of the Company, to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company, as they may consider expedient;</p> <p>(xxi) from time to time, make, vary and repeal bylaws for the regulation of the business of the Company, its Officers and Servants.</p> | |
| Proceedings of the Board | | |
| 92. (1) | <p>The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>Provided, that the Board of Directors shall hold meetings at least once in every three months and at least four times every calendar year in such a manner that not more than one hundred and twenty days (120) days shall intervene between two consecutive meetings of the Board.</p> | When meeting to be convened |
| (2) | The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board. | Who may summon Board meeting |
| (3) | <p>The quorum for a Board meeting shall be as provided in the Act.</p> <p>Provided that where, at any time, the number of interested directors exceeds or is equal to two-thirds of the total strength the number of the remaining directors, that is to say, the number of directors who are not interested, present at the meeting, being not less than two, shall be the quorum, during such time.</p> <p>If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned for 30 minutes in the same day and at same place.</p> <p>A meeting of the Board, at which a quorum is present, shall be competent to exercise all or any of the authorities, powers and discretions, which, by or under the Act or the Articles of the Company, are, for the time being, vested in or exercisable by the Board generally.</p> | Quorum for Board meetings |
| (4) | The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, which are capable of recording and recognising the participation of the directors and of recording and storing the proceedings of such meetings along with date and time subject to the rules as may be prescribed. | Participation at Board meetings |
| (5) | At least 7 (seven) Days' written notice shall be given in writing to every Director by hand delivery or by speed-post or by registered post or by facsimile or by email or by any other electronic means, either (i) in writing, or (ii) by fax, e-mail or other approved electronic communication, receipt of which shall be confirmed in writing as soon as is reasonably practicable, to each Director, setting out the agenda for the meeting in reasonable detail and attaching the relevant papers to be discussed at the meeting and all available data and information relating to matters to be discussed at the meeting except as otherwise agreed in writing by all the Directors. | Notice of Board meetings |

| | | |
|---------|--|---|
| | Subject to the provisions of section 173(3) meeting may be called at shorter notice. | |
| 93. (1) | Subject to the restrictive provisions of any agreement or understanding as entered into by the Company with any other person(s) such as the collaborators, financial institutions, etc. and save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. | Questions at Board meeting how decided |
| (2) | In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote. | Casting vote of Chairperson at Board meeting |
| 94. | The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose. | Directors not to act when number falls below minimum |
| 95. (1) | The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. | Who to preside at meetings of the Board |
| (2) | If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting | Directors to elect a Chairperson |
| 96. (1) | The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit. | Delegation of powers |
| (2) | Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board. All acts done by any such committee of the Board, in conformity with such regulations, and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if were done by the Board. | Committee to conform to Board regulations |
| (3) | The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under Applicable Laws. | Participation at Committee meetings |
| 97. (1) | A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee. | Chairperson of Committee |
| (2) | If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting. | Who to preside at meetings of Committee |
| 98. (1) | A Committee may meet and adjourn as it thinks fit. | Committee to meet |
| (2) | Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present. | Questions at Committee meeting how decided |
| (3) | In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote. | Casting vote of Chairperson at Committee meeting |
| 99. | The meetings and proceedings of any meeting of such Committee of the Board, consisting of two or more members, shall be governed by the provisions contained herein for regulating the meetings and proceedings of the meetings of the directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under these Articles | Acts of Board or Committee valid notwithstanding defect of appointment |

| | | |
|------------------|---|---|
| | All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director. | |
| 100. | Save as otherwise expressly provided in the Act, a resolution in writing, signed and has been circulated in draft, together with the necessary papers, if any, to all the directors or to all the members of the Committee, then in India, not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be, and to all the directors or to all the members of the Committee, at their usual addresses in India and has been approved, in writing, by such of the directors or members of the Committee as are then in India, or by a majority of such of them, as are entitled to vote on the resolution. whether manually or by secure electronic mode, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held. | Passing of resolution by Circulation |
| 101.(1) | Subject to the provisions of the Act, - A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses. | Chief Executive Officer, etc. |
| (2) | A director may be appointed as chief executive officer, manager, company secretary or chief financial officer. | Director may be chief executive officer, etc. |
| (3) | The Company shall not appoint or employ, at the same time, more than one of the following categories of managerial personnel, namely (i) Managing Director, and (ii) Manager | |
| (4) | A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary, chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary, chief financial officer. | Authorisation of act done in respect of any director, chief executive officer, manager, company secretary, chief financial officer |
| Registers | | |
| 102. | The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during business hours on all working days, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules. | Statutory registers |

