PTC INDUSTRIES LIMITED

PTC Industries Limited ("**Issuer**" or our "**Company**") was originally incorporated as "*Precision Tools & Castings Private Limited* on March 20, 1963 as a private limited company, under the Companies Act, 1956 and was granted a certificate of incorporation by the Registrar of Companies, Uttar Pradesh at Kanpur. Thereafter, our Company was converted into a public limited company and subsequently the name of our Company was changed to "*Precision Tools & Castings Limited*" and a fresh certificate of incorporation was issued by the Registrar of Companies, Uttar Pradesh at Kanpur consequent upon change of name of our Company on October 25, 1994. Further, the name of our Company was changed to '*PTC Industries Limited'* pursuant to special resolution of our Shareholders passed at the extra-ordinary general meeting of our Company dated December 28, 1998 and a fresh certificate of incorporation dated January 22, 1999, consequent to such name change was issued to our Company by the Registrar of Companies, Uttar Pradesh at Kanpur. For further details, please see the section entitled "*General Information*" on page 308.

Registered Office and Corporate Office: Advanced Manufacturing & Technology Centre, NH25A, Sarai Sahjadi, Lucknow 227101 Uttar Pradesh, India.
Telephone No: +91 522 7111017
Corporate Identity Number: L27109UP1963PLC002931
Contact Person: Pragati Gupta Agarwal, Company Secretary and Compliance Officer; **Email**: ptc@ptcil.com; **Website:** www.ptcil.com

Our Company is issuing up to 5,30,315 equity shares aggregate of face value ₹10 each (the "**Equity Shares**") at a price of ₹ 13,199.70 per Equity Share (the "**Issue Price**"), including a premium of ₹13,189.70 per Equity Share, aggregating up to ₹69,999.90 lakhs (the "**Issue**").For further details, see "*Summary of the Issue*" on page 34.

THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS"), SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT, 2013"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER.

The Equity Shares of the Company are listed on National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**", together with **"NSE"**, the "**Stock Exchanges**"). The closing prices of the outstanding Equity Shares on BSE and NSE as on September 02, 2024 was ₹ 14426.00 and ₹14,452.80 per Equity Share, respectively. Our Company has received in- principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**"), for listing of the Equity Shares to be issued pursuant to the Issue, from BSE and NSE on August 28, 2024, each. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT TO ELIGIBLE QIBs (AS DEFINED BELOW) IS BEING MADE IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS, SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER. THIS PLACEMENT DOCUMENT SHALL BE CIRCULATED TO ONLY SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY, PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO ELIGIBLE QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN THE SEBI ICDR REGULATIONS ("QIBs"). YOU ARE NOT AUTHORIZED TO AND MAY NOT (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS, THE COMPANIES ACT, 2013 OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION "*RISK FACTORS*" BEGINNING ON PAGE 45 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES TO BE ISSUED PURSUANT TO THIS PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT (AS DEFINED HEREINAFTER). PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND OUR COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PLACEMENT DOCUMENT AND/OR THE PLACEMENT DOCUMENT, YOU SHOULD CONSULT OWN ADVISORS.

A copy of the Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereafter)) has been delivered to the Stock Exchanges and a copy of this Placement Document (which includes disclosures prescribed under Form PAS-4) has been delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the RoC, within the stipulated period as prescribed under the Companies Act, 2013 and the PAS Rules. The Preliminary Placement Document and this Placement Document have not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs (as defined hereinafter). The Preliminary Placement Document and this Placement Document have not been and will not be filed as a prospectus with the RoC, will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to this Placement Document together with the Application Form, this Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see "*Issue Procedure*" beginning on page 261. The distribution of this Placement Document or the disclosure of its contents without our Company's prior consent to any person, other than Eligible QIBs to whom this Placement Document is specifically addressed, and persons retained by such Eligible QIBs to advise them with respect to their purchase of the Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

The information on our Company's website or any website directly or indirectly linked to our Company's website or the website of the Lead Manager (as defined hereinafter) or any of their respective affiliates does not constitute nor form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States 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 any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdiction where those offers and sales are made. For the selling restrictions in certain other jurisdictions, please see "*Selling Restrictions*" on page 277. Also see, "***Transfer Restrictions***" on page 285 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

This Placement Document is dated September 02, 2024.

LEAD MANAGER

ITI Capital Limited

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for the information contained in this Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to our Company, its Subsidiary and the Equity Shares, which is material in the context of the Issue. The statements contained in this Placement Document relating to our Company, its Subsidiary and the Equity Shares are, in all material respects, true and accurate and not misleading, and the opinions and intentions expressed in this Placement Document with regard to our Company, its Subsidiary and the Equity Shares are honestly held, have been reached after considering all relevant circumstances, are based on reasonable assumptions and information presently available to us. There are no other facts in relation to our Company, its Subsidiary and the Equity Shares to be issued pursuant to the Issue, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by us to ascertain such facts and to verify the accuracy of all such information and statements. The information contained in this Placement Document has been provided by our Company and other sources identified herein.

This Placement Document is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider subscribing for the particular securities described herein. Distribution of this Placement Document to any person other than the Eligible QIBs specified by the Lead Manager or their representatives, and those persons, if any, retained to advise such investor with respect thereto, is unauthorised, and any disclosure of its contents, without prior written consent of our Company, is prohibited. Any reproduction or distribution of this Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and make no copies of this Placement Document or any offering material in connection with the Equity Shares.

The Lead Manager has not separately verified all of the information contained in the Preliminary Placement Document and this Placement Document (financial, legal or otherwise). Accordingly, neither the Lead Manager nor any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Lead Manager and/or any of its shareholders, employees, counsel, officers, directors, representatives, agents or affiliates as to the accuracy or completeness of the information contained in the Preliminary Placement Document and this Placement Document or any other information (financial, legal or otherwise) supplied in connection with our Company, its Subsidiary and the Issue of the Equity Shares or distribution of this Placement Document. Each person receiving the Preliminary Placement Document and this Placement Document acknowledges that such person has not relied either on the Lead Manager or on any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company, its Subsidiary and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorized to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of our Company or on behalf of the Lead Manager. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

The distribution of this Placement Document and the issue of Equity Shares and the offering of the Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. In particular, except for India, no action has been taken by our Company and the Lead Manager that would permit an offering of the Equity Shares or distribution of this Placement Document in any jurisdiction, where action for that purpose is required. Accordingly, the Equity Shares have not be offered or sold, directly or indirectly, and neither the Preliminary Placement Document and the Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "***Transfer Restrictions***" beginning on page 285. The Equity

Shares purchased in the Issue are transferable only in accordance with the restrictions described under "*Selling Restrictions*" beginning on page 277.

The Equity Shares have not been approved, disapproved or recommended by the securities authority or any other regulatory authority of any jurisdiction, including SEBI. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary may be a criminal offence in certain jurisdictions.

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 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. The Equity Shares offered in the Issue are being offered and sold only 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. For the selling restrictions in certain other jurisdictions, see "***Selling Restrictions***" on page 277. Also see "***Transfer Restrictions***" on page 285 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

In making an investment decision, the prospective investors must rely on their own examination of our Company, and its Subsidiary and the Equity Shares and the terms of the Issue, including merits and risks involved. Prospective investors should not construe the contents of the Preliminary Placement Document or this Preliminary Placement Document as legal, business, tax, accounting or investment advice. Prospective investors should consult their own counsel and advisors as to business, investment, legal, tax, accounting and related matters concerning this Issue. In addition, our Company and the Lead Manager is not making any representation to any investor, purchaser, offeree or subscriber of the Equity Shares in relation to this Issue regarding the legality of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company. If you do not understand the contents of this Placement Document, you should consult an authorised financial advisor and/or legal advisor.

Each investor, subscriber, offeree or purchaser of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and it is eligible to invest in India and in our Company under applicable law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and rules made thereunder, and is not prohibited by SEBI or any other statutory, regulatory or judicial authority from buying, selling or dealing in securities, including the Equity Shares or otherwise accessing the capital markets in India. Each subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

This Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such document.

The information on our Company's website, viz, www.ptcil.com or any website directly or indirectly linked to our Company or on the website of the Lead Manager or any of their respective affiliates, does not constitute nor form part of this Placement Document. Prospective investors should not rely on such information contained in, or available through, any such websites. This Placement Document contains summaries of certain terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents.

The Company does not undertake to update the Placement Document to reflect subsequent events after the date of the Placement Document and thus it should not be relied upon with respect to such subsequent events without first confirming the accuracy or completeness with the Company. Neither the delivery of this Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date hereof.

Our Company and the Lead Manager are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of the Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Regulations and the QIB shall be solely responsible for compliance with the provisions of the

Takeover Regulations, SEBI Insider Trading Regulations and other applicable laws, rules, regulations, guidelines and circulars.

The Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and, without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

REPRESENTATIONS BY INVESTORS

All references herein to "you" or "your" in this section are to the prospective investors in the Issue. By bidding for and/or subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreements set forth in the sections "*Notice to Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 1, 277 and 285, respectively, and to have represented, warranted, acknowledged to and agreed with our Company and the Lead Manager, as follows:

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company, or Subsidiary which is not set forth in this Placement Document;

- You are a "**Qualified Institutional Buyer**" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013, and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;

- You are eligible to invest in India under applicable laws, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India;

- If you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office), having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable law, including the SEBI FPI Regulations, FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets. You confirm that you are not an FVCI. You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws;

- You are aware that in terms of the SEBI FPI Regulations and the FEMA Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Further, the aggregate limit of all FPIs investments, is up to 100%, being the sectoral cap applicable to the sector in which our Company operates. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations.

- You will provide the information as required under the provisions of the Companies Act, 2013 the PAS Rules and applicable SEBI ICDR Regulations and rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number (if applicable) and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;

- If you are Allotted Equity Shares, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges. For more information, see *"**Transfer Restrictions**"* on page 285;

- You are aware that this Placement Document and the Placement Document has not been and will not be registered as a prospectus with the RoC under the Companies Act, 2013, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Placement Document (which includes disclosures prescribed under Form PAS-4) has not been reviewed, verified or affirmed by the RBI, SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs. The Placement Document has been filed (and the Placement Document shall be filed) with the Stock Exchanges for record purposes only and be displayed on the websites of our Company and the Stock Exchanges;

- You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations and complied and shall comply with all necessary formalities, to enable you to participate in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;

- You are aware that, our Company, the Lead Manager or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates are not making any recommendations to you or advising you regarding the suitability of any transactions that you may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the Lead Manager. The Lead Manager or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates do not have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in a fiduciary capacity;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the "**Company Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Lead Manager may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and is therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the

- Lead Manager has advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material or price sensitive information relating to our Company and the Issue that was not publicly available;

- You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act, 2013;

- You understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid and will rank pari passu in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared.

- All statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our Company, or our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company's business), are forward-looking statements. You are aware that, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Company or Subsidiary present and future business strategies and environment in which our Company or Subsidiary will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Placement Document. Neither our Company nor the Lead Manager or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates assume any responsibility to update any of the forward-looking statements contained in this Placement Document;

- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category other than Eligible QIBs and the Allotment of the same shall be at the sole discretion of our Company, in consultation with the Lead Manager;

- You are aware that in terms of the requirements of the Companies Act, 2013 upon Allocation, our Company has disclosed names and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document, as applicable. However, disclosure of such details in relation to the proposed Allottees in this Placement Document does not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Lead Manager;

- You are aware that if you are allotted more than 5% of the Equity Shares in the Issue, our Company is required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures;

- You have been provided a serially numbered copy of the Preliminary Placement Document and this Placement Document and have read it in its entirety; including, in particular, "***Risk Factors***" on page 45;

- In making your investment decision, you have (i) relied on your own examination of the Company, its Subsidiary, and the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of our Company, its Subsidiary, and the Equity Shares and the terms of the Issue based on information as is publicly available, and in reliance of the information contained in the Preliminary Placement Document and this Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

- Neither our Company nor the Lead Manager nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Lead Manager or their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against, our Company, the Lead Manager or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares, (ii) will not look to our Company and/or the Lead Manager or any of their respective shareholders, directors, officers, employees, counsel, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of their respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares; and (vi) are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute. You are aware that investment in Equity Shares involves a high degree of risk and that the Equity Shares are, therefore a speculative investment;

- If you are acquiring the Equity Shares to be issued pursuant to the Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and hereby make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- You are not a "promoter"(as defined under the Companies Act, 2013 and the SEBI ICDR Regulations) of our Company and are not a person related to any of our Promoters, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent any of our 'Promoters', or members of our 'Promoter Group' (as defined under the SEBI ICDR Regulations) or persons or entities related thereto;

- You have no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on our Board, other than the rights acquired, if any, in the capacity of a lender not holding any Equity Shares;

- You agree that in terms of Section 42(7) of the Companies Act, 2013 and Rule 14 of the PAS Rules, we shall file the list of Eligible QIBs (to whom this Placement Document will be circulated) along with other particulars including your name, complete address, phone number, e-mail address, permanent account number and bank account details, including such other details as may be prescribed or otherwise required even after the closure of the Issue with the RoC and SEBI within 30 days of circulation of this Placement Document and other filings required under the Companies Act, 2013;

- You will have no right to withdraw your Bid or revise your Bid downwards after the Bid/Issue Closing Date (as defined hereinafter);

- You are eligible to Bid for and hold the Equity Shares so Allotted, together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible, as per any applicable law;

- The Bid made by you would not ultimately result in triggering an open offer under the SEBI Takeover Regulations (as defined hereinafter) and you shall be solely responsible for compliance, if any with all other applicable provisions of the SEBI Takeover Regulations;

- Your aggregate equity shareholding in our Company, together with other Allottees that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

- Eligible QIBs "belonging to the same group" shall mean entities where:

  (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other;

  (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or

  (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary or holding company and any other Eligible QIB; and

- 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant until such time that the final listing and trading approvals for such Equity Shares to be issued pursuant to this Issue, are issued by the Stock Exchanges;

- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares to be issued pursuant to the Issue and for trading on the Stock Exchanges, were made and an in-principle approval has been received by our Company from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final listing and trading approvals for listing of the Equity Shares will be obtained in time or at all. Neither our Company nor the Lead Manager nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the Lead Manager has entered into a Placement Agreement with our Company whereby the Lead Manager has, subject to the satisfaction of certain conditions set out therein, undertaken to use their reasonable efforts to procure subscriptions for the Equity Shares on the terms and conditions set forth therein;

- You understand the contents of the Preliminary Placement Document and this Placement Document are exclusively the responsibility of our Company and that neither the Lead Manager nor any person acting on their behalf or any of the counsel or advisors to the Issue has, or shall have, any liability for any information, representation or statement contained in the Placement Document and this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in this Issue based on any information, representation or statement contained in the Preliminary Placement Document and this Placement Document or otherwise. By accepting a participation in this Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in the Preliminary Placement Document and this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Lead Manager or our Company or any other person, and neither the Lead Manager nor our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, the Lead Manager and their respective affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

- You understand that the Lead Manager or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of its obligations or any breach of any representations or warranties by us, whether to you or otherwise;

- You are able to purchase the Equity Shares in accordance with the restrictions described in "***Selling Restrictions***" on page 275 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "***Selling Restrictions***" on page 277;

- You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "***Transfer Restrictions***" on page 285 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "***Transfer Restrictions***" on page 285;

- You are outside the United States, and you are purchasing the Equity Shares in an "offshore transaction" as defined in, and in compliance with, Regulation S and are not our Company's or the Book Running Lead Manager's affiliate or a person acting on behalf of such an affiliate in compliance with laws of all jurisdictions applicable to you;

- You are not acquiring or subscribing for the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act;

- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Mumbai, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;

- You agree to indemnify and hold our Company, the Lead Manager and their respective directors, officers, employees, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in this Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

- You acknowledge that the Preliminary Placement Document and this Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

- You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;

- You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with consolidated FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and Rule 6 of the FEMA Rules;

- You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the Lead Manager;

- You represent that you are not an affiliate of our Company or the Lead Manager or a person acting on behalf of such affiliate;

- Our Company, the Lead Manager, their respective affiliates, directors, officers, employees, shareholders, representatives, agents, controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, and are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the Lead Manager; and

- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI including the affiliates of the Lead Manager, which is registered as a category I FPIs may issue, subscribe to or otherwise deal in offshore derivate 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, and all such offshore derivative instruments are referred to herein as "**P-Notes**"), and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to compliance with such other conditions as may be specified from the SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. Such P-Notes can be issued subject to compliance with the KYC norms and such other conditions as specified by SEBI from time to time, including payment of applicable regulatory fee. P-Notes have not been and are not being offered or sold pursuant to the Preliminary Placement Document and this Placement Document. The Preliminary Placement Document or this Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including without limitation any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control,) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis **("Investment Restrictions")**. The SEBI has, vide a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the Investment Restrictions shall also apply to subscribers of offshore derivative instruments and two or more subscribers of offshore derivative instruments having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the offshore derivative instruments. Further, in the event a prospective investor has investments as an FPI and as a subscriber of offshore derivative instruments, these Investment Restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, read with Consolidated FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy and FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

Affiliates of the Lead Manager which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the Lead Manager do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Lead Manager and does not constitute any obligations of or claims on the Lead Manager.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosure as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult with their own

financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document and this Placement Document has been submitted to each of the Stock Exchanges.