| | | |
|------------------------------|---|---|
| 103.(1) | The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register. | Foreign register |
| (2) | The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members. | |
| Dividends and Reserve | | |
| 104. | The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend. | Company in general meeting may declare dividends |
| 105. | Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit and as in their judgement, the position of the Company justifies. | Interim dividends |
| 106.(1) | <p>The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.</p> <p>Subject to the applicable provisions of the Act, no dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that :-</p> <p>(i) if the Company has not provided for any previous financial year or years it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;</p> <p>(ii) if the Company has incurred any loss in any previous financial year or years the amount of loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid as against the profits of the Company for any financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of schedule II of the Act.</p> | Dividends only to be paid out of profits |
| (2) | The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve. | Carry forward of Profits |
| 107.(1) | Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. | Division of profits |
| (2) | No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share. | Payments in advance |
| (3) | All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if | Dividends to be apportioned |

| | | |
|---------|---|--|
| | any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. | |
| 108.(1) | The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company, either alone or jointly with any other person or persons, on account of calls or otherwise in relation to the shares of the Company. | No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom |
| (2) | The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member or where any person under these articles is entitled to transfer until such person shall become a member in respect of such Shares, or shall duly transfer the same and until such transfer of Shares has been registered by the Company.. | Retention of dividends |
| 109.(1) | Any dividend, interest, bonus or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct but the joint holders of a Share shall be severally as well as jointly liable for the payment of all instalments of calls due in respect of such Share and for all incidents otherwise. | Dividend how remitted |
| (2) | Every such cheque or warrant or pay- slip sent through the post to the registered address of the member or person entitled, or, in the case of joint holders, to that one of them first named in the Register in respect of the joint holdings. It shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay-slip lost in transmission or for any dividend lost to the member or person entitled thereto due to or by the forged endorsement of any cheque or warrant or the fraudulent recovery of the dividend by any other means. | Instrument of Payment |
| (3) | Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made. | Discharge to Company |
| 110. | Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share. | Receipt of one holder sufficient |
| 111. | No dividend shall bear interest against the Company. | No interest on dividends |
| 112. | The waiver in whole or in part of any dividend on any share by any document shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board. | Waiver of dividends |
| 113. | Any general meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the meeting decides, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the calls. | Setting off dividend against calls |
| 114. | Subject to the applicable provisions, if any, of the Act, a transfer of Shares shall not pass the right to any dividend declared thereon and made effective from the date prior to the registration of the transfer. | When transfer of share shall not pass dividend right |

| Unpaid or unclaimed dividend | | |
|-------------------------------------|---|---|
| 115.(1) | <p>Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall, within seven (7) days from the date of expiry of the said period of thirty (30) days, transfer the total amount of dividend which remains unpaid or unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank to be called “the Unpaid Dividend Account of Gala Precision Engineering Limited” subject to the applicable provisions of the Act and the Rules made thereunder.</p> <p>The Company shall within a period of ninety days of making any transfer of an amount to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the Company and also on any other website approved by the Central Government, for this purpose. No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.</p> | Transfer of unclaimed dividend |
| (2) | Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under section 125 of the Act. Any person claiming to be entitled to an amount may apply to the authority constituted by the Central Government for the payment of the money claimed. | Transfer to IEPF Account |
| (3) | No unclaimed or unpaid dividend shall be forfeited by the Board until the claim becomes barred by Applicable Laws. | Forfeiture of unclaimed dividend |
| Accounts | | |
| 116.(1) | <p>The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules with respect to :-</p> <p>(i) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;</p> <p>(ii) all sales and purchases of goods by the Company;</p> <p>(iii) the assets and liabilities of the Company;</p> <p>(iv) such particulars, if applicable to this Company, relating to utilisation of material and/or labour or to other items of cost, as may be prescribed by the Central Government.</p> <p>Where the Board decides to keep all or any of the books of account at any place, other than the Office of the Company, the Company shall, within 7 (Seven) days, or such other period, as may be fixed, from time to time, by the Act, of the decision, file with the Registrar, a notice, in writing, giving the full address of that other place.</p> <p>The Company shall preserve, in good order, the books of account, relating to the period of not less than 8 (Eight) years or such other period, as may be prescribed, from time to time, under the Act, preceding the current year, together with the vouchers relevant to any entry in such books.</p> <p>Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article, if proper books of account, relating to the transaction effected at the branch office, are kept at the branch office, and the proper summarised returns, made up to day at intervals of not more than 3 (Three) months or such other period, as may be prescribed, from time to time, by the Act, are sent by the branch office to the Company at its Office or other place in India, at which the books of account of the Company are kept as aforesaid.</p> | Inspection by Directors |

| | | |
|-------------------------|--|---|
| | The books of account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain the transactions represented by it. The books of account and other books and papers shall be open to inspection by any director, during business hours, on a working day, after a prior notice, in writing, is given to the Accounts or Finance department of the Company. | |
| (2) | No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by Applicable Laws or authorized by the Board. | Restriction on inspection by members |
| (3) | <p>The Directors shall, from time to time, in accordance with sections 129 and 134 of the Act, cause to be prepared and to be laid before the Company in Annual General Meeting of the Shareholders of the Company, such Balance Sheets, Profit and Loss Accounts, if any, and the Reports as are required by those Sections of the Act.</p> <p>A copy of every such Profit & Loss Accounts and Balance Sheets, including the Directors' Report, the Auditors' Report and every other document(s) required by law to be annexed or attached to the Balance Sheet, shall at least 21 (Twenty-one) days, before the meeting, at which the same are to be laid before the members, be sent to the members of the Company, to every trustee for the holders of any Debentures issued by the Company, whether such member or trustee is or is not entitled to have notices of general meetings of the Company sent to him, and to all persons other than such member or trustees being persons so entitled.</p> <p>The Auditors, whether statutory, branch or internal, shall be appointed and their rights and duties shall be regulated in accordance with the provisions of the Act and the Rules made thereunder.</p> | Annual Reports, Financial Statements to be laid in Annual General Meeting and sent to members, trustees. Appointment of various auditors |
| Borrowing Powers | | |
| 117. | <p>Subject to the provisions of the Act, the Board may from time to time, at their discretion raise or borrow or secure the payment of any sum or sums of money for and on behalf of the Company. Any such money may be raised or the payment or repayment thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds, perpetual or redeemable debentures of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, machinery, plant, goods or other property and securities of the Company or by other means as the Board deems expedient.</p> <p>The Board of Directors shall not except with the consent of the Company by way of a special resolution, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds the aggregate of paid up capital of the Company and its free reserves.</p> <p>Subject to the Act and the provisions of these Articles, any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Board, who may issue them upon such terms and conditions and in such manner and for</p> | Power of the Board to borrow monies |

| | | |
|--------------------------------|---|--|
| | such consideration as the Board shall consider to be for the benefit of the Company. | |
| Winding up | | |
| 118. | 116. Subject to the applicable provisions of the Act and the Rules made thereunder and the Insolvency and Bankruptcy Code, 2016 (to the extent applicable).– | Winding up of Company |
| (a) | If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not. | |
| (b) | For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. | |
| (c) | The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability. | |
| Indemnity and Insurance | | |
| 119.(a) | Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company from and against all suits, proceedings, cost, charges, losses, damage and expenses which they or any of them shall or may incur or sustain by reason of any act done or committed in or about the execution of their duty in their respective office except such suits, proceedings, cost, charges, losses, damage and expenses, if any that they shall incur or sustain, by or through their own wilful neglect or default respectively. And it shall include the payment of all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses. | Directors and officers right to indemnity |