The Stock Exchanges do not in any manner:

(1) warrant, certify or endorse the correctness or completeness of any of the contents of the Preliminary Placement Document and this Placement Document;

(2) warrant that the Equity Shares to be issued pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; or

(3) take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of the Company;

and it should not for any reason be deemed or construed to mean that the Preliminary Placement Document and this Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares of our Company may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges 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.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER CONVENTIONS

Certain Conventions

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'your', 'bidder(s)', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investor(s)', 'prospective investor(s)' and 'potential investor(s)' are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to the Issue, and references to 'our Company', 'Company', 'the Company' and the 'Issuer', are to PTC Industries Limited on a standalone basis and references to 'we', 'us' or 'the Group' are to PTC Industries Limited together with its Subsidiary on a consolidated basis, unless the context otherwise indicates or implies or unless otherwise specified.

Currency and units of presentation

In this Placement Document, all references to '₹', 'INR', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of Republic of India and '$', 'USD' and 'Dollar' are legal currency of United States of America. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to "India" are to the Republic of India and its territories and possessions and all references herein to the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

All the numbers in this Placement Document have been presented in ₹ lakhs, unless stated otherwise. Our Audited Consolidated Financial Statements, are presented in ₹lakhs. In this Placement Document, references to "Lakhs" represents "100,000", "million" represents "10 lakh" or "1,000,000", "Crore" represents "10,000,000" or "10 million" or "100 lakhs", and "billion" represents "1,000,000,000" or "1,000 million" or "100 Crore".

Certain figures contained in this Placement Document, including financial information, have been subject to rounding adjustments. 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. Any such discrepancies between the totals and the sum of the amounts listed are due to rounding off adjustments. All figures in decimals have been rounded off to the second decimal.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Our Company reports its financial statements in Indian Rupees.

Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Page numbers

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

Financial Data and Other Information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular 'financial year', 'Fiscal Year', 'fiscal' or 'FY' are to the twelve-month period ended on March 31 of that year and references to a particular 'year' are to the calendar year ending on December 31 of that year.

Our Company reports its financial statements in Indian Rupees. Our Company has published its audited consolidated financial statements for the Fiscal 2024, Fiscal 2023 and Fiscal 2022 and the consolidated unaudited financial results as at and for the three months ended June 30, 2024 and consolidated unaudited financial results as at and for the three months ended June 30, 2023 in Indian Rupees in lakhs, for inclusion in the placement document.

As required under applicable regulations, and for the convenience of prospective investors, we have included the following in this Placement Document

1. audited consolidated financial statements of our Company, its Subsidiary as at and for the financial year ended

March 31, 2022 prepared in accordance with Ind AS notified under the Ind AS Rules and Section 133 of the Companies Act, 2013 read with the presentation requirements of Division II of Schedule III to the Companies Act, 2013 and which comprises the consolidated balance sheet as at March 31, 2022, and the consolidated statement of profit and loss, including other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, along with notes to the consolidated financial statements, a summary of significant accounting policies and other explanatory information (the "**Fiscal 2022 Audited Consolidated Financial Statements**");

2. audited consolidated financial statements of our Company, and its Subsidiary as at and for the financial year ended March 31, 2023 prepared in accordance with Ind AS notified under the Ind AS Rules and Section 133 of the Companies Act, 2013 read with the presentation requirements of Division II of Schedule III to the Companies Act, 2013 and which comprises the consolidated balance sheet as at March 31, 2023, and the consolidated statement of profit and loss, including other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, along with notes to the consolidated financial statements, a summary of significant accounting policies and other explanatory information (the "**Fiscal 2023 Audited Consolidated Financial Statements**");

3. audited consolidated financial statements of our Company, its Subsidiary and as at and for the financial year ended March 31, 2024 prepared in accordance with Ind AS notified under the Ind AS Rules and Section 133 of the Companies Act, 2013 read with the presentation requirements of Division II of Schedule III to the Companies Act, 2013 and which comprises the consolidated balance sheet as at March 31, 2024, and the consolidated statement of profit and loss, including other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, along with notes to the consolidated financial statements, a summary of material accounting policies and other explanatory information (the "**Fiscal 2024 Audited Consolidated Financial Statements**" and collectively, together with the Fiscal 2023 Audited Consolidated Financial Statements and Fiscal 2022 Audited Consolidated Financial Statements, (the "**Audited Consolidated Financial Statements**"). The Audited Consolidated Financial Statements should be read along with their respective audit reports.

4. consolidated unaudited financial results of our Company and its Subsidiary as at and for the three-months ended June 30, 2024 prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ("**Ind AS 34**"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI Listing Regulations (the "**Consolidated June 2024 Unaudited Financial Results**"), together with their report issued by our Statutory Auditors.

5. consolidated unaudited financial results of our Company and its Subsidiary as at and for the three-months ended June 30, 2023 prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ("**Ind AS 34**"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI Listing Regulations (the "**Consolidated June 2023 Unaudited Financial Results**" and collectively, together with the Consolidated June 2024 Unaudited Financial Results, the "**Consolidated Unaudited Financial Results**"), together with their report issued by our Statutory Auditors.

The Consolidated June 2024 Unaudited Financial Results have been subjected to limited review by our Statutory Auditors S. N. Dhawan & Co. LLP and they have issued their report dated July 30, 2024, based on their review conducted in accordance with Standard on Review Engagement (SRE) 2410 issued by the Institute of Chartered Accountants of India ("**ICAI**").

The Audited Financial Statements should be read along with the respective audit reports and the Consolidated Unaudited Financial Results should be read along with the respective review reports. Further, our Consolidated Unaudited Financial Results are not necessarily indicative of results that may be expected for the full financial year or any future reporting period and are not comparable with the annual financials.

Our Company prepares its financial statements in accordance with Ind AS. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**") and the reconciliation of the financial information to other accounting principles has not been provided.

No attempt has been made to explain those differences or quantify their impact on the financial data included in this Placement Document and investors should consult their own advisors regarding such differences and their impact on our Company's financial data. Accordingly, the degree to which the financial information included in this Placement Document 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 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, 2013, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Placement Document should accordingly be limited. Also see, "*Risk Factors –Significant differences exist between Ind AS, U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition*." on page **Error! Bookmark not defined.**.

For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 97. All numerical and financial information as set out and presented in this Placement Document, except for the information in the section "*Industry Overview*", for the sake of consistency and convenience have been rounded off or expressed in two decimal places in ₹ lakhs. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them and the sum or percentage change of such numbers may not conform exactly to the total figure given.

Non-GAAP financial measures

Certain non-GAAP measures and certain other statistical information such as EBITDA, EBITDA Margins, ROE, Debt/Equity, Interest Coverage Ratio, ROCE, RONW, PAT Margins, etc. (together referred as "**Non-GAAP Measures**") presented in this Placement Document are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. 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. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardized term, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance or liquidity. Prospective investors should read this information in conjunction with the financial statements included in "*Financial Information*" starting on page 311.

INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Placement Document consists of estimates based on data reports compiled by governmental bodies, professional organisations and analysts and on data from other external sources, and on our knowledge of markets in which we compete.

Unless stated otherwise, statistical information, industry and market data used throughout this Placement Document has been obtained from the report titled "*Industry Report on Defence and Aerospace Sector in India"* prepared by Dun & Bradstreet dated August 2024 ("**D&B Report**").

This data is subject to change and cannot be verified with complete certainty due to limitations on the availability and reliability of raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so we have relied on internally developed estimates.

The extent to which the market and industry data used in this Placement Document is meaningful depends solely on the reader's familiarity with and understanding of the methodologies used in compiling such data. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – This placement document contains information from an industry report which we have commissioned from Dun & Bradstreet*" on page 60. Thus, neither our Company nor the Lead Manager can assure you of the correctness, accuracy and completeness of such data. Accordingly, investment decisions should not be based solely on such information.

Disclaimer of the D&B Report

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

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

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

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

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

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute 'forward-looking statements'. The prospective investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could' 'estimate', 'expect', 'goal', 'intend', 'may', 'will', 'plan', 'objective', 'potential', 'project', 'pursue', 'seek to', 'shall', 'should', 'will', 'would', 'will likely result', 'will continue', 'will pursue', 'will achieve', 'is likely' or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

The forward-looking statements appear in a number of places throughout this Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

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

- Our business is dependent on exports and the performance of geographies where we supply our products. Any adverse changes in the conditions affecting the industries in global markets in which our products are supplied can adversely impact our business, cash flows, results of operations and financial condition.

- Our Company does not have firm commitments with customers. Our incremental business pipeline may not be indicative of our future growth rate or new business orders we will receive in the future.

- Development of our products involves a lengthy and expensive process with uncertain timelines and uncertain outcomes. The failure to develop new or improved products or process improvements or production techniques could subject us to write-offs or otherwise adversely affect our business, financial condition and results of operations and have a negative impact on our competitive position.

- Our Company may face competition from established international players with established market presence, technological expertise and customer relationships.

- We depend on third parties for the supply of raw material and delivery of certain products. A disruption in the supply of components and raw materials or failure of our suppliers to meet their obligations could impact our production and increase our costs.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Industry Overview*" and "*Business*" and on pages 45, 97, 122 and 227, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. The forward-looking statements contained in this Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure prospective investors that such expectations will prove to be correct. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements.

In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and neither our Company nor the Lead Manager nor any of their respective affiliates undertakes any obligation to update or revise any of them, whether as a result of new information, future events or otherwise, changes in assumptions or changes in factors affecting these forward-looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements. In accordance with the SEBI and Stock Exchange requirements, our Company and the Lead Manager will ensure that the Shareholders are informed of material developments until the time of the grant of listing and trading permissions by the Stock Exchanges.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public company with limited liability incorporated under the laws of India. Our Directors, Senior Management and Key Managerial Personnel of our Company named herein are residents of India and all of the assets of our Company are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A, respectively, of the Civil Procedure Code (as defined below), on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the foreign judgment had been rendered by a district court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to 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 penalties and does not include arbitration awards. The execution of a foreign decree under Section 44A of the Civil Procedure Code is also subject to the exception under Section 13 of the Civil Procedure Code as mentioned above.

Each of the United Kingdom, United Arab Emirates, Singapore and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

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 views the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws.

EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchange. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information, for the period indicated with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US$), for the periods indicated. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

US Dollar

(₹ per US$)

	Period End(1)	Average(2)	High(3)	Low(4)
Fiscal Ended:				
March 31, 2024	83.37	82.79	83.40	81.65
March 31, 2023	82.22	80.39	83.20	75.39
March 31, 2022	75.81	74.51	76.92	72.48
Months ended:				
July 31, 2024	83.74	83.59	83.74	83.40
June 30, 2024	83.45	83.47	83.59	83.07
May 31, 2024	83.30	83.39	83.52	83.08
April 30, 2024	83.52	83.41	83.52	83.23
March 31, 2024	83.37	83.00	83.37	82.68
February 29, 2024	82.92	82.97	83.09	82.84

(Source: www.rbi.org.in and www.fbil.org.in)

Period end, high, low and average rates are based on the FBIL and RBI reference rates.

Notes:

1. *The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods.*
2. *Average of the official rate for each Working Day of the relevant period.*
3. *Maximum of the official rate for each Working Day of the relevant period.*
4. *Minimum of the official rate for each Working Day of the relevant period.*

In case of holidays, the exchange rate on the last traded day of the month has been considered as the rate for the period end.

DEFINITIONS AND ABBREVIATIONS

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

Unless otherwise specified, the capitalised terms used in this Placement Document shall have the meaning as defined hereunder. Further, any references to any statute, rules, guidelines, regulations, agreement, document or policies shall include amendments thereto, from time to time

The words and expressions used in this Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act, or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the section "*Statement of Possible Special Tax Benefits*", "*Industry Overview*", "*Financial Information*" and "*Legal Proceedings*" beginning on page 296, 122, 311 and 302, respectively, shall have the meaning given to such terms in such sections.

General and Company Related Terms

Term	Description
Audit Committee	The audit committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations, and as described in "*Board of Directors and Senior Management*" on page 238.
Articles or Articles of Association	Articles of association of our Company, as amended from time to time.
Audited Consolidated Financial Statements	Collectively, Fiscal 2024 Audited Consolidated Financial Statements, Fiscal 2023 Audited Consolidated Financial Statements and Fiscal 2022 Audited Consolidated Financial Statements.
Auditors / Statutory Auditors	Independent statutory auditors of our Company namely S. N. Dhawan & Co. LLP.
Board of Directors / Board	The board of directors of our Company or any duly constituted committee thereof.
D&B Report	The report titled "*Industry report on Defence and Aerospace Sector in India*", dated August 2024 prepared by Dun and Bradstreet and commissioned and paid for by our Company pursuant to an engagement with Dun & Bradstreet.
Chief Executive Officer	The chief executive officer of our Company, being Sachin Agarwal
Chief Financial Officer	The chief financial officer of our Company, being Smita Agarwal
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, being Pragati Gupta Agarwal
Consolidated June 2023 Unaudited Financial Results	Consolidated unaudited financial results of our Company and our Subsidiary as at and for the three-months ended June 30, 2023 prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI Listing Regulations, together with their report issued by our Statutory Auditors, Walker Chandiok & Co. LLP.
Consolidated June 2024 Unaudited Financial Results	Consolidated unaudited financial results of our Company and our Subsidiary as at and for the three-months ended June 30, 2024 prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI Listing Regulations, together with their report issued by our Statutory Auditors, S. N. Dhawan & Co. LLP.
Director(s)	The director(s) on the Board of our Company.
Equity Share(s)	The equity shares of our Company of face value of ₹ 10 each.

Term	Description
Fiscal 2022 Audited Consolidated Financial Statements	Audited consolidated financial statements of our Company, its Subsidiary as at and for the financial year ended March 31, 2022 prepared in accordance with Ind AS notified under the Ind AS Rules and Section 133 of the Companies Act, 2013 read with the presentation requirements of Division II of Schedule III to the Companies Act, 2013 and which comprises the consolidated balance sheet as at March 31, 2022, and the consolidated statement of profit and loss, including other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, along with notes to the consolidated financial statements, a summary of significant accounting policies and other explanatory information and audit report thereon issued by our Statutory Auditors,Walker Chandiok & Co. LLP.
Fiscal 2023 Audited Consolidated Financial Statements	Audited consolidated financial statements of our Company, its Subsidiary at and for the financial year ended March 31, 2023 prepared in accordance with Ind AS notified under the Ind AS Rules and Section 133 of the Companies Act, 2013 read with the presentation requirements of Division II of Schedule III to the Companies Act, 2013 and which comprises the consolidated balance sheet as at March 31, 2023, and the consolidated statement of profit and loss, including other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, along with notes to the consolidated financial statements, a summary of significant accounting policies and other explanatory information and audit report thereon issued by our Statutory Auditors, Walker Chandiok & Co. LLP.
Fiscal 2024 Audited Consolidated Financial Statements	Audited consolidated financial statements of our Company, its Subsidiary as at and for the financial year ended March 31, 2024 prepared in accordance with Ind AS notified under the Ind AS Rules and Section 133 of the Companies Act, 2013 read with the presentation requirements of Division II of Schedule III to the Companies Act, 2013 and which comprises the consolidated balance sheet as at March 31, 2024, and the consolidated statement of profit and loss, including other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, along with notes to the consolidated financial statements, a summary of material accounting policies and other explanatory information and audit report thereon issued by our Statutory Auditors, M/s S. N. Dhawan & Co. LLP.
Independent Director(s)	The non-executive independent director(s) of our Company as per section 2(47) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations, being Krishna Das Gupta, Ajay Kashyap, Brij Lal Gupta, Vishal Mehrotra and Prashuka Jain.
"Issuer", "PTC", "Company", "Our Company", "the Company"	Unless the context otherwise indicates or implies, refers to PTC Industries Limited, a limited company incorporated under the Companies Act, 1956 having its registered office at Advanced Manufacturing & Technology Centre, NH25A, Sarai Sahjadi, Lucknow 227101 Uttar Pradesh, India.
Key Managerial Personnel	Key managerial personnel of our Company as defined under Regulation 2(1)(bb) of the SEBI ICDR Regulation and as disclosed in "*Board of Directors and Senior Management*" on page 238
Managing Director	The managing director of our Company, being Sachin Agarwal.
Memorandum or Memorandum of Association	Memorandum of association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company, constituted by our Board in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations, and as described in "*Board of Directors. and Senior Management*" on page 238.
Promoter(s)	Sachin Agarwal and Satish Chandra Agarwal HUF.
Promoter Group	The promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.
Listing Committee	The listing committee constituted by our Board as disclosed in "*Board of Directors and Senior Management*" on page 238.