| | | |
|----------------------|--|---|
| (b) | Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court. | Director, Managing director, Manager, Company Secretary or other officer of the Company shall be indemnified |
| (c) | The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably. | Insurance |
| Secrecy | | |
| 120. | <p>(i) Every director, manager, auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with the individuals and in matters relating thereto, and shall, by such declaration, pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by Law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions contained in these Articles or the Memorandum of Association of the Company and the provisions of the Act.</p> <p>(ii) Subject to the provisions of the Act, no member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors, or to require inspection of any books of accounts or documents of the Company or discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and, which in the opinion of the Directors, it would be inexpedient in the interests of the Company to disclose.</p> | Directors, manager, auditor, members, etc to maintain secrecy |
| General Power | | |
| 121. | <p>Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its Articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.</p> <p>At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the SEBI Listing Regulations, the provisions of the SEBI Listing Regulations shall prevail over the Articles to such extent and the Company shall discharge all its obligations as prescribed under the SEBI Listing Regulations, from time to time.</p> | General power |

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material, will be attached to the copy of this Prospectus which will be delivered to the RoC for filing and are also available at the following weblink www.galagroup.com. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at our Registered and Corporate Office between 10:00 a.m. to 05:00 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid / Offer Closing Date (except for such agreements executed after the Bid / Offer Closing Date).

A. Material Contracts for the Offer

1. Offer Agreement dated February 14, 2024, entered amongst our Company, the Selling Shareholders and the Book Running Lead Manager, as amended pursuant to an amendment agreement dated August 13, 2024.
2. Registrar Agreement dated February 14, 2024, entered amongst our Company, the Selling Shareholders, and the Registrar to the Offer, as amended pursuant to an amendment agreement dated August 13, 2024.
3. Service Provider cum Ad Agency Agreement dated February 8, 2024, entered amongst our Company, and ad agency
4. Escrow and Sponsor Bank Agreement dated August 21, 2024, entered amongst our Company, Selling Shareholders, the Registrar to the Offer, the Book Running Lead Manager, and the Banker(s) to the Offer.
5. Share Escrow Agreement dated August 21, 2024, entered amongst our Company, Selling Shareholders, and the Share Escrow Agent.
6. Syndicate Agreement dated August 21, 2024, entered amongst our Company, the Selling Shareholders, the Book Running Lead Manager, the Syndicate Members, and the Registrar to the Offer.
7. Underwriting Agreement dated September 5, 2024, entered amongst our Company and the Underwriters.
8. Monitoring Agency Agreement dated August 14, 2024 entered amongst our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of updated MoA and AoA, updated from time to time.
2. Certificate of incorporation dated February 23, 2009 issued to our Company by the Registrar of Companies, Mumbai in the name of '*Gala Precision Private Limited*'.
3. Fresh certificate of incorporation dated October 25, 2023 issued to our Company by the Registrar of Companies, Mumbai pursuant to conversion of our Company from a private limited company to a public limited company and consequential change in our name from '*Gala Precision Engineering Private Limited*' to '*Gala Precision Engineering Limited*'.
4. Resolutions of the Board of Directors and Shareholders dated November 30, 2023 and January 15, 2024, respectively in relation to the Offer and other related matters.

5. Resolution of the Board of Directors dated February 14, 2024 approving the DRHP.
6. Resolution of the Board of Directors dated August 23, 2024 approving the RHP.
7. Consent letters and authorisations from the Selling Shareholders consenting to participate in the Offer for Sale.
8. Consent dated February 14, 2024 from our Statutory Auditors, namely, M M Nissim & Co LLP, Chartered Accountants, to include their names as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in the DRHP, the RHP and this Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of their (a) examination report dated November 30, 2023 on the Restated Financial Information, (b) report dated February 14, 2024 on the statement of special tax benefits; and such consents has not been withdrawn as on the date of the DRHP, RHP and this Prospectus.
9. The examination report dated August 01, 2024 of our Statutory Auditors on the Restated Financial Information, included in the Red Herring Prospectus.
10. The statement of possible special tax benefits on direct taxes and indirect taxes each dated August 23, 2024 from our Statutory Auditors.
11. Due diligence certificate dated February 14, 2024 addressed to SEBI from the BRLM.
12. In principle listing approvals from NSE bearing no NSE/LIST/3483 dated June 20, 2024 and BSE bearing no LO/IPO/HP/IP/68/2024-25 dated June 20, 2024.
13. Consents of our Directors, our Company Secretary and Compliance Officer, Legal Counsel to our Company, Bankers to our Company, Banker(s) to the Offer, the BRLM, Syndicate Members, and the Registrar to the Offer, Monitoring Agency, Escrow Collection Bank(s), Public Offer Account Bank(s), Refund Bank(s) and Sponsor Bank(s)
14. Consent letter dated December 15, 2023 from the independent chartered engineer, M/s M. C. Punjwani, to include their name, as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations in the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus as an “expert” as defined under Section 2(38) of the Companies Act, 2013, to the extent and in his capacity as a chartered engineer.
15. Consent dated December 22, 2023 from RBSA Advisors LLP, an Independent Consultant, issuing the detailed project report dated February 12, 2024, prepared for our Company, to include their name, as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus and as an ‘expert’ under Section 2(38) of Companies Act, 2013 in respect of the Project Report dated February 12, 2024. Such consent has not been withdrawn up to the time of delivery of the Red Herring Prospectus and this Prospectus.
16. Consent Letter dated August 02, 2024 from TSO Design Commune Private Limited, an Independent Architect issuing the certificate dated August 10, 2024, prepared for our Company, to include their name, as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in the Red Herring Prospectus and as an ‘expert’ under Section 2(38) of Companies Act, 2013 in respect of the certificate dated August 10, 2024. Such consent has not been withdrawn up to the time of delivery of the Red Herring Prospectus and this Prospectus.

17. Consent letter dated February 14, 2024 from Lattice Technologies Private Limited with respect to Industry Report titled “*Precision Engineering Industry Report*”.
18. Industry Report titled “*Precision Engineering Industry Report*” dated August 2024, prepared and issued by Lattice and commissioned for an agreed fee, exclusively for the purpose of this Offer.
19. Copies of annual reports of our Company for the preceding three Fiscals i.e., Fiscals 2023, 2022 and 2021.
20. Due Diligence Certificate dated August 23, 2024 addressed to SEBI from the BRLM.
21. Tripartite agreement dated October 5, 2023 amongst our Company, CDSL and the Registrar to the Offer.
22. Tripartite agreement dated September 29, 2023 amongst our Company, NSDL and the Registrar to the Offer.
23. Final observation letter bearing number SEBI/HO/CFD/RAC-DIL2/P/OW/2024/21160/1 dated June 28, 2024 issued by SEBI.

Any of the contracts or documents mentioned in the Red Herring Prospectus and this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India or the guidelines, or regulations issued by the Securities and Exchange Board of India (“**SEBI**”), established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Contracts (Regulation) Act, 1956, as amended, the Securities and Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Prospectus are true and correct.

SIGNED BY

Kirit Vishanji Gala
(Chairman and Managing Director)

Place: Mumbai

Date: September 5, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India or the guidelines, or regulations issued by the Securities and Exchange Board of India (“**SEBI**”), established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Contracts (Regulation) Act, 1956, as amended, the Securities and Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Prospectus are true and correct.

SIGNED BY

Balkishan Jalan
Whole Time Director, Executive Director

Place: Mumbai

Date: September 5, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India or the guidelines, or regulations issued by the Securities and Exchange Board of India (“SEBI”), established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Contracts (Regulation) Act, 1956, as amended, the Securities and Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Prospectus are true and correct.