Term	Description
Registered Office	Advanced Manufacturing & Technology Centre, NH25A, Sarai Sahjadi, Lucknow 227101 Uttar Pradesh, India.
"Registrar of Companies" / "RoC"	The Registrar of Companies, Uttar Pradesh at Kanpur.
Risk Management Committee	The risk management committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations, and as described in "*Board of Directors and Senior Management"* on page 238.
Senior Management	Senior management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and as disclosed in "*Board of Directors and Senior Management*" beginning on page 238.
Shareholder(s)	The holders of the Equity Shares of our Company, from time to time.
Subsidiary	The subsidiary of our Company namely Aerolloy Technologies Limited.
Whole-Time Director(s)	The whole-time directors of our Company as per section 2(94) of the Companies Act, 2013, being Alok Agarwal, Priya Ranjan Agarwal, Ashok Kumar Shukla, and Smita Agarwal.
"we", "us" or "our" or "Group"	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiary, namely Aerolloy Technologies Limited.

Issue related Terms

Term	Description
Allocated/ Allocation	The allocation of Equity Shares by our Company, in consultation with the Lead Manager, following the determination of the Issue Price to Eligible QIBs on the basis of Application Forms submitted by them, in consultation with the Lead Manager in compliance with Chapter VI of the SEBI ICDR Regulations.
Allot/ Allotment/ Allotted	Unless, the context otherwise requires, allotment of Equity Shares to be issued pursuant to the Issue.
Allottees	Eligible QIBs to whom Equity Shares are issued and Allotted pursuant to the Issue.
Application Amount	The aggregate amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by Eligible QIBs and payable by the Eligible QIBs in the Issue on submission of the Application Form.
Application Form	The form (including any revisions thereof) which will be submitted by an Eligible QIB for registering a Bid in the Issue during the Bid/ Issue Period. An indicative format of such form is set forth in "Sample Application Form" beginning on page 476.
Bid(s)	Indication of an Eligible QIB's interest, including all revisions and modifications of interest thereto, as provided in the Application Form, to subscribe for the Equity Shares, pursuant to the Issue. The term "Bidding" shall be construed accordingly.
Bid/Issue Closing Date	September 02, 2024, the date after which our Company (or Lead Manager on behalf of our Company) ceased acceptance of Application Forms and the Application Amount.
Bid/Issue Opening Date	August 28, 2024, the date on which our Company (or the Lead Manager on behalf of our Company) commenced acceptance of the Application Forms and the Application Amount.
Bid/Issue Period	Period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days during which Eligible QIBs could submit their Bids including any revision and/or modifications thereof.
Bidder(s)	Any Eligible QIB, who has made a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form.
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e. on or about September 02, 2024.
Designated Date	The date of credit of Equity Shares, pursuant to the Issue, to the Allottee's demat account, as applicable to the respective Allottee.

Term	Description
Eligible FPIs	FPIs under FEMA, the SEBI FPI Regulations and any other applicable law, other than individuals, corporate bodies and family offices, that are eligible to participate in the Issue, participating through Schedule II of the FEMA Rules.
Eligible QIBs	QIBs that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in the Issue under applicable law. In addition, Eligible QIBs are QIBs who are outside the United States, to whom Equity Shares are being offered 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.
Escrow Bank	HDFC Bank Limited
Escrow Agreement	Agreement dated August 28, 2024, entered into amongst our Company, the Escrow Bank and the Lead Manager for collection of the Application Amounts and for remitting refunds, if any, of the amounts collected, to the unsuccessful Bidders.
Escrow Account	Special non-interest bearing, no-lien, escrow bank account without any cheques or overdraft facilities, opened with the Escrow Bank by our Company in the name and style of "*PTC Industries LTD-QIP Escrow A/c*" subject to the terms of the Escrow Agreement, into which the Application Amount has been deposited by Eligible QIBs and from which refunds, if any, shall be remitted, as set out in the Application Form.
Floor Price	The floor price of ₹13,894.42 per Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company has offered a discount of 5% on the Floor Price in accordance with the approval of the Shareholders of our Company accorded through their special resolution passed at the EGM of our Company on August 8, 2024 in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Fraudulent Borrower	Fraudulent Borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Issue	The offer, issue and allotment of 5,30,315 Equity Shares at a price of ₹ 13,199.70 per Equity Share, including a premium of ₹ 13,189.70 per Equity Share, aggregating ₹ 69,999.99 lakhs to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of Companies Act, 2013 and the rules made thereunder.
Issue Price	₹ 13,199.70 per Equity Share
Issue Size	The issue of up to 5,30,315 Equity Shares aggregating up to ₹ 69,999.99 lakhs.
Lead Manager	ITI Capital Limited
Monitoring Agency	ICRA Limited
Monitoring Agency Agreement	Agreement dated August 28, 2024 entered into amongst our Company and the Monitoring Agency in relation to the responsibilities and obligations of the Monitoring Agency for monitoring the utilisation of the gross proceeds of the Issue, after deducting fees, commissions and expenses of the Issue.
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Placement Agreement	Agreement dated August 28, 2024 entered into amongst our Company and the Lead Manager.
Placement Document	This placement document to be issued by our Company in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and rules made thereunder
Preliminary Placement Document	The placement document cum application form dated August 28, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and rules made thereunder.
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
QIP	Qualified institutions placement, being a private placement to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and other applicable sections of the Companies Act, 2013, read with applicable provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

Term	Description
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Application Amount submitted by such Bidder pursuant to the Issue.
Refund Intimation	The letter from the Company to relevant Bidders intimating them of the Refund Amount, if any, to be refunded to their respective bank accounts.
Relevant Date	August 28, 2024, which is the date of the meeting of the Listing Committee of the Board, a committee duly authorised by our Board, deciding to open the Issue.
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount along with the Application Form and who have been Allocated Equity Shares pursuant to the Issue.
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations.
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India or a trading day of the Stock Exchanges, as applicable.

Technical and Industry Related Terms

Term	Description
A&D	Aerospace and Defence
AAI	Airports Authority of India
ACI	Airports Council International
ACTKs	Available Cargo Tonne Kilometres
AI	Artificial Intelligence
AMCA	Advanced Medium Combat Aircraft
AOC	Air Operator Certificate
AoN	Acceptance of Necessity
APAC	Asia-Pacific region
ATI	Aerospace Technology Institute
BE	Budget Estimates
BEL	Bharat Electronics Limited
BEML	Bharat Earth Movers Limited
CAGR	Compound Annual Growth Rate
CIBMS	Chakrayyuh and the Comprehensive Integrated Border Management System
Co-Cr Alloys	Cobalt-Chrome Alloys
CPI	Consumer Price Index
CPP	Consolidated Precision Products
CTKs	Cargo Tonne Kilometres
CY	Calendar Year
DAC	Defence Acquisition Council
DAP	Defence Acquisition Procedure
DG-Acquisition	Director General of Acquisition
DIAL	Delhi International Airport Limited
DMA	Department of Defence/Military Affairs
DoD	Department of Defence
DPAI	Defence Production Act Investment
DPEPP	Defence Production & Export Promotion Policy
DPSUs	Defence Public Sector Undertakings
DRC	Democratic Republic of Congo
DS Superalloys	Directionally-Solidified Superalloys
DSIR	Department of Scientific and Industrial Research
DTIS	Defence Testing Infrastructure Scheme
DTTI	Defence Technology and Trade Initiative
EBCHR	Electronic Beam Cold Hearth Recasting

ECLGS	Emergency Credit Linked Guarantee Scheme
EPS	Earnings Per Share
FDI	Foreign Direct Investment
FTAs	Foreign Tourist Arrivals
GDP	Gross Domestic Product
GE	General Electric
GFCF	Gross Fixed Capital Formation
GoI	Government of India
HAL	Hindustan Aeronautics Limited
HSLA	High-Strength Low-Alloy
IAI	Israel Aerospace Industries
IATA	International Air Transport Association
IBAS	Industrial Base Analysis and Sustainment
ICDP	Integrated Capability Development Plan
iDEX	Innovations for Defence Excellence
IIoT	Industrial Internet of Things
IoT	Internet of Things
ITAR	International Traffic in Arms Regulations
LCCs	Low-Cost Carriers
LTIPP	Long-Term Integrated Perspective Plan
Mg-Al Alloys	Magnesium-Aluminium Alloys
ML	Machine Learning
MMT	Million metric tonnes
MoD	Ministry of Defence
Mg-RE Alloys	Magnesium-Rare Earth Alloys
MRO	Maintenance, Repair and Overhaul
MSME	Micro, Small and Medium Enterprise
NATO	North Atlantic Treaty Organization
Ni-Co Superalloys	Nickel-Cobalt Superalloys
Ni-Cr Superalloys	Nickel-Chromium Superalloys
NiTi shape memory alloys	Nickel-Titanium shape memory alloys
OEM	Original Equipment Manufacturer
PAM	Plasma Arc Melting
PFCE Growth	Private Final Consumption Expenditure
PLA	People’s Liberation Army
PLI	Production Linked Incentive Scheme
PSUs	Public Sector Undertakings
R&D	Research and Development
RCS-UDAN	Regional Connectivity Scheme-Ude Desh Ka Aam Nagrik
RPKs	Revenue Passenger Kilometres
SIDS	Society for Indian Defence Start-ups
SIPRI	Stockholm International Peace Research Institute
SPV	Special Purpose Vehicle
TAI	Turkish Aerospace Industries
TASL	Tata Advanced Systems Limited
TBAL	Tata Boeing Aerospace Limited
tpa	tonnes per annum
TReDS	Trade Receivable Discounting System
UDAN	Ude Desh Ka Aam Nagrik
UGVs	Unmanned Ground Vehicles
UUVs	Unmanned Underwater Vehicles
VoP	Value of Production
VR	Virtual Reality

Conventional and General Terms/Abbreviations

Terms	Description
₹ / Rs. / Re./ Rupees / INR	Indian Rupee
AGM	Annual General Meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS or Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India, as required under the Companies Act.
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate (as a %): (End Year Value/Base Year Value)^ (1/No. of years between Base year and end year) – 1 (^ denotes 'raised to')
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Civil Procedure Code	The Code of Civil Procedure, 1908, as amended
Companies Act	The Companies Act, 1956 or the Companies Act, 2013, as applicable
Companies Act, 1956	The erstwhile Companies Act, 1956 along with the rules made thereunder
Companies Act, 2013	Companies Act, 2013, as amended and the rules, regulations, circulars, modifications and clarifications thereunder, to the extent notified
Consolidated FDI Policy	The consolidated FDI Policy, 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
CSR	Corporate social responsibility.
Depositories Act	The Depositories Act, 1996, as amended
Depository	NSDL and CDSL, depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018, as amended
Depository Participant	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
EBIT	Earnings Before Interest and Tax
EGM	Extraordinary General Meeting
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization and impairment excluding other income
ESG	Environment, social and governance
EPS	Earnings per share
FBIL	Financial Benchmark India Private Limited
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, as amended and the Regulations issued thereunder
FEMA Non-Debt Rules/ FEMA Rules	The Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, as amended and any notifications, circulars or clarifications issued thereunder
"Financial Year" / "Fiscal Year" / "Fiscal" / "FY"	Unless otherwise stated, the period of 12 months commencing on April 1 of a year and ending on March 31 of the next year
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
FPI/ Foreign Portfolio Investor(s)	Foreign Portfolio Investors, as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, as amended
FVCI	Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
GAAP	Generally accepted accounting principles
GBP	Great Britain Pound Sterling
GDP	Gross domestic product
"GoI" / "Government"	Government of India, unless otherwise specified
GST	Goods and services tax

Terms	Description
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
Ind AS	Indian accounting standards as notified by the MCA pursuant to Section 133 of the Companies Act read with the IAS Rules
Indian GAAP	Generally accepted accounting principles in India
Income Tax Act/IT Act	The Income tax Act, 1961
"Lakh"/" Lac"	Lakhs
MCA	Ministry of Corporate Affairs, GoI
Mn/ mn	Million
N.A./ NA	Not Applicable
NAV	Net Asset Value
NCLT	National Company Law Tribunal
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes an NRI
"Non-Resident Indian(s)" / "NRI"	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, as amended.
NRO	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit after tax / profit for the respective period / year
PBT	Profit before tax
PAS Rules	Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
S&P CNX NIFTY	Regional stock market index endorsed by Standard & Poor's which is composed of 50 of the largest and most liquid stocks found on the National Stock Exchange of India
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
STT	Securities Transaction Tax
TDS	Tax deducted at source
"USA" or "U.S." or "United States"	The United States of America, its territories and possessions, any State of the United States and the District of Columbia
U.S. GAAP	Generally accepted accounting principles in the United States of America
$/ U.S.$ / USD / U.S. dollar	United States Dollar, the legal currency of the United States of America

Terms	Description
U.S. Securities Act	The United States Securities Act of 1933, as amended
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31

SUMMARY OF BUSINESS

PTC Industries Limited, is an Indian manufacturer with over 60 years of experience in precision metal components and caters to critical applications and, through its Subsidiary, Aerolloy, produces critical and supercritical metal components for Aerospace, Defence and Industrial applications, serving both domestic and international markets, which are developed through sustainable, disruptive and innovative technologies. Established in 1963 as Precision Tools & Castings Private Limited *(now PTC Industries Limited)*, our Company started with an objective to export metal parts by setting up an investment casting foundry in India, to produce metal components using casting techniques to cater to a large number of industries for their specific process applications. With over six decades of expertise, our Company has evolved into a supplier of precision-engineered metal components across a broad spectrum of industries. Our extensive OEM portfolio caters to Aerospace, Defence, oil and gas, marine, energy, pulp and paper, and various engineering sectors. We specialize in manufacturing components crucial to operations such as valves, pumps, propulsion systems, titanium castings, and flow meters, among others.

Our manufacturing technologies enable us to cater to a wide spectrum in the aerospace and defence sector. This includes (i) civil aviation, (ii) air defence, (iii) naval defence, (iv) space, (v) aero engines, (vi) land defence and (vii) strategic systems.

Given below is an illustration of some of our platform independent core manufacturing technologies:

Sector	Particulars	Description
Civil Aircraft	Landing System structurals	Components used in landing gears
	Airframe structural	Wings, fuselage, and undercarriage
	Engine mounts	For holding Engine to wings and holding ancillaries to engine
	Turbine frames	Hot gas conduits
	Engine shrouds	For sealing surfaces with Rotating parts
Military Aircraft	Airframe structures	For structural support and aerodynamics
	Intermediate casings	For engine support and component housing
	Bearing housings	For bearing support and alignment
	Re-fuelling nozzles	For fuel transfers and refuelling
	Turbine oil-tanks	For oil storage and engine lubrication
	Engine gearboxes	For power transmission and gear control
Naval Defence	Pump & Valve components	For fluid control and pressure regulation
	On-line fittings	For pipe connections and fluid transfers
	Propellers and propulsion components	For thrust generation and propulsion
Space	Propellant tanks	For fuel storage or missile propulsion
	Propulsion nozzles	For thrust control, exhaust management.
	Bulkheads	For structural support, compartmentalisation.
	Liquid fuel pump casings and impellers	For fuel transfer, pressure regulation.
	Lightweight structurals	For weight reduction, structural support.
Aero Engines	Turbine frames	For structural support, turbine housing

	Blades, buckets and vanes	For airflow management, power generation
	Bearing housings	For rearing support, alignment.
	Inlet and outlet structures	For airflow management, pressure regulation.
Land Defence	Suspension arms	For vehicle stability, shock absorption.
	Muzzle brakes	For recoil reduction, accuracy enhancement
	Lightweight artillery structures	For mobility, firepower efficiency
	Armour protection	For defence enhancement, impact resistance
Strategic Systems	Propellant tanks	For fuel storage, missile propulsion
	Propulsion nozzles	For thrust control, exhaust management
	Bulkheads	For structural integrity, compartmentalisation.
	Pressure bottles	For high-pressure storage, gas containment
	Lightweights structural	For weight reduction, structural support

As of June 30, 2024, we have developed capabilities to manufacture over 1414 products which can broadly be categorised into three vital technology groups, namely:

i. *Industrial And Defence Group*: comprising the air-melt castings vertical and machining and integration vertical and caters to the specific needs of critical and supercritical applications in industries such as oil and gas, marine, energy, pulp and paper, and defence.

ii. *Aerospace Castings Group*: comprising the titanium castings vertical, super alloy castings vertical and airfoil castings vertical which includes manufacturing of single crystal, directionally solidified, and equiaxed blades and vanes.

iii. *Aerospace Materials Group*: comprising the titanium alloy mill vertical, super alloy mill vertical and the forging & rolling mill vertical.

Given below is an illustration of some of the portfolio offerings in three vital technology groups of our Company:

Technology Group	Vertical	Portfolio Offerings
Industrial And Defence Group	Air-Melt Castings	 Stainless Steel Castings for Industrial and Defence applications
	Machining	Precision Machining of Castings
Aerospace Castings Group	Titanium Casting	Lightweight, high-strength components

	Super Alloy Castings	 High-temperature resistance, durability
	Airfoil Castings	 Single Crystal, Directionally Solidified and EquiAx castings for Aero Engines and Gas Turbine applications
Aerospace Materials Group	Titanium Alloy Mill	 Titanium Alloy Ingots of various grades using Ti Sponge as well as Ti scrap. Primarily for Aerospace and Defence applications
	Super Alloy Mill	 Nickel or Cobalt based Super Alloy ingots and cast sticks, melted in Vacuum and used for high temperature applications

As on the date of this Placement Document, we have a wholly-owned subsidiary, namely, Aerolloy Technologies Limited ("**Aerolloy**") which was established on February 17, 2020 with a primary focus on manufacturing metal and components for aerospace and defence applications, catering to both domestic and international markets. From 2022, we (through Aerolloy) have begun acquiring strategic materials manufacturing plants for installation and commission at the premises of Aerolloy in the Uttar Pradesh Defence Industrial Corridor at Lucknow, Uttar Pradesh, including an Electron Beam Cold Hearth Remelting ("**EBCHR**") furnace, a Plasma Arc Melting ("**PAM**") furnace and a Vacuum Induction Melting ("**VIM**") furnace. The certification under AS 9100 received by Aerolloy, demonstrates our Company's capability consistently manufacturing products that meet stringent industry standards and regulatory requirements for supplying to aerospace, space and defence organisations. We have also secured strategic partnerships through memorandums of understandings entered into with prominent OEMs. These relationships are aimed at exploring capabilities and seizing opportunities in aerospace component development and highlight our prominence as a partner to global aerospace manufacturers.

We cater to diverse geographic locations, including India and international markets located in the European Union, Norway, United States of America, United Kingdom, China and Brazil. During the Fiscals 2022, 2023 and 2024 and the three month period ended June 30, 2024, exports of products amounted to ₹ 14,284.46 lakhs, ₹ 19,785.16 lakhs, ₹21,141.44 lakhs and ₹4,009.31 lakhs, which accounted for 79.82%, 90.23%, 82.30% and 85.55% of our revenue from operations, respectively. Our growth is also fuelled by our longstanding relationships with our customers, with over 73% and 81% of our revenue in Fiscal 2024 and the three-month period ended June 30, 2024, stemming from customers who have partnered with us for more than a decade.

As of June 30, 2024 we, together with our Subsidiary, have 3 manufacturing units located at Lucknow, Uttar Pradesh and Mehsana, Gujarat. These manufacturing units encompass 3 foundries, 2 CNC machine shops, and a research and development laboratory accredited by the DSIR. Furthermore, through Aerolloy, we have pioneered a fully operational titanium casting facility, within the Uttar Pradesh Defence Industrial Corridor situated in Lucknow, Uttar Pradesh. We have received international accreditations including ISO 9001:2015 from TUV, a number of Marine Classification Approvals from esteemed bodies such as DNV, Bureau Veritas, Lloyds, and the American Bureau of Shipping. We have also received the Management System Certification as per EN 9100:2018 for Aerolloy for its capability to manufacture As-Cast and Machined investment casting in air and vacuum melt for steel, titanium and super alloys for aerospace applications as per AS 9100. We also have approvals under PED (Pressure Equipment Directive) from TUV W0 MERKBLATT and approval from the Nuclear Power Corporation of India. Our testing laboratory is certified with the Laboratory Quality Management system as per ISO 17025: 2017 from NABL.

Our manufacturing facilities employ various modern technologies including high integrity vacuum-melt titanium, hot isostatic pressing, powder fabrication, reactive alloy production, vacuum melting, and metal powder manufacture. We have also embraced digital systems that render operations more efficient. This includes the integration of artificial intelligence, big data analytics, and business monitoring algorithms, poised to enhance productivity and amplify core business capabilities.

Sachin Agarwal, our Promoter, brings over 26 years of experience, during which he has introducing cutting-edge technologies to our Company. Under his leadership, our Company has up new infrastructure and expanded its customer base. Our management team is equipped with experience and expertise to drive growth and manage our operations effectively. We believe this combination of technological foresight and seasoned leadership gives us a distinct competitive advantage as we continue to expand our business. For further details regarding our management, see "*Board of Directors and Senior Management*" starting on page 238.

We are committed to sustainability as part of our Environmental, Social and Governance ("**ESG**") focus and have undertaken several initiatives toward our ESG goals. The impetus is towards creating sustainable, disruptive and innovative technologies. Further, we have received several awards in recognition of our products and operations, including the "Raksha Mantri Excellence Award' in 2022 for excellence in indigenisation in the Defence and Aerospace Sector, the "CII Industrial Innovation Award" in 2018, the National Award for R&D Efforts in the Industry in 2006 from The Department of Science and Industrial Research, Government of India, the "Total Cost Leadership Award" from Rolls Royce – Marine, the "Special Jury Award" at the TIME India Awards, 2017 and a recognition in Forbes India magazine as one of "16 Hidden Gems" in the country, amongst others. In addition, our Company has secured a 'Clearance Certificate' for critical On-Line Fittings (OLFs) crafted from precious titanium alloys. Aerolloy has secured approval from Safran Aircraft Engines (SAE) engine manufacturer for development and supply of critical titanium and super alloy castings for aero engines. For further details regarding awards and accreditations, see "*Our Business – History and Development*" on page 233.

SUMMARY OF THE ISSUE

The following is a general summary of the term of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including under the sections *"**Risk Factors**", "**Use of Proceeds**", "**Placement and Lock Up**", "**Issue Procedure**" and "**Description of the Equity Shares**" beginning on pages 45, 77, 275, 261 and 291, respectively.*

Issuer	PTC Industries Limited
Face Value	₹ 10 per Equity Share
Issue Price	₹ 13,199.70 per Equity Share (including a premium of ₹ 13,189.70 per Equity Share)
Floor Price	₹ ₹13,894.42 per Equity Share calculated in accordance with Regulation 176 under Chapter VI of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. However, our Company has offered a discount of 5% on the Floor Price in accordance with the approval of the Shareholders of our Company accorded through special resolution passed at EGM dated August 8, 2024, and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Size	Issue of 5,30,315 Equity Shares aggregating up to ₹69,999,99 lakhs. A minimum of 10 % of the Issue Size i.e. 53,032 Equity Shares shall be available for Allocation to Mutual Funds only, and balance 4,77,283 Equity Shares shall be available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription or no subscription in the portion available for Allocation only to Mutual Funds, such portion or part thereof may be Allotted to other Eligible QIBs.
Date of Board Resolution on approving the Issue	July 13, 2024
Date of Shareholders' Resolution approving the Issue	August 8, 2024
Eligible Investors	Eligible QIBs, to whom this Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue. For further details, see "***Issue Procedure*****", "*****Selling Restrictions*****" and "*****Transfer Restrictions***" on pages 261, 277 and 285, respectively. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form have been delivered was determined by our Company in consultation with the Lead Manager.
Dividend	Please see section "***Description of the Equity Shares*****", "*****Dividends*****" and "*****Statement of Possible Special Tax Benefits***" on pages 291, 96 and 296, respectively of this Placement Document.
Issue Procedure	This Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act, 2013 and Chapter VI of the SEBI ICDR Regulations. For further details, see "***Issue Procedure***" on page 261.
Taxation	Please see section "***Statement of Possible Special Tax Benefits***" on page 296 of this Placement Document.
Equity Shares issued and outstanding immediately prior to the Issue	1,44,40,873 Equity Shares, being fully paid-up.
Equity Shares issued and outstanding immediately after the Issue	1,49,71,188 Equity Shares, being fully paid up.
Listing	Our Company has received in-principle approvals from the BSE and the NSE each dated August 28, 2024 under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares to be issued pursuant to the Issue.

	Our Company will make applications to each of the Stock Exchanges after Allotment to obtain final listing approval for the Equity Shares.
Trading	The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges. Our Company will make applications to the respective Stock Exchanges to obtain final listing and trading approvals for the Equity Shares after Allotment of the Equity Shares in the Issue.
Lock-up	For details of the lock-up, see "***Placement and Lock-up***" on page 275.
Transferability Restrictions	Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. Please see section "***Transfer Restrictions***" and "***Selling Restrictions***" on pages 285 and 277, respectively, of this Placement Document.
Use of Proceeds	The gross proceeds from this Issue shall be approximately ₹ 69,999,99 lakhs*. Subject to compliance with applicable laws, the net proceeds from this Issue, after deducting fees, commissions and estimated expenses relating to this Issue of approximately ₹2,674.41 lakhs, are ₹67,325.58 lakhs* ("**Net Proceeds**")which are proposed to be utilised (i) repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by our Company; (ii) funding capital expenditure, including towards expansion and development of one or more manufacturing facilities of the Company our Subsidiary, Aerolloy Technologies Limited (through investment in Aerolloy Technologies Limited); (iii) funding working capital requirements of our Company; (iv) funding our Company's inorganic growth initiatives and (v) general corporate purposes. See "***Use of Proceeds***" on page 77 for information regarding the use of net proceeds from the Issue.
Risk Factors	Please see section "***Risk Factors***" on page 45 for a discussion of risks you should consider before investing in the Equity Shares.
Closing Date	The Allotment of the Equity Shares offered pursuant to the Issue is expected to be made on or about September 02, 2024.
Ranking	The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company, including rights in respect of dividends. The Shareholders of our Company (who hold Equity Shares as on the record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Bid/ Issue Closing Date, in compliance with the Companies Act, 2013, SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act, 2013. Please see sections "***Dividends***" and "***Description of the Equity Shares***" on pages 96 and 291, respectively.
Security Codes/ Symbols for the Equity Shares	**ISIN**: INE596F01018 **BSE Code**: 539006 **NSE Symbol**: PTCIL

SELECTED FINANCIAL INFORMATION

The following tables set forth our selected financial information as extracted from our Audited Consolidated Financial Statements, prepared in accordance with the applicable accounting standards (Ind AS), Companies Act, 2013 and the requirements of SEBI Listing Regulations, as applicable and should be read together with the more detailed information contained in "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and the Audited Consolidated Financial Statements included in "***Financial Information***" on pages 97 and 311, respectively.

*[The remainder of this page has been left intentionally left blan*k]

Summary of consolidated profit and loss information as at and for the three-month period ended June 30, 2024 and June 30, 2023

(in ₹ lakhs)

Particulars	**For the period ended June 30, 2024**	**For the period ended June 30, 2023**
Income		
(a) Revenue from operations	4,686.63	7,150.69
(b) Other income	365.17	290.94
Total income	**5,051.80**	**7,441.63**
Expenses		
(a) Cost of materials consumed	1,941.93	1,577.13
(b) Changes in inventories of finished goods and work-in-progress	(1,358.45)	344.64
(c) Employee benefits expense	791.28	752.57
(d) Finance costs	318.54	366.88
(e) Depreciation and amortisation expense	414.88	413.42
(f) Other expenses	2,307.61	2,500.70
Total expenses	**4,415.79**	**5,955.34**
Profit before tax (1-2)	**636.01**	**1,486.29**
Tax expense:		
(a) Current tax	128.71	310.04
(b) Current tax-earlier years		
(c) Deferred tax	17.73	48.34
Total tax expense	**146.44**	**358.38**
Profit for the period/ year (3-4)	**489.57**	**1,127.91**

Consolidated Balance Sheet as on March 31, 2024, March 31, 2023 and March 31, 2022

(in₹ lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	23,015.03	22,558.72	23,444.01
Capital work-in-progress	15,868.42	6,663.86	2,255.09
Investment property	171.69	179.52	183.06
Other intangible assets	91.42	85.51	68.33
Financial assets			
(i) Investments	0.50	0.50	
(ii) Other financial assets	2,383.16	348.89	189.42
Non-current tax assets (net)	373.87	364.81	347.45
Other non-current assets	6,106.53	5,453.84	830.45
Total non-current assets	**48,010.62**	**35,655.65**	**27,317.81**
Current assets			
Inventories	7,448.06	7,772.20	6,480.75
Financial assets			
(i) Investments	9.09	7.18	7.21
(ii) Trade receivables	11,085.79	6,568.73	6,149.82
(iii) Cash and cash equivalents	13,430.10	689.47	134.76
(iv) Bank balances other than (iii) above	2,346.90	2,321.74	260.41
(v) Loans	101.87	59.86	68.56
(vi) Others financial assets	3,588.44	181.02	488.60
Other current assets	3547.70	2,035.40	1,690.63
Total current assets	**41,557.95**	**19,635.60**	**15,280.74**
TOTAL ASSETS	**89,568.57**	**55,291.25**	**42,598.55**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	1,444.09	1,338.23	523.91
Other equity	63,115.88	29,328.19	16,328.28
Total equity	**64,559.97**	**30,666.42**	**16,852.19**
Non-current liabilities			
Financial liabilities			
(i) Borrowings	8,100.12	9,638.44	9,366.08
(ii) Other financial liabilities	46.25	239.78	314.54
Provisions	107.62	90.54	75.88
Deferred tax liabilities (net)	1,696.96	1,526.08	1,375.41
Other non-current liabilities	768.36	835.00	901.67
Total non-current liabilities	**10,719.31**	**12,329.84**	**12,033.58**
Current liabilities			
Financial liabilities			
(i) Borrowings	10,089.01	8,026.34	10,257.14
(ii) Trade payables			
total outstanding dues of micro enterprises and small enterprises	438.86	610.32	233.17
total outstanding dues of creditors other than micro enterprises and small enterprises	1,101.12	1,493.22	1,640.72
(iii) Other financial liabilities	1,105.98	1,138.79	1,139.72
Other current liabilities	1,420.75	906.95	390.05
Provisions	56.79	31.54	44.68
Current tax liabilities (net)	76.78	87.83	7.30

Total current liabilities	**14,289.29**	**12,294.99**	**13,712.78**
TOTAL EQUITY AND LIABILITIES	**89,568.57**	**55,291.25**	**42,598.55**

Consolidated Profit and Loss Account for the years ended as on March 31, 2024, March 31, 2023 and March 31, 2022

(in₹ lakhs)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Income			
Revenue from operations	25,687.92	21,926.21	17,895.48
Other income	1,337.92	747.27	627.99
Total income	**27,025.84**	**22,673.48**	**18,523.47**
Expenses			
Cost of materials consumed	5,682.02	5,475.50	5,066.82
Changes in inventories of finished goods and work-in-progress	494.93	(36.30)	(759.47)
Employee benefits expense	3,159.83	2,621.84	2,085.16
Research and development expenses			181.94
Other expenses	9,086.55	8,001.92	7,110.87
Total expenses	**18,423.33**	**16,062.96**	**13,685.32**
Profit before finance cost, depreciation and amortisation and tax	8,602.51	6,610.52	4,838.15
Finance costs	1,524.79	1,577.74	1,516.58
Depreciation and amortisation expense	1,662.93	1,666.92	1,462.99
Profit before exceptional items and tax	**5,414.79**	**3,365.86**	**1,858.58**
Exceptional Items			156.79
Profit before tax	**5,414.79**	**3,365.86**	**1,701.79**
Tax expense:			
Current tax - current year	1,014.34	661.22	247.32
Current tax - earlier years	-	(29.93)	-
Deferred tax charge	178.87	153.06	173.32
Total tax expenses	**1,193.21**	**784.35**	420.64
Profit for the year	**4,221.58**	**2,581.51**	**1,281.15**
Other comprehensive income			
A) Items that will not be reclassified to profit or loss			
(i) Remeasurement of defined benefit plan	(34.53)	(10.31)	(0.65)
ii) Income tax relating to items that will not be reclassified to profit or loss	7.99	2.56	0.16
Other comprehensive (loss) for the year (net of tax)	**(26.54)**	**(7.75)**	**(0.49)**
Total comprehensive income for the year	**4,195.04**	**2,573.76**	**1,280.66**

Consolidated Cash Flow Statement for the years ended March 31, 2024, March 31, 2023 and March 31, 2022

(in₹ lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from operating activities			
Net profit before tax	5,414.79	3,365.86	1,701.78
Adjustment for:			
Depreciation and amortisation expense	1,662.93	1,666.92	1,462.99
Unrealised foreign exchange fluctuation loss (gain)	(38.96)	(55.49)	(86.49)
(Gain)/loss on disposal/discard of property plant and equipment (net)	11.05	(5.46)	(0.13)
Provision for doubtful debts, loans and advances written off	-	-	(3.01)
Trade payables written off	-	-	(29.29)
Amortisation of deferred income- government grant	(66.67)	(66.67)	(51.67)
Dividend income	-	(0.02)	(0.22)
(Gain)/loss on MTM foreign exchange fluctuation	(244.20)	156.37	(28.05)
Interest expense	1,342.63	1,410.97	1,368.98
Share based payment expense	133.95	164.31	43.21
Remeasurement of defined benefit plan	(34.53)	-	(0.65)
(Gain)/loss on investment at fair value through profit or loss (net)	(1.91)	-	
Interest from assets valued at amortised cost	(431.21)	(71.69)	(15.25)
Operating profit before working capital changes (current and non- current)	**7,747.87**	**6,565.10**	**4,362.20**
Inflow and outflow on account of:			
Changes in trade receivables	(4,478.41)	(366.43)	285.89
Changes in inventories	324.14	(1,291.45)	(1,254.92)
Changes in other financial assets	(10,632.45)	148.12	312.12
Changes in other assets	(1,498.37)	(396.68)	(525.45)
Changes in financial assets-loans	(42.01)	8.70	4.93
Changes in provisions	42.33	(8.79)	18.26
Changes in trade and other payables	(563.16)	232.65	(809.91)
Changes in other financial liabilities	(251.38)	(3.43)	524.48
Changes in other liabilities	757.95	360.53	(148.66)

Cash generated from/ (used in) operations before tax	**(8,593.49)**	**5,248.32**	**2,768.94**
Income taxes paid (net)	(1,034.45)	(568.31)	(284.06)
Net cash generated from/ (used in) operating activities [A]	**(9,627.94)**	**4,680.01**	**2,484.88**
B. Cash flow from investing activities			
Purchase of property, plant and equipment and intangible assets [including capital advances and creditors for capital goods]	(11,652.52)	(9,622.30)	(2,818.57)
Proceeds from sale of property plant and equipment’s	11.20	47.82	-
Investments made	-	(0.50)	0.51
Interest received	431.21	71.69	15.25
Other bank balances not considered as cash and cash equivalents (net)	5,165.60	(2,061.33)	(46.87)
Dividend received	-	0.06	0.23
Net cash used in investing activities [B]	**(6,044.51)**	**(11,564.56)**	**(2,849.45)**
C. Cash flow from financing activities			
Proceeds from long-term borrowings	**146.57**	**4,836.15**	**2,248.79**
Repayment of long-term borrowings	(1,264.60)	(5,745.22)	(1,538.62)
Proceed / Repayment of Short-term borrowings (net)	1,342.98	(1,049.38)	-
Proceeds from Government grant	-	-	300.00
Proceeds from short-term borrowings (net)	-	-	808.09
Repayment of lease liability	(33.77)	-	-
Finance cost paid	(1,342.63)	(1,678.80)	(1,528.00)
Proceeds from issue of equity shares (net of cost issuance expenses)	29,564.53	7,371.11	-
Proceeds from issue of share warrants	-	3,705.40	-
Net cash generated from financing activities [C]	**28,413.08**	**7,439.26**	**290.26**
D. Net (decrease)/increase in cash and cash equivalents [A+B+C]	**12,740.63**	**554.71**	**(74.31)**
E. Cash and cash equivalents at the beginning of the year	**689.47**	**134.76**	**209.07**
Closing balance of cash and cash equivalent [D+E]	**13,430.10**	**689.47**	**134.76**
Components of cash and cash equivalents			
Balances with banks	140.23	179.76	123.27

Cash on hand	8.37	9.63	11.49
Balance in deposit account with original maturity up to three months	13,281.50	500.08	-
	13,430.10	**689.47**	**134.76**

RELATED PARTY TRANSACTIONS

For details of the related party transactions during: (i) the three months ended June 30, 2024 (ii) Fiscal 2024; (iii) Fiscal 2023; and (iv) Fiscal 2022; as per the requirements under Ind AS 24 'Related party disclosures' notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules 2015, as amended and as reported, see "***Financial Information***" on page 311.

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Placement Document, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate or to India. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, results of operations and financial condition could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with "Business", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Information" on pages 227, 122, 97 and 311, respectively, as well as the other financial and statistical information contained in this Placement Document. In making an investment decision, you must rely on your own examination of us and our business and the terms of the Issue including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences of investing in the Issue. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. You should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2022, 2023 and 2024 included herein is derived from the Audited Consolidated Financial Statements and the financial information for the three-month period ended June 30, 2024 is derived from the Unaudited Consolidated Financial Statements included in this Placement Document. For further information, see "Financial Information" on page 311. 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, in this section, references to "the Company" or "our Company" are to PTC Industries Limited on a standalone basis, and references to "we", "us", "our", are to PTC Industries Limited, together with its Subsidiary, on a consolidated basis, considered together or individually, as applicable. Unless otherwise indicated, industry and market data used in this section have been derived from "Industry Report on Defence and Aerospace in India" dated August 2024 (the "**D&B Report**") prepared and released by Dun & Bradstreet and commissioned and paid by our Company in connection with the Issue. Unless otherwise indicated, all financial, operational, industry and other related information derived from the D&B Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Also see, "Presentation of Financial Information and Other Conventions" on page 13.*

INTERNAL RISK FACTORS

1. Our business is dependent on exports and the performance of geographies where we supply our products. Any adverse changes in the conditions affecting the industries in global markets in which our products are supplied can adversely impact our business, cash flows, results of operations and financial condition.

We are an export-oriented business. Our revenue from operations attributed to export to a group of foreign countries is 79.82%, 90.23%, 82.30%, 86.08% of our revenue from operations in Fiscal 2022, Fiscal 2023, Fiscal 2024 and three months period ended June 30, 2024. Our export business is dependent on the performance of our customers who operate in industries such as aerospace, defence and marine, automotive clean fuel, power tools, material handling, hydraulic, marine, locomotive, electric vehicles and electronics. Our primary export markets include the European Union, Norway, United States of America, United Kingdom, China and Brazil.

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

Further, the industries in which our customers operate, have been characterized historically by significant periodic fluctuations in overall demand of end goods, resulting in corresponding fluctuations in demand for our products.

The length and timing of any cycle in industries cannot be predicted with certainty. We cannot predict when our customers will decide to either build or reduce inventory levels or whether new inventory levels will approximate historical inventory levels. Production and sales of the end goods for which we supply products are affected by, among other things, a variety of other factors that are beyond our control, including changes in government policies, changes in consumer demand, product mix shifts in preferences, fuel prices, vehicle and aircraft electrification, demographic trends, employment and income levels and interest rates, disruptions in the supply chain, vehicle and aircraft age, labour relations, regulatory requirements, credit availability and cost of credit, interest rates and general economic and industry conditions. Reduced demand in the industries we currently supply, continued uncertainty and other unexpected fluctuations or change in regulations, customs, taxes or other barriers or restrictions adversely affecting our export markets, could have a material adverse impact on our business, cash flows, results of operations and financial condition.

2. ***Our Company does not have firm commitments with customers. Our incremental business pipeline may not be indicative of our future growth rate or new business orders we will receive in the future.***

Our revenues, including realization of future sales from awarded business or obtaining new business or customers, is inherently subject to a number of risks and uncertainties, including the accuracy of customer estimates relating to the number machines, capital goods and other end goods to be produced and sold and the timing of such production in oil & gas, marine, energy, pulp & paper, aerospace and defence industry. Typically, we participate in a lengthy and rigorous vendor selection process with our customers, which can take up to six months to two years from the date of issue of a request for information or request for quote for securing business. However, there is no assurance in relation to the sales volumes and revenue that the customer's business will eventually generate for us. Further, our customers may delay or cancel an assignment that have been awarded to us due to various reasons.

Since we do not have firm commitments under our supply agreements with our customers, and instead rely on letters of intent, purchase orders, statements of work and customer schedules to estimate the volume and other terms of sale and supply of our manufactured products, which may be amended or cancelled prior to finalization, we may not have any recourse in the event of an unexpected delay or cancellation of an assignment. Our revenues are dependent, in part, on volume projections given to us by our customers. Under the letter of intent, purchase orders, and delivery schedules, our customers provide us only with forecast volume for the program and there is no commitment on the part of the customer to purchase the quantities specified in the volume projections. Such volume projections are based on a number of economic and business factors, variables and assumption, some or all of which may change or may not be accurate. Accordingly, the volume projections by our customers are not necessarily an accurate indication of our actual revenues from such orders will be, nor does it purport to project our results of operations, financial position or cash flows for any future period or date.

Further, our purchase orders with customers are either open-ended in terms of period and quantity to be supplied or scheduled based. Pursuant to the purchase orders, our customers provide assignment specific delivery schedules throughout the period of the assignment. Accordingly, there is no commitment on the part of the customer 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 or the discontinuation of, loss of business with respect to, or a lack of commercial success of, a particular vehicle, machine, submarine or aircraft model or platform. Any failure to realize substantially all the revenue from these sales and our new and incremental business backlog, could have a material adverse impact on our business, cash flows, financial condition and results of operations.

3. ***Development of our products involves a lengthy and expensive process with uncertain timelines and uncertain outcomes. The failure to develop new or improved products or process improvements or production techniques could subject us to write-offs or otherwise adversely affect our business, financial condition and results of operations and have a negative impact on our competitive position.***

Our future growth depends on our ability to continue to develop, design and commercialize viable and sustainable new products in a timely and cost-effective manner, improve our existing products, or to develop process improvements that can improve time, quality and cost efficiency. The development and commercialization of new products is complex, time-consuming and costly, and its outcome is inherently uncertain. For example, some of the industries we supply to, including oil & gas, marine, energy and defence, are characterized by rapid and frequent advancements in technology and changes in market demand can often render existing technologies and equipment obsolete and could require substantial new capital expenditures or subject us to write-offs. We focus on continuous improvement has led to breakthrough advancements in technology such as reactive alloy production, vacuum melting, and metal powder manufacture, which has broadened its component and material manufacturing capabilities and intensified the demand for its metallurgical expertise. Its strategic prowess has manifested in the establishment of production capability across various domains, including ultra large investment casting, titanium and superalloys, and additive and powder metallurgy.

Due to the long lead times associated with development for many of the products, as well as the competitive advantage that can come from being the initial developer of a new products, it is important that we maintain a sufficiently large portfolio of products and a product pipeline and manage their development processes so as to bring our products to market on a timely basis. The introduction of new products in our product portfolio is a complex process, the success of which depends on a wide range of factors, including the production readiness of our manufacturing facilities and manufacturing processes and those of our suppliers, as well as factors related to tooling, equipment, employees, initial product quality and other factors. Production shortfalls or production delays, if any, or our inability to accurately estimate the cost to design, develop and launch new products could result in our failure to effectively manage our manufacturing costs relating to these product program launches. If we are unable to bring enough products to market, or if products are brought to market after competing products are commercialized, our growth strategy may not be successful and our business would be adversely affected.

4. ***Our Company may face competition from established international players with established market presence, technological expertise and customer relationships.***

We compete globally with a number of other component manufacturers and distributors that produce and sell products similar to ours. Technology, price, design, quality, delivery, engineering development and product launch support are the primary elements of competition in our markets. Our competitors include manufacturing facilities controlled by OEMs, as well as many other independent domestic and foreign suppliers. As a result of competitive pressures and other industry trends, OEMs and suppliers are developing strategies to reduce costs. These strategies include supply base consolidation, OEM in-sourcing and global sourcing. Our OEM customers may change their outsourcing strategy due to various reasons, resulting in change in our position from a single source supplier for certain products to some customers to becoming a multiple source supplier for such customers. Some of our major OEM customers also manufacture products for their own uses that directly compete with our products.

Further, we rely on suppliers for various processes such as castings, forgings, and die-castings. Any upstream advances in terms of value added products by such suppliers, could result in them being our competition. We have in the past, lost certain business in our automotive and industrial business to our suppliers becoming competitors. Increased competition could adversely affect our business. In addition, any of our competitors may foresee the course of market development more accurately than we do, develop products that are superior to our products, produce similar products at a cost that is lower than our cost, or adapt more quickly than we do to new technologies or evolving customer requirements. As a result, our products may not be able to compete successfully with our competitors' products, and we may not be able to meet the growing demands of customers. If we misjudge the amount of capital to invest or are otherwise unable to continue providing products that meet our customers' needs in this environment of rapid technological change, our market competitiveness could be adversely affected.

5. ***We depend on third parties for the supply of raw material and delivery of certain products. A disruption in the supply of components and raw materials or failure of our suppliers to meet their obligations could impact our production and increase our costs.***

We are dependent on third party suppliers for our raw materials and certain parts and processes used in the manufacturing of our products. There is no assurance that if we experience a disruption of supplies, we will be able to source such commodities from alternative suppliers on similar commercial terms and within a reasonable timeframe. For certain key critical processes such as titanium forging, die-casting, heat treatments required for manufacturing of our aerospace, defence and space, hydraulics and industrial, we are dependent primarily on a limited number of suppliers which cannot be replaced easily. If the available supply of such parts is insufficient to meet the needs of our business or if there is an interruption in supply from our suppliers, including due to any unanticipated outage, shutdown and/or suspension of production at their facilities or implementation of laws and policies impacting our relationship with our suppliers, our ability to manufacture and sell our products could be limited due to such sudden shortage of parts in the market, which could result in order cancellations for our products, and have an adverse effect on our business and results of operations.

We select suppliers based on total value (including total landed price, quality, delivery, system and technology), taking into consideration their production capacities and financial condition and expect that they will deliver in accordance with our quality standards and comply with their contractual obligations with us. However, there can be no assurance that capacity limitations, industry shortages, labour or social unrest, weather emergencies, commercial disputes, government actions, riots, wars, sabotage, cyber-attacks, non-conforming parts, acts of terrorism, natural disasters, epidemics and other events beyond human control, financial or operational instability of suppliers or other problems that our suppliers experience will not result in occasional shortages or delays in their supply of components to us. We are also dependent upon the ability of our suppliers to meet performance and quality specifications and delivery schedules. The inability of a supplier to meet these requirements, the loss of a significant supplier, or any labour issues or work stoppages at a significant supplier could disrupt the supply of raw materials and parts to our facilities, preventing our Company from delivering to its customers, or cause returns of products under warranty or product recalls. For further details, please see "*Risk Factors- We are required to obtain and maintain quality and product certifications for certain customers as well as in respect of certain products that we manufacture. Further, we are subject to strict quality requirements and any failure by us or our component suppliers to comply with quality standards may lead to cancellation of existing and future orders, product recalls, product liability, warranty claims, litigation and other disputes and claims*." on page 53. This would have a material adverse impact on our customer relations, reputation and business and also generate additional costs for our Company such as exceptional transportation costs and costs related to finding alternative suppliers within constrained timelines which could adversely impact our financial condition.

If we were to experience a significant or prolonged shortage of critical components from any of our suppliers and could not procure the raw materials or components from other sources, we would be unable to meet the production schedules for some of our key products and could miss customer delivery expectations. We cannot assure you that our suppliers will continue to supply the required components or raw materials to us or supply such raw materials and components at prices favourable to us. Any change in the supplying pattern of our raw materials can adversely affect our business, financial conditions, cash flows, and results of operations.

6. Our business, financial condition and results of operations could be adversely affected by volatility in the price or availability of raw materials and transportation costs.

Our Company uses a variety of raw materials (including titanium, ferrous, aluminium, cobalt and nickel) and materials purchased in various forms such as scrap, billets, ingots, casting and forgings. There is no certainty that we may not experience volatility in the cost or availability of such raw materials as well as increasing transportation costs in the future.

In terms of our customer contracts, we can pass the increase in costs of raw materials on to our customers. However, our cash flows may still be adversely affected because of any gap in time between the date of procurement of those primary raw materials and date on which we can reset the component prices for our customers, to account for the increase in the prices of such raw materials. However, for certain cases, any price increase in the commodities price increases have to be borne by us. The discontinuation or lessening of our ability to pass through transportation or raw material costs or otherwise mitigate these cost increases or obtain adequate supply of raw materials, utilities and natural resources could adversely affect our business. From time to time, commodity prices may also fall rapidly. If this happens, suppliers may withdraw capacity from the market until prices improve which may cause periodic supply interruptions. If these supply interruptions occur, our business, financial condition and results of operations could be adversely affected.

We also use third parties for the deliveries of finished and unfinished products from our manufacturing facilities to our domestic and overseas customers as well as between production facilities. Our freight & clearing cost for the Fiscal 2022, Fiscal 2023, Fiscal 2024 and three months period ended June 30, 2024 were ₹145.60 lakhs, ₹258.42 lakhs, ₹192.00 lakhs, and ₹17.77 lakhs, which represented 0.81%, 1.18%, 0.75%, and 0.38%, respectively of our total revenue from operations for the aforesaid financial periods. An increase in freight costs or the unavailability of adequate port and shipping infrastructure for transportation of our products to our markets may have an adverse effect on our business and results of operations. Further, we are also exposed to risks associated with various modes of transportation. While delivery of components to customers within India is generally shipped by road, the majority of our shipments to the foreign markets are by sea and subject to risks, including damage or loss of containers due to shipwreck, mishandling of our shipment at port or at sea, damage during transportation, loading and unloading, damage due to moisture, accidental fires and bad weather conditions, theft at sea, delay in customs clearance and other factors beyond our control. Our delivery schedules could also be affected by price escalation in freight. The occurrence of all or any of the above factors will result in delays in deliveries to our customers, which could further cause a shutdown in our customer's production processes and adversely affect our reputation, business and results of operations.

7. ***We are subject to various law and regulations, in jurisdictions where we operate, including environmental and health and safety laws and regulations, which may subject us to increased compliance costs, which may in turn result in an adverse effect on our financial condition.***

Our operations are subject to various national, state and local laws and regulations relating to the protection of the environment and occupational health and safety. For instance, we require certain material approvals including approvals under the Water (Prevention and Control of Pollution) Act, 1974, as amended, the Air (Prevention and Control of Pollution) Act, 1981, as amended and the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, as amended in order to establish and operate our manufacturing facilities in India, and registrations with the relevant tax, labour and municipal authorities in India. We are also required to obtain and comply with environmental permits for certain of our operations. There can be no assurance that the relevant authorities will issue such permits or approvals in the timeframe anticipated by us or at all. A majority of these approvals are granted for a limited duration. We cannot assure you that our applications for renewal of these approvals will be issued or granted to us in a timely manner, or at all. Failure by us to renew, maintain or obtain the required permits or approvals may result in the fines or otherwise and interrupt our operations and may have a material adverse effect on our business, financial condition, results of operations and cash flows. Environmental laws and regulations in India have been increasing in stringency and it is possible that they will become significantly more stringent in the future. Stricter laws and regulations, or stricter interpretation of the existing laws and regulations, may impose new liabilities on us or result in the need for additional investment in pollution control equipment, either of which could adversely affect our business, financial condition or prospects. While as of the date of this Placement Document, we are not subject to any environmental legal proceedings, we may be impleaded in such legal proceedings in the course of our business. Such legal proceedings could divert management time and attention and consume financial resources in defence or prosecution of such legal proceedings or cause delays in the construction, development or commencement of operations of our projects. No assurance can be given that we will be successful in all, or any, of such proceedings.

8. ***We rely on the skills and experience of our management team and other key personnel and the loss of any of these team members or the inability to attract and retain qualified personnel could have a material adverse effect on our business operations.***

Our future success is significantly dependent upon the continued efforts and service of our management team as well as other key personnel. In an event of their retirement or departure from our Company, there is no assurance that we will be able to find suitable replacements for such key management personnel in a timely manner or at all and implement a smooth transition of responsibilities to any newly appointed management personnel. This could affect our operations resulting in a decline in the performance of our business Our employee benefits expense for Fiscal 2022, Fiscal 2023, Fiscal 2024 and three months period ended June 30, 2024 were ₹2,085.16 lakhs, ₹2,621.84 lakhs, ₹3,159.83 lakhs and ₹791.28 lakhs, respectively, which was 11.65%, 11.96%, 12.30% and 16.88% as a percentage of our revenue from operations. Our future success will depend upon, among other factors, our ability to continue to attract and retain qualified personnel, particularly engineers and other associates with critical expertise, know-how and skills that are capable of helping us develop our products. The scarcity of labour in certain employment areas makes it difficult to hire the employees needed to increase production. If we lose the services of any member of our key management or other skilled personnel, we may not be able to locate suitable or qualified replacements, which could adversely affect our business and growth.

Our rapid growth also requires us to continue to attract, hire and retain a wide range of qualified, experienced and skilled personnel at all levels of our business and operations who can adapt to a dynamic, competitive and challenging business environment. Competition for skilled personnel in our industry is intense, and we may need to offer a more attractive compensation and other benefits package, including share-based compensation, to attract and retain them. Even if we were to offer higher compensation and other benefits, there is no assurance that these individuals will choose to join or continue to work for us. The loss of the services of our executive officers or other key associates, unexpected turnover, or the failure to attract, retain or motivate key management and experienced, skilled and capable personnel could impact the progress of our product innovation, development, launch and production operations and have a material adverse effect on our results of operations and financial condition.

9. ***Our business is subject to costs, risks and uncertainties, including those associated with laws and regulations in domestic and foreign jurisdictions in which we operate, tariffs and trade relations and international political conditions. Breach of applicable laws and regulations, including those related to environmental, health and safety regulations could adversely affect our business, operations and reputation.***

The markets and customers we serve are subject to substantial government regulations, which often differ by state, region and country. Our operations are subject to various domestic and foreign laws and regulations governing, among other things, noise control, emissions to air, discharge to waters and the generation, handling, storage, transportation, treatment and disposal of waste and other materials, environmental concerns (including concerns about global climate change and its impact such as greenhouse gas emissions), fuel economy standards, health and safety of employees, labour and accounting laws, foreign trade and investment, import and export license requirements and tariffs and taxes and intellectual property enforcement issues. We are also required to obtain and comply with environmental permits for certain of our operations. For instance, we require approvals under the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, the Hazardous and Other Waste (Management and Transboundary Movement) Rules, 2016 in order to establish and operate our manufacturing facilities in India. These government regulatory requirements could also significantly affect our customers by altering their global product development plans and substantially increasing their costs, which could result in limitations on the types of vehicles/products they sell and the geographical markets they serve. Any of these outcomes could adversely affect our financial condition and results of operations. There can be no assurance that we will be in complete compliance at all times with such laws, regulations and the terms and conditions of any consents or permits. If we violate or fail to comply adequately with these requirements, we could be fined or otherwise sanctioned by the relevant regulators or our operations may be temporarily shutdown pending such compliance.

Occurrence of any such events could adversely affect our business, reputation, financial condition or results of operations. In addition, these requirements may become more stringent over time and there can be no assurance that we will not incur significant costs or liabilities in the future in order to comply with evolving laws and regulations, including environmental, health and safety laws, regulations or other pertinent requirements that may be adopted or imposed in the future by governmental authorities. We do not carry any insurance to cover environmental liabilities in India and in the foreign jurisdictions where we operate. Our overseas business and growth initiatives are also exposed to changes in international tariffs, trade relations and policies, including renegotiated trade agreements, import and export license requirements, and imposition of tariffs that make unjustified, unreasonable or discriminatory trade actions impacting the countries in which we have a presence. There is no assurance that cost increases resulting from trade policies and tariffs will not adversely impact our profitability. Our sales may also be adversely impacted if tariffs are assessed directly on the products we produce or on our customers' products containing content sourced from us. In addition, political activities within the countries where we conduct business, could also adversely impact our ability to operate in those countries. If we are unable to comply with any applicable domestic or foreign laws, our business, results of operations and financial condition could be adversely affected. Further, changes in domestic and foreign laws, regulations and policies, including restrictions on trade, import and export license requirements, and tariffs and taxes, intellectual property enforcement issues as well as changes in policies relating to foreign trade and investment, may affect our ability to operate and the manner in which we manage our business in the countries in which we operate.

10. We are heavily dependent on machinery for our operations. Any break-down of our machinery will have a significant impact on our business, financial results and growth prospects. Our success and financial condition will depend on our ability to maximise our manufacturing capacities.

We, together with our Subsidiary, operate 3 manufacturing units on land located in Lucknow, Uttar Pradesh, and Mehsana, Gujarat. Each of our manufacturing units houses addresses disparate aspects of our manufacturing process. Our products such as casting and machined parts are manufactured and assembled at both our units. For details of our products and manufacturing facilities, see 'Our *Business - Products' and 'Our Business – Manufacturing Facilities'* on page 227 and 233 respectively. Each of these manufacturing units has different machinery specific to the operation that it caters to including the 'mother' CNC machines for our products, foundry equipment, high precision analysis and testing equipment, cranes and loading and unloading equipment's such as forklifts etc.

Our success and our financial condition are predicated on our ability to maximise our manufacturing capacities. Our capacity and capacity utilization for assembly operations as on June 30, 2024 and for last 3 Fiscals was as under:

Particulars	**March 31, 2022**	**March 31, 2023**	**March 31, 2024**	**Three month period ended June 30, 2024**

Installed Capacity Castings (MTA)				
Lucknow	1800	1800	1800	450
Mehsana	600	600	600	150
Total	**2400**	**2400**	**2400**	**600**
Production (MTA)				
Lucknow	1021.67	1,015.20	1,153.16	226.47
Mehsana	548.77	527.19	498.19	119.46
Production (MTA)	**1570.44**	**1,542.39**	**1,651.34**	**345.93**

Note: Pursuant to the certificate dated August 28, 2024, issued by Er. Siraj Naiyer, independent civil engineer (Membership No.- F -15710)

Our manufacturing capacities are dependent on the efficient utilisation of our plant and machinery. Any significant malfunction or breakdown of our machinery may entail repair and maintenance costs and cause delays in our operations. During the 6 months period ended June 30, 2024 and for last 3 Fiscals there have been no instances of break down of machinery which had a material impact on the business operations of our Company. Further, while we believe that we maintain necessary supplies of spare parts and maintenance related equipment, if we are unable to procure the necessary spare parts in a timely manner or if we are unable to carry out the necessary repair of the malfunctioning machinery promptly, our manufacturing operations may be hampered which could have an adverse impact on our results of operations and financial condition. Further, we do not purchase insurance against the break-down of our machinery and any such cost will be to our account and may have an adverse impact on our financial condition and result of operations. In addition, any malfunction or break-down of machinery which significantly impacts our manufacturing process could also have an adverse impact on our ability to meet our product delivery schedules which could also invite penalties / damages and affect our reputation.

11. 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., current liabilities subtracted from current assets) as on June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 was ₹ 26,068.53 lakhs, ₹ 27,268.66 lakhs, ₹ 7,340.61 lakhs and ₹ 1,567.96 lakhs, respectively. Our net working capital turnover ratio as on June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 was 0.18%, 0.94%, 2.99% and 11.41% respectively. As on June 30, 2024, our Company had sanctioned working capital facilities aggregating to ₹ 10,540.00 lakhs.

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 '*Management's Discussion and Analysis of Financial Condition and Results of Operation*' beginning on page 97.

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

We propose to use the Gross Proceeds for the purposes described in "Use of Proceeds" on page 77 of this Placement Document. Our funding requirements are based on management estimates and our current business plans and has not been appraised by any bank or financial institution. The deployment of the Gross Proceeds will be monitored by ICRA, appointed as the Monitoring Agency in relation to the Issue. The deployment of the Net Proceeds will be at the discretion of our Board. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost and other financial and operational factors. Accordingly, you will need to rely upon our management's judgment with respect to the use of proceeds. If we are unable to deploy the Gross Proceeds in a timely or an efficient manner, it may affect our business and results of operations.

13. Any failure to keep our technical knowledge confidential could have impact on our business and in turn on results of operation or financial condition and cash flows.

Our process knowledge is a significant independent asset, which may not be adequately protected by intellectual property rights such as patent registration. Some of our process knowledge is protected only by secrecy. As a result, we cannot be certain that our process knowledge will remain confidential in the long run. Certain proprietary knowledge may be leaked, either inadvertently or wilfully. A significant number of our employees have access to confidential customer design and process knowledge of the products information and there can be no assurance that this information will remain confidential. Further, our contracts with our customers also contain confidentiality obligations, which may be liable to be breached. Moreover, certain of our employees may leave us and join our various competitors or form a competing business. Although we may seek to enforce non-disclosure agreements in respect of design and development and certain other key employees, we cannot guarantee that we will be able to successfully enforce such agreements. We also enter into non-disclosure and non-solicitation agreements with our customers but we cannot assure you that such agreements will be enforceable or successful in protecting our technical knowledge. The potential damage from such disclosure is increased as many of our designs and products are not patented, and thus we may have no recourse against copies of our products and designs that enter the market subsequent to such leakages. In the event that the confidential technical information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies in the precision products sector could be harmed. If a competitor is able to reproduce or otherwise capitalize on our technology, it may be difficult, expensive or impossible 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.

14. The use of certain properties which we may lease to operate our business. There can be no assurance that the lease, and, or license agreements will be renewed upon termination or that we will be able to obtain premises on lease on favourable commercial terms.

We may require leasing certain properties to operate our business if we were to undertake an expansion in the future. While there are currently no instances of leased agreements which we have entered into to operate our manufacturing facilities, any adverse impact on the title, ownership rights, development rights of the owners from whose premises we may lease, breach of the contractual terms of any lease, leave and license agreements, or any inability to renew such agreements on acceptable terms may also affect our operations. In addition, the terms of our leases may require us to obtain the lessor's prior consent for certain actions, including making structural alterations to the leased premises, which may be required if we were to undertake an expansion in the future. There can be no assurance that we will be able to renew these leasing arrangements at commercially favourable terms, or at all. This may cause disruptions in our business and we may incur substantial costs associated with shifting to new premises, all of which may adversely affect our business operations.

15. Exchange rate fluctuations may adversely affect our results of operations.

Our financial statements are presented in Indian Rupees. However, our expenditure and revenue are influenced by the currencies that we export in as well as by currencies of countries from where we procure our raw materials and plant and machinery. As a result of our substantial international operations, we are exposed to foreign currency risks that arise from our business transactions that are denominated in foreign currencies.

(in ₹ lakhs)

Geography	Fiscal 2022		Fiscal 2023		Fiscal 2024		Three month period ended June 30, 2024	
	Revenue from Operations	% contribution	Revenue from Operations	% contribution	Revenue from Operations	% contribution	Revenue from Operations	% contribution
European Union	6,096.21	34.00%	8,717.38	40.00%	9,659.15	38.00%	1,793.35	38.00%
Norway	2,396.43	13.00%	2,214.88	10.00%	4,831.83	19.00%	1,213.60	26.00%
India	3,348.62	19.00%	1,407.59	6.00%	4,017.99	16.00%	544.49	12.00%
United States	3,029.96	17.00%	4,063.53	19.00%	3,268.24	13.00%	480.02	10.00%

United Kingdom	296.71	2.00%	418.91	2.00%	830.60	3.00%	49.19	1.00%
Brazil	370.00	2.00%	1,247.22	6.00%	226.44	1.00%	28.84	1.00%
China	1,982.37	11.00%	2,792.06	13.00%	1,945.70	8.00%	361.25	8.00%

The exchange rate between the Indian Rupee and these currencies has fluctuated in the past and our results of operations have been impacted by such fluctuations and may be impacted by such fluctuations in the future. Appreciation or depreciation of the Indian rupee against the U.S. Dollar and other foreign currencies may affect our results of operations.

16. We are required to obtain and maintain quality and product certifications for certain customers as well as in respect of certain products that we manufacture. Further, we are subject to strict quality requirements and any failure by us or our component suppliers to comply with quality standards may lead to cancellation of existing and future orders, product recalls, product liability, warranty claims, litigation and other disputes and claims.

We supply to various global OEMs and other customers, and are subject to stringent requirements for product certifications. We are required to obtain globally recognized product certifications before some of our products can be delivered to our customers. In some countries, certain certifications for products with regard to specifications and quality standards are necessary or preferred in order for these products to be accepted by customers. As such, we are required to obtain and maintain the relevant certifications so that our customers are able to appropriately utilise the products that are manufactured by us, in their respective countries. If we are unable to meet or maintain the requirements needed to secure or renew such certifications, this could have a material adverse effect on our business, prospects and results of operations.

We are subject to strict quality standards imposed by our customers, applicable to our manufacturing processes. Failure by us or one of our component suppliers to achieve or maintain compliance with these requirements or quality standards may disrupt our ability to supply products sufficient to meet our customers' demands until compliance is achieved. The occurrence of any such events could expose us to warranty, product recall or field action and product liability claims. A recall claim could require us to review our entire product portfolio to assess whether similar issues are present in other product lines, which could result in significant disruption to our business and have an adverse impact on our reputation and results of operations. Under the product warranties provided by us to certain key customers, we may be required to bear costs and expenses for the repair or replacement of these defective products.

In addition, we may also be required to indemnify customers against losses occurring as a result of defective products and reimburse our customers for administrative, labour, material and other such costs. Such warranties may be enforced against us even in cases where the underlying sales contract has expired. In addition, costs and expenses associated with warranties, field actions, product recalls and product liability claims could have a material adverse impact on our results of operations and financial condition and may differ materially from the estimated liabilities that we have recorded in our financial statements.

While we maintain insurance for product liability and recall, the amount of insurance may not be adequate to cover all insured claims and liabilities in the future. The incurring of significant liabilities for which there is no, or insufficient, insurance coverage could adversely affect our business. Further, as a result of product liability legislation, civil claims may be brought against OEMs, where damages may have been caused by any faulty products that we produced. As a result, our OEM customers are entitled to claim indemnity from us. We are currently and may in the future become subject to legal proceedings and commercial or contractual disputes incidental to our business. Although we believe that none of these matters are likely to have a material adverse effect on our results of operations or financial condition, there can be no assurance as to the ultimate outcome of any such legal proceeding or any future legal proceedings.

17. Our continued operations are critical to our business and any shutdown of our manufacturing facilities or other manufacturing or production problems caused by unforeseen events may reduce sales and adversely affect our business, cash flows, results of operations and financial condition.

Our manufacturing facilities are subject to operating risks and we may encounter manufacturing problems or experience difficulties or delays in production as a result of occurrence of the following events or any other events beyond our control:

- forced or voluntary closure of manufacturing plants, including as a result of regulatory inspections;
- problems with supply chain continuity, including as a result of natural or man-made disasters at one of our facilities or at a suppliers or vendors' facility;
- manufacturing shutdowns, breakdown or failure of equipment performance below expected levels of efficiency, obsolescence of our equipment and production facilities, industrial accidents and the need to comply with the directives of relevant government authorities;
- labour disputes, strikes, lock-outs that may result in temporary shutdowns or manufacturing disruptions;
- failure of a supplier to provide us with the critical raw materials or components for an extended period of time, which could impact continuous supply; and
- changes in political relationships between India and the countries where we operate; and
- local political tensions.

The assembly lines of our customers rely significantly on the timely delivery of our components and our ability to provide an uninterrupted supply of our products is critical to our business. In addition, certain of our customers may impose significant penalties on us for any stoppage in any assembly line, caused either by delayed delivery of a component or a defect in the components delivered. Our business and financial results may be adversely affected by any disruption of operations at our manufacturing facilities, including as a result of any of the factors mentioned above, resulting in reduced production and reduced sales. This may also lead to loss of business and/or loss of customer which could impact our business adversely.

18. We have significant power, fuel and water requirements and any disruption to power or water sources could increase our production costs and adversely affect our results of operations.

We require substantial power, fuel and water for our manufacturing facilities, and energy expenses represent a significant portion of the production costs for our operations. For Fiscal 2022, Fiscal 2023, Fiscal 2024 and three months period ended June 30, 2024, our power, fuel and ₹1,485.74 lakhs, ₹1,353.04 lakhs, ₹1,486.88 lakhs and ₹388.33 lakhs, constituting 5.50%, 5.97%, 8.02% and 7.69%, respectively, of our total income. If energy or water costs were to rise, or if electricity or water supplies or supply arrangements were disrupted, our profitability could decline.

We purchase utilities for our operations from the local utility companies and state electricity boards. If power costs were to rise, or if electricity supply or supply arrangements were disrupted, our profitability could decline. If for any reason such electricity is not available, we may need to shut down our manufacturing units until an adequate supply of electricity is restored. Interruptions of electricity supply can also result in production shutdowns, increased costs associated with restarting production and the loss of production in progress. Our operations and facilities are dependent on a steady and stable supply of water, and irregular or interrupted supply of water. If there is an insufficient supply of water to satisfy our requirements or a significant increase in prices, we may need to limit or delay our production, which could adversely affect our business, financial condition and results of operations.

19. We regularly work with hazardous materials and activities in our operation can be dangerous, which could cause injuries to people or property.

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

- fires;
- mechanical failures and other operational problems;
- inclement weather and natural disasters;
- discharges or releases of hazardous substances, chemicals or gases; and
- other environmental risks.

The occurrence of any of these hazards could result in a suspension of operations and the imposition of civil or criminal liabilities. We may also face claims and litigation, in India or overseas, filed on behalf of persons alleging injury predominantly as a result of occupational exposure to hazards at our facilities. If these claims and lawsuits, individually or in the aggregate, are resolved against us, our business, results of operations and financial condition could be adversely affected.

20. Our insurance coverage may not be adequate to protect us against all potential losses, which may have a material adverse effect on our business, financial condition and results of operations.

Our operations are subject to various risks inherent to the aerospace, defence and industrial engineering industry and to the sale and maintaining inventory of products, as well as other risks such as theft, robbery, acts of terrorism and other force majeure events. As of March 31, 2024 the total amount of our insurance coverage was ₹77,778.00 lakhs. Consequently, our insurance cover for the gross value of all fixed assets (including property, plant and equipment, capital work in progress, right of use asset and intangible assets) was102.85%, as of March 31, 2024.

We maintain an insurance policy that insures against material damage to buildings, facilities and machinery, furniture, fixtures, fittings, stocks, and machinery breakdown. We also maintain among others, standard fire and]special peril policy, cash in transit policy and standard burglary policy for which we may not be adequately insured. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time.

In addition, our insurance coverage expires from time to time. Though, we apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost, or at all. Our inability to maintain adequate insurance cover in connection with our business could adversely affect our operations and profitability. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage or for which we did not obtain or maintain insurance, or where our insurance claims are rejected, the loss would have to be borne by us and our business, results of operations and financial condition could be adversely affected. For further details of insurance, see "*Our Business-Insurance*" on page 236.

21. Failure or disruption of our IT, manufacturing automation systems and/or ERP systems may adversely affect our business, financial condition and results of operations.

We have implemented various information technology ("**IT**") and/or enterprise resource planning ("**ERP**") solutions to cover key areas of our operations, procurement, dispatch and accounting. We also have various automation systems and software that automate our manufacturing and production. These systems are potentially vulnerable to damage or interruption from a variety of sources, which could result from (among other causes) cyber-attacks on or failures of such infrastructure or compromises to its physical security, as well as from damaging weather or other acts of nature. A significant or large-scale malfunction or interruption of one or more of our IT systems, ERP systems or manufacturing automation systems could adversely affect our ability to keep our operations running efficiently and affect product availability, particularly in the country, region or functional area in which the malfunction occurs, and wider or sustained disruption to our business cannot be excluded. In addition, it is possible that a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of our customers. Such malfunction or disruptions could cause economic losses for which we could be held liable or cause damage to our reputation. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations. Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT, manufacturing automation systems and/or ERP systems may lead to inefficiency or disruption of our operations and thereby adversely affecting our business, financial condition and results of operations.

22. Our business is dependent on our manufacturing units, and we are subject to certain risks in our manufacturing processes. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations or shutdown of our manufacturing units may have a material adverse effect on our entire manufacturing operations and consequently, our business, financial condition and our results of operations.

Our manufacturing units are located in Lucknow, Uttar Pradesh, and Mehsana, Gujarat. The smooth operation of these manufacturing units is crucial for our business and depends on managing various risks, some of which are beyond our control. These risks include equipment failures, industrial accidents, local unrest and natural disasters.

Disruptions at these manufacturing units whether caused by natural or man-made events, workforce issues, delays in regulatory approvals, fires, machinery breakdowns, or disruptions in essential utilities like electricity and water, could impact our ability to fulfil contracts, meet production requirements and ultimately affect our sales and revenue. For example, major equipment malfunctions may lead to expensive repairs and delays in production. We also faced a temporary halt in manufacturing operations from March 2020 to April 2020 on account of Covid-19 pandemic. We also face risks related to regulatory compliance. Non-compliance with manufacturing regulations may force us to halt or limit production until we resolve the issues to the satisfaction of regulatory authorities. Labour disputes or other employee-related issues could also disrupt our operations, impacting our business and financial health. In cases of extended interruptions, we might need to source supplies and products from other locations, which could affect our profitability and overall financial stability.

23. Our operations are subject to manufacturing risk and causing fatal injury to personnel including death and destruction of property and consequent imposition of civil and criminal penalties.

Our manufacturing facilities are subject to operating risks and potential industrial accidents. Our manufacturing facilities are also subject to operating risk resulting in fatal personal injury and property damage and consequent imposition of civil and criminal penalties. While there have not been any instances of any fatal injuries at our manufacturing facilities as part of our operations, during the 3 months period ended June 30, 2024 and in the last 3 Fiscals, we cannot assure you that there will not be any such instance in the future.

Our manufacturing facilities also houses captive foundries. Our foundry related operations are inherently risky and requires individuals to work under potentially high risk circumstances. For example, if improperly handled, molten metal can cause personal injury or loss of life of employees or other persons, and cause damage to our properties and the properties of others and the imposition of civil or criminal liabilities. We could also face claims and litigation filed on behalf of persons alleging injury as a result of occupational exposure to hazards at our facilities.

While each of our Company's manufacturing units meet the necessary safety standards and our Company maintain insurance policies to cover accidents including bodily injuries, disability and death, accidents including human fatalities may occur, and there can be no assurance that the precautions taken by us and our insurance cover will be completely effective or sufficient. Further, although we maintain third party liability insurance, the liability incurred may far exceed the insurance cover. Such accidents, irrespective of the monetary liability, may have an adverse impact on our business and reputation.

24. Our inability to effectively manage our growth or successfully implement our business strategies and growth plan may have an adverse impact on our business, results of operations and financial condition.

Our revenue from operations has increased by 22.52% from ₹17,895.48 lakhs in Fiscal 2022 to ₹21,926.21 lakhs in Fiscal 2023, and subsequently by 17.16% from 21,926.21 Lakhs in Fiscal 2023 to ₹25,687.92 in Fiscal 2024 reflecting a compound annual growth rate (CAGR) of 19.81%. There's no guarantee that our growth strategies will continue to be effective or that we will be able to further expand our business. Our success relies on successful implementation of our business and growth plans. Our strategies focus on leveraging our titanium segment, boosting our export efforts, entering new markets, developing new technologies, enhancing operational efficiency, and improving profitability. For more details, see *"Our Business – Our Strategies"* on page 232. Achieving successful implementation of our strategies will depend on various factors, such as identifying industry trends, developing innovative products, competing with established players, maintaining high quality standards, and recruiting and training personnel. There's no certainty that we will be successful in these areas. Our growth strategies will further demand substantial financial and other resources, and we need to continuously refine our operational and financial controls. We cannot guarantee that these strategies can be executed on time or within budget, or that they will lead to increased profitability. Failure to manage our business and implement our growth strategies effectively could negatively impact our operations, financial performance, and overall business health.

25. Certain documents filed by us with the Registrar of Companies and certain corporate records and other documents related to the capital structure of our Company, from the year 1963 to 2014, are not traceable

Some of our Company's corporate regulatory filings and records are currently untraceable. This is because the relevant information is either missing from our internal records, the Ministry of Corporate Affairs online portal, or the physical records at the RoC. Despite thorough internal searches and hiring an independent practicing company secretary, Amit Gupta & Associates, Practicing Company Secretaries (Peer Review Number: 2600/2022), to conduct a physical search, we have been unable to locate specific documents, including certain return of allotment forms. Therefore, the disclosures in this Placement Document regarding these untraceable records are based on other available supporting documents and the Search Report. We cannot guarantee that the missing regulatory filings or corporate records will be found in the future, nor can we confirm the accuracy of the information gathered, or that all filings were made in compliance with applicable laws or on time. As of the date of this Placement Document, there are no legal proceedings or regulatory actions against our company concerning these untraceable records. However, we cannot rule out the possibility of such proceedings or fines being imposed in the future.

26. There are outstanding legal proceedings involving our Company. Any adverse decision in such proceedings may expose us to liabilities or penalties and may adversely affect our business, financial condition, results of operations and cash flows.

As of the date of this Placement Document, our Company is involved in legal matters, including regulatory and tax-related issues (both direct and indirect). These cases are at various stages and are being reviewed by different courts, tribunals, and other authorities. We can’t guarantee that the outcomes of these proceedings will be favourable to us. If the decisions go against us, it could significantly impact our business, financial health, operational results, and cash flow. The amounts claimed in these proceedings have been disclosed to the extent ascertainable. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current or long term liabilities. For further details, see “*Outstanding Litigation and Other Material Developments*” on page 302.

27. We may be subject to counter party credit risk from our operating activities and our financing activities.

We are subject to the risk that our counterparties may not meet their obligations under various financial instruments. Our credit risk exposure relates to our financing activities, including deposits with banks and financial institutions, as well as to operating activities, primarily from trade receivables. Our receivable days as on March 31, 2024, March 31, 2023 and March 31, 2022 stood at 125, 106 and 127 respectively. As on March 31, 2024, March 31, 2023 and March 31, 2022, our trade receivables were ₹11,085.79 lakhs, ₹6,568.73 lakhs and ₹6,149.82 lakhs respectively. Accordingly, in the event that our counterparties do not meet their financial obligations, we may face financial loss and this may thereby adversely affect our business, results of operations and cash flows.

28. The agreements governing our indebtedness contain certain restrictive covenants and our inability to comply with these covenants could adversely affect our business, financial condition and results of operations.

As of June 30, 2024, we had total outstanding borrowings of ₹17,396.65 lakhs comprising of non-current borrowings of ₹8,379.71 lakhs and current borrowings (including current maturities of long-term borrowings) of ₹9,016.94 lakhs. The agreements with respect to our borrowings contain restrictive covenants, including, but not limited to, requirements that we obtain consent from the lenders prior to undertaking certain matters including, among others, effecting a merger, amalgamation or scheme of arrangement, change in capital structure of our Company subject to the threshold prescribed for the shareholding of certain shareholders of our Company and entering into forward contracts, swaps, options, or other liability management contracts in respect of short term facilities.

Further, under the terms of our borrowings, we are required to create a charge by way of hypothecation on the entire current assets of our Company, together with cash in hand, bank accounts and receivables, and, in our term loans, fixed assets. As these assets are hypothecated in favour of lenders, our rights in respect of transferring or disposing of these assets are restricted. There can be no assurance that we will be able to comply with the financial or other covenants prescribed under the documentation for our financing arrangements or that we will be able to obtain consents necessary to take the actions that may be required to operate and grow our business. Further, if we fail to service our debt obligations, the lenders have the right to enforce the security created in respect of our secured borrowings. If the lenders choose to enforce security and dispose our assets to recover the amounts due from us, our business, financial condition and results of operations may be adversely affected.

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

29. Our funding requirements and proposed deployment of the proceeds from this Issue are based on management estimates and may be subject to change based on various factors, some of which are beyond our control. We may not be able to utilise the proceeds from this Issue in the manner set out in this Placement Document in a timely manner.

We intend to use the Net Proceeds for the purposes described in "*Use of Proceeds*" on page 77. As on the date of this Placement Document, our funding requirements are based on management estimates and have not been appraised by any bank or financial institution. Our funding requirements and the deployment of the proceeds from this Issue are based on our current business plan and strategy and are subject to change in light of changes in external circumstances, costs, business initiatives, other financial conditions or business strategies. Our management will have discretion to decide how the proceeds of the issue will be utilised. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these funding requirements. Though, the deployment of the Net Proceeds will be monitored by a monitoring agency appointed pursuant to the SEBI ICDR Regulations, we may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, and other financial and operational factors. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our business, financial condition, results of operations and prospects. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of the Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business, financial condition and results of operations.

30. If our planned expansions and new projects are delayed, our results of operations, cash flows and financial condition may be materially and adversely affected.

We have, initiated expansion plans for our existing manufacturing operations which may involve significant capital expenditure. Our planned expansions are subject to a number of risks that may adversely affect the prospects and profitability of such projects, including the following: i) unfavourable results from feasibility studies; ii) failure to obtain, or experience delays or higher than expected costs in obtaining, the required agreements, authorisations, licenses and permits to develop a project, including the prior consultation procedure and agreements with local communities; iii) permits, authorisations or rights granted to third parties that could conflict with, and require us to alter its expansion or new project plans; iv) delays or higher than expected costs in obtaining the necessary equipment, machinery, materials, supplies, labour or services and in implementing new technologies to develop and operate a project; v) conflicts with local communities and/or strikes or other labour disputes may delay the implementation or the development of projects; vi) accidents, natural disasters and equipment failures, as well as major public health issues, could result in delays, cost overruns, or the suspension or cancelation of projects; and vii) changes in market conditions or regulations may make a project less profitable than expected at the time we initiated work on it.

There can be no assurance that we or our Subsidiary will be able to obtain or renew all necessary leases, licences, permits, consents and approvals in a timely manner or at all. Any delay in completing planned expansions, revocation of existing clearances, failure to obtain or renew regulatory approvals, non-compliance with applicable regulations or conditions stipulated in the approvals obtained, suspension of current projects, or cost overruns or operational difficulties once the projects are commissioned may have a material adverse effect on our business, results of operations, cash flows and financial condition. Any delay in completing planned expansions could have a material adverse effect on our credit ratings, which may increase its borrowing costs.

31. Our Promoters have significant control over us and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.

As on June 30, 2024, our Promoters along with the Promoter Group together held 62.88% of our pre-Issue Equity Share capital. Following the completion of the Offer, our Promoters, may continue to hold a majority of our Company's Equity Share capital. This concentration of ownership could limit your ability to influence corporate matters requiring shareholders' approval. Consequently, our Promoters will have the ability to significantly influence matters requiring shareholders' approval, including the ability to appoint Directors on our Board and the right to approve significant actions at Board and at shareholders' meetings, including the issuance of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum of Association and Articles of Association. The interests of the Promoters/ may differ and conflict with those of our investors and shareholders which may cause them to act in a manner that may not be in the best interests of our shareholders. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business. For the latest shareholding pattern of our Company, see "*Shareholding Pattern of our Company*" on page 251.

32. We have in the past entered into related party transactions and will continue to do so in the future.

In the ordinary course of our business, we have in the past entered into transactions with our related parties and it is likely that we may enter into related party transactions in the future. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with an unrelated party or that our shareholders would not question the related party transactions that we enter into. While we will conduct all related party transactions subject to the Board's or Shareholders' approval, as applicable, and in compliance with the applicable accounting standards, provisions of Companies Act, 2013, as amended, provisions of the SEBI Listing Regulations and other applicable law, such related party transactions may potentially involve conflicts of interest. We cannot assure you that such future transactions, individually or in the aggregate, may not involve potential conflict of interest which will not have an adverse effect on our business, results of operations, cash flows and financial condition. In respect of loans or advances that we may provide to related parties, there can be no assurance that we will be able to recover all or any part of such loans or advances which, if unrecoverable, may have an adverse effect on our business, results of operations, cash flows and financial condition.

33. Our ability to pay dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition of our Company.

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows, working capital requirements, capital expenditure, regulatory guidelines and restrictive covenants of our financing arrangements and in accordance with the formal dividend policy adopted by us. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and subsequent approval of shareholders and will depend on factors that our Board and shareholders deem relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We cannot assure you that we will be able to pay dividends at any point in the future.

34. Information relating to the installed manufacturing capacity of our manufacturing facilities included in this Placement Document are based on various assumptions and estimates and future production and capacity may vary.

Information relating to the historical installed capacity of our manufacturing facilities included in this Placement Document is based on various assumptions and estimates of our management and an independent chartered engineer in the calculation of the installed manufacturing capacity of our manufacturing facilities. These assumptions and estimates includes the standard capacity calculation practice of the industry in which we operate after examining the reactor capacities and other ancillary equipment installed at the facilities, the period during which the manufacturing facilities operated in a year/ period, product mix produced, assumption in relation to utilisation levels, expected operations, product manufacturing cycle, cleaning time, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies.

Further, the requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our manufacturing processes thereby affecting our production schedules. We often increase capacity to meet the anticipated demand of our customers or significantly reduce production of certain products depending on potential orders. Certain products require lesser process time whereas certain products require more process time in the same manufacturing set-out that we have installed. Accordingly, actual production levels and rates may differ significantly from the installed capacity information of our facilities or historical installed capacity information of our facilities depending on the product type. Further, the installed capacity, capacity utilisation and other related information may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to capacity information that may be computed and presented by other competitors in the same industry. Undue reliance should therefore not be placed on our historical installed capacity information for our existing facilities included in this Placement Document.

35. We have included certain financial and operational performance indicators, non-GAAP measures and certain other industry measures related to our operations and financial performance. These operational

metrics, non- GAAP measures and industry measures may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other peer companies.

We have included certain financial and operational performance indicators, including EBITDA, EBITDA Margin, PAT, PAT Margin, Net Worth, Net Debt, Debt Equity Ratio, Return on Equity and Return on Capital Employed (collectively, the "**Key Performance Indicators**" or "**KPI**") in this Placement Document. The KPIs are supplemental measures of our operations and financial performance and are not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or U.S. GAAP, and are prepared with internal systems and tools that are not independently verified by any third party and which may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies, or the assumptions on which we rely. Our internal systems and tools have a number of limitations and our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose. If the internal systems and tools we use to track these metrics under count or over count performance or contain algorithmic or other technical errors, the data we report may not be accurate. While these numbers are based on what we believe to be reasonable estimates of our measures for the applicable period of measurement. Limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding of certain details of our business and financial operations.

Further, the KPI are not a measurement of our operations and financial performance under Ind AS or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS or IFRS, as reported in our Audited Consolidated Financial Information. Although such KPI are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance. The KPI may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies and has limited usefulness as a comparative measure.

36. Certain sections of this Placement Document contain information from third-party report which has been commissioned and paid for by us and any reliance on such information for making an investment decision in the Issue is subject to inherent risks. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.

Certain sections of this Placement Document include information based on or derived the D&B Report prepared and released by Dun & Bradstreet, which is not related to our Company, Directors or Promoters. We have commissioned and paid for this report for the purpose of confirming our understanding of the industry in connection with the Issue. All such information in this Placement Document indicates source of the information. Accordingly, any information in this Placement Document derived from, or based on, the such third-party report should be read taking into consideration the foregoing.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Industry sources do not guarantee the accuracy, adequacy or completeness of the data. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, the Lead Manager or any of our or their respective affiliates or advisors and therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to subjective or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon

Further, these third-party reports are not a recommendation to invest or disinvest in any company. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information. In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Issue pursuant to reliance on the information in this Placement Document based on, or derived from, the D&B Report. You should consult your own advisors and undertake an independent assessment of information in this Placement Document based on, or derived from the D&B Report, before making any investment decision regarding the Issue.

37. Our Company has extended corporate guarantee with respect to loan facilities availed by our Subsidiary. Any defaults committed by our Subsidiary or invocation of the guarantee extended by our Company may adversely affect our business operations and financial condition.

Our Company has extended corporate guarantee with respect to the loan facilities availed by our Subsidiary, Aerolloy Technologies Limited. In the event the business and operations of our Subsidiary deteriorates and if it commits a default in payment of principal or interest due to the bank, the corporate guarantee extended by our Company may get invoked.

On the occurrence of any of the above-mentioned situations, the banks might demand repayment of the outstanding amounts under the said facilities sanctioned to our Subsidiary. In the event, we are unable to repay the outstanding amount in a timely manner or at all, the banks may enforce the restrictive covenants or consequences of defaults which in turn may affect our further borrowing abilities thereby adversely affecting our business and operations.

38. There may be instances of delayed or erroneous filing of certain forms which were required to be filed as per the reporting requirements under the Companies Act, 1956 and Companies Act, 2013 to RoC by our Company and our Subsidiary.

There may be instances of delay in filing of statutory forms as per the reporting requirements under the Companies Act, 1956 and Companies Act, 2013 with the RoC, which which may be subsequently filed by payment of an additional fee as specified by RoC by our Company and our Subsidiary. Further, there may be instances of erroneous filings of statutory forms with RoC as per the reporting requirements laid down under the Companies Act 1956 and Companies Act, 2013 by our Subsidiary. No show cause notice in respect to the above has been received by our Company or our Subsidiary till date and no penalty or fine has been imposed by any regulatory authority in respect to the same. The occurrence of instances of delayed or erroneous filings in future may impact our results of operations and financial position.

39. If our Company is unable to protect its intellectual property, or if our Company infringes on the intellectual property rights of others, our business may be adversely affected.

Our current name is not owned or registered as a trade name or trademark by our Company under the provisions of the Trademarks Act, 1999 and therefore may be subject to counterfeiting or imitation which would adversely impact our reputation and lead to loss of customer confidence, reduced sales and higher administrative costs. Further, our Company does not enjoy the statutory protections accorded to a registered trademark. There can be no assurance that we will be able to register the trademark or that, third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. If any of our unregistered trademarks or proprietary rights are registered by a third party, we may not be able to make use of such trademark or proprietary rights in connection with our business and consequently, we may be unable to capitalize on the brand recognition associated with our Company. We can neither assure you that we will be successful in such a challenge nor guarantee that eventually our name will be registered in our name under the provisions of the Trademarks Act, 1999. As a result, we may not be able to prevent acts of counterfeiting or imitation of our name and a passing off action may not provide sufficient protection until such time that registration is granted.

We are also exposed to the risk that other entities may pass off their products as ours by imitating our brand name and attempting to create counterfeit products. We believe that there may be other companies or vendors which operate in the unorganized segment using our brand names. Any such activities may harm the reputation of our brand and sales of our products, which could in turn adversely affect our financial performance. We rely on protections available under Indian law, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Furthermore, the application of laws governing intellectual property rights in India is uncertain and evolving and could involve substantial risks to us. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition.

Furthermore, our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming, continuous supply of raw materials or to deliver our costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect its intellectual property, which might adversely affect our business, results of operations and financial condition.

40. ***We are dependent on third party transportation providers for delivery of raw materials to us from our suppliers and delivery of our products to our customers. We have not entered into any formal contracts with our transport providers and any failure on part of such service providers to meet their obligations may adversely affect our business, financial condition and results of operation.***

All our manufacturing units and other utilities are located in Uttar Pradesh and Gujarat. To ensure smooth functioning of our manufacturing operations, we need to maintain continuous supply and transportation of the raw materials required from the supplier to our manufacturing units or warehouses and transportation of our products from our units or warehouses to our customers, which may be subject to various uncertainties and risks. We are significantly dependent on third party transportation providers for the delivery of raw materials to us and delivery of our products to our customers. Uncertainties and risks such as transportation strikes or delay in supply of raw materials and products is likely to have an adverse effect on our supplies and deliveries to and from our customers and suppliers. Additionally, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. A failure to maintain a continuous supply of raw materials or to deliver our products to our customers in a timely, efficient and reliable manner may adversely affect our business, results of operations and financial condition.

Further, we have not entered into any long-term agreements with our transporters for any of our manufacturing units and the costs of transportation are generally based on mutual terms and the prevailing market price. In the absence of such agreements, we cannot assure that the transport agencies would fulfil their obligations or would not commit a breach of the understanding with us. In the event that the finished goods or raw materials suffer damage or are lost during transit, we may not be able to prosecute the agencies due to lack of formal agreements. Further, the transport agencies are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms or prices, which may cause them to cater to our competitors alongside us or on a priority basis, which might adversely affect our business, results of operations and financial condition.

41. ***If we are unable to identify customer demand accurately and maintain an optimal level of inventory proportionately, our business, results of operations and financial condition may be adversely affected.***

The success of our business depends upon our ability to anticipate and forecast customer demand and trends. Any error in such identification could result in either surplus stock, which we may not be able to sell in a timely manner, or no stock at all, or under stocking, which will affect our ability to meet customer demand. We plan our inventory and estimate our sales based on the forecast, demand and requirements for our products based on past data. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively by readily making our products available to our customers. Ensuring continuous availability of our products requires prompt turnaround time and a high level of coordination across raw material procurement, manufacturers, suppliers, warehouse management and departmental coordination. While we aim to avoid under-stocking and over-stocking, our estimates and forecasts may not always be accurate. If we fail to accurately forecast customer demand, we may experience excess inventory levels or a shortage of products available for sale. If we over-stock inventory, our capital requirements may increase, and we may incur additional financing costs. Any unsold inventory would have to be sold at a discount, leading to losses. We cannot assure you that we will be able to sell surplus stock in a timely manner, or at all, which in turn may adversely affect our business, results of operations and financial condition. If we under-stock inventory, our ability to meet customer demand may be adversely affected.

42. ***We have significant power requirements for continuous running of our factories. Any disruption to our operations on account of interruption in power supply or any irregular or significant hike in power tariffs may have an effect on our business, results of operations and financial condition.***

All our manufacturing units have significant electricity requirements and any interruption in power supply may temporarily disrupt our operations. Our manufacturing units get a significant amount of power supply from our solar plant and we also source power supply from third parties. Since, we have a high-power consumption, any unexpected or unforeseen increase in the tariff rates can increase the operating cost of our manufacturing unit and thereby cause an increase in the production cost which we may not be able to pass on to our customers. We are dependent upon our solar power plant for a significant portion of power supply; in the event there occurs a mishap or if we are forced to halt the operations of solar power plant it will have an adverse effect on our business and the operation of our manufacturing units.

We cannot assure you that our solar power plant will function effectively and that we will not be forced to approach third parties power suppliers for availing power supply in addition to the amount sanctioned to us. We also cannot assure you that we will be able to avail the power supply at prices acceptable to us, or that we will be able to pass on any increase in the price of power supply to our customers. There are limited number of electricity providers in area from where we operate due to which in case of a price hike, we may not be able to find a cost-effective substitute, which will negatively affect our business, financial condition, cash flows and results of operations.

43. We do not have any offshore offices to manage our international operations.

We sell our products in countries such as European Union, Norway, USA, Brazil, China, etc. Majority of our revenue from operations was from exports. A significant portion of our revenue is derived from our export operations however, we have not set up any offshore offices to supplement our international operations. Consequently, we may not be able to properly market our products, capitalize opportunities offered by the international markets or co-ordinate with the intermediaries of such markets to effectively forecast market demands, fashion trends in a timely manner. We cannot assure you that in the near future we will be able to set up our offices overseas to manage our international operations and that the lack of same will not adversely affect our business.

44. Our Company is highly dependent on skilled and unskilled labour for manufacturing of our products. Our manufacturing processes are labour intensive; therefore, our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees. If we are unable to continue to hire skilled and unskilled labour, in sufficient numbers and the quality and quantity of our products being manufactured in our units can get affected.

Our operations are significantly dependent on access to a large pool of workforce for operation of our manufacturing unit. As of March 31, 2024, we had 539 permanent employees in PTC Industries Limited. Our dependence on skilled and unskilled labour may result in significant risks for our operations, relating to the availability and skill of such labour, as well as contingencies affecting availability of such labourers during peak periods. Further, our manufacturing units are surrounded by a number of industries, which may create a demand-supply gap in the labour industry which may impact our business operations. There can be no assurance that we will have adequate access to skilled and unskilled workers at reasonable rates. As a result, we may be required to incur additional costs to ensure timely execution of our projects. In addition to the above, in view of the ongoing pandemic and the lockdown, which was imposed by several State and Central Governments, there is an acute shortage of labourers, since most of the labourers have returned to their native places due to the widening income gap and lack of adequate resources to sustain their livelihood. In the event, we are unable to source adequate numbers of labourers for our manufacturing units or if we are exposed to an increased expense due to the surge in the wages of such labourers, we cannot assure you that it will not impact our business operations and financial condition. Due to the increase in the wages paid to the labours, we may have to increase the cost of our product which would directly impact our customers.

In the event, we are unable to deploy the required number of labour to run our manufacturing units for addressing such increased demand of our products, we might not be able to efficiently and timely satisfy the demand of our customers. We believe our employees and labour employed in our manufacturing unit are critical to maintain our competitive position. Although we have not experienced any material labour unrest recently, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations and could adversely affect our results of operations and financial position.

45. Our Company is subject to foreign exchange control regulations which can pose a risk of currency fluctuations.

Our Company is involved in various business transactions with international clients and has to conduct the same in accordance with the rules and regulations prescribed under FEMA. Due to non-receipt of such payments in a timely manner, our Company may fail to adhere to the prescribed timelines and may be required to pay penalty to the appropriate authority or department to regularize the payment. Similarly, due to our sacrosanct reliance on our primary raw material being metal are exposed to a risk of increase in costs of raw materials due to the currency fluctuations. Further, our international operations (export sales) make us susceptible to the risk of currency fluctuations, which may directly affect our operating results. In case we are unable to adhere to the timelines prescribed under the applicable laws or are unable to mitigate the risk of currency fluctuation, it may adversely affect our business, results of operations, financial conditions and cash flows.

EXTERNAL RISK FACTORS

46. ***Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investor's reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholder's equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

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

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition.

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, 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.

48. ***If inflation were to rise in India, we might not be able to increase the prices of our services in order to pass costs on to our customers and our profits might decline.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. Increasing inflation in India could cause a rise in the price of transportation, wages, raw materials and other expenses, and we may be unable to reduce our costs or fully pass the increased costs on to our customer by increasing the price that we charge for our products, and our business, prospects, financial condition and results of operations may therefore be adversely affected.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the amount of commission to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. This may adversely impact our business, profitability and results of operations.

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

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

For instance, GoI has announced the Interim -Union Budget for the Financial Year 2024-25 pursuant to which the Finance Act, 2024 has introduced various amendments to taxation laws in India. Unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

In India, the Supreme Court, in a judgment delivered on August 24, 2017, has held that the right to privacy is a fundamental right. Following this judgment, the Government of India passed the Digital Personal Data Protection Act, 2023. The Act aims to balance the rights of individuals to protect their personal data with the need to process personal data for lawful and other incidental purposes. All data fiduciaries, determining the purpose and means of processing personal data, are mandated to provide an itemized notice in plain and clear language containing a description of the personal data sought to be collected along with the purpose of processing such data. This act further provides that where consent is the basis of processing personal data, the data principal providing the consent, may withdraw such consent at any time.

Further, the GoI introduced new laws relating to social security, occupational safety, industrial relations and wages namely, the Code on Social Security, 2020 ("**Social Security Code**"), the Occupational Safety, Health and Working Conditions Code, 2020, the Industrial Relations Code, 2020 and the Code on Wages, 2019, which consolidate, subsume and replace numerous existing central labour legislations, were to take effect from April 1, 2021 (collectively, the "**Labour Codes**"). The GoI has deferred the effective date of implementation of the respective Labour Codes, and they shall come into force from such dates as may be notified. Different dates may also be appointed for the coming into force of different provisions of the Labour Codes. While the rules for implementation under these codes have not been finalized, as an immediate consequence, the coming into force of these codes could increase the financial burden on our Company, which may adversely impact our profitability. For instance, under the Social Security Code, a new concept of deemed remuneration has been introduced, such that where an employee receives more than half (or such other percentage as may be notified by the Central Government) of their total remuneration in the form of allowances and other amounts that are not included within the definition of wages under the Social Security Code, the excess amount received shall be deemed as remuneration and accordingly be added to wages for the purposes of the Social Security Code and the compulsory contribution to be made towards the employees' provident fund.

Unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, financial condition, cash flows and prospects. Uncertainty in the application, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our businesses in the future.

50. Significant differences exist between Ind AS, U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.

The Audited Consolidated Financial Statements, included in this Placement Document have been prepared in accordance with Ind AS. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

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

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. The domestic policy response includes localized micro-containment measures, state-specific movement restrictions, mobilization of health supplies and ramping up of health infrastructure.

India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy. The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.

A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, financial condition, results of operations and prospects. Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like application of GST; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India or its financial services sectors.

52. Investors may have difficulty enforcing foreign judgements against our Company, our Directors or our management.

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

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Indian Code of Civil Procedure, 1908. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. A party seeking to enforce a foreign judgment in India may be required to obtain approval from the RBI under the Foreign Exchange Management Act, 1999 to repatriate outside India any amount recovered pursuant to execution. Any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of the payment. Our Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

53. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.

There could be a downgrade of India's sovereign debt rating due to various factors, including changes in tax or fiscal policy, or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India, which may cause fluctuations in the prices of our Equity Shares. This could have an adverse effect on our business and financial performance, and ability to obtain financing for expenditures.

RISKS RELATING TO THE EQUITY SHARES

54. Applicants to this Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

Under