SIGNED BY

Satish Kotwani
Whole Time Director, Executive Director

Place: Mumbai

Date: September 5, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India or the guidelines, or regulations issued by the Securities and Exchange Board of India (“SEBI”), established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Contracts (Regulation) Act, 1956, as amended, the Securities and Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Prospectus are true and correct.

SIGNED BY

Rajendra Gogri
Non-Executive Director

Place: Mumbai

Date: September 5, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India or the guidelines, or regulations issued by the Securities and Exchange Board of India (“**SEBI**”), established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Contracts (Regulation) Act, 1956, as amended, the Securities and Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Prospectus are true and correct.

SIGNED BY

Snehal Shah
Independent Director

Place: Mumbai

Date: September 5, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India or the guidelines, or regulations issued by the Securities and Exchange Board of India (“**SEBI**”), established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Contracts (Regulation) Act, 1956, as amended, the Securities and Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Prospectus are true and correct.

SIGNED BY

Varsha Galvankar
Independent Director

Place: Mumbai

Date: September 5, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India or the guidelines, or regulations issued by the Securities and Exchange Board of India (“**SEBI**”), established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Contracts (Regulation) Act, 1956, as amended, the Securities and Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Prospectus are true and correct.

SIGNED BY

Neha Gada
Independent Director

Place: Mumbai

Date: September 5, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India or the guidelines, or regulations issued by the Securities and Exchange Board of India (“**SEBI**”), established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Contracts (Regulation) Act, 1956, as amended, the Securities and Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Prospectus are true and correct.

SIGNED BY

Sudhir Gosar
Independent Director

Place: Kashmir
Date: September 5, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India or the guidelines, or regulations issued by the Securities and Exchange Board of India ("SEBI"), established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Contracts (Regulation) Act, 1956, as amended, the Securities and Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Srinivasan Giridhar
(Chief Financial Officer)

Place: Mumbai

Date: September 5, 2024

DECLARATION BY THE SELLING SHAREHOLDER

I, Taramati Gala, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Prospectus in relation to myself, as the Selling Shareholder and my Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including any of the statements made by or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Prospectus.

SIGNED BY

Taramati V Gala

Place: Mumbai

Date: September 5, 2024

DECLARATION BY THE SELLING SHAREHOLDER

We, Kirit Vishanji Gala (HUF), hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Prospectus in relation to myself, as the Selling Shareholder and my Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including any of the statements made by or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Prospectus.

SIGNED BY

Kirit Vishanji Gala (HUF)

Place: Mumbai

Date: September 5, 2024

DECLARATION BY THE SELLING SHAREHOLDER

We, Nayna Gala, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Prospectus in relation to myself, as the Selling Shareholder and my Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including any of the statements made by or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Prospectus.

SIGNED BY

Nayna Gala

Place: Mumbai

Date: September 5, 2024

DECLARATION BY THE SELLING SHAREHOLDER

We, Satish Kotwani, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Prospectus in relation to myself, as the Selling Shareholder and my Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including any of the statements made by or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Prospectus.

SIGNED BY

Satish Kotwani (jointly with Anjali Kotwani)

Place: Mumbai

Date: September 5, 2024

DECLARATION BY THE SELLING SHAREHOLDER

We, Hemlata Dhiraj Shah, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Prospectus in relation to myself, as the Selling Shareholder and my Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including any of the statements made by or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Prospectus.

SIGNED BY

Hemlata Dhiraj Shah (jointly with Dhiraj Nanchand Shah)

Place: Mumbai

Date: September 5, 2024

DECLARATION BY THE SELLING SHAREHOLDER

We, Dhiraj Nanchand Shah, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Prospectus in relation to myself, as the Selling Shareholder and my Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including any of the statements made by or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Prospectus.

SIGNED BY

Dhiraj Nanchand Shah (jointly with Hemlata Dhiraj Shah)

Place: Mumbai

Date: September 5, 2024

DECLARATION BY THE SELLING SHAREHOLDER

We, Rupa Sunil Mehta, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Prospectus in relation to myself, as the Selling Shareholder and my Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including any of the statements made by or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Prospectus.

SIGNED BY

Rupa Sunil Mehta

Place: Mumbai

Date: September 5, 2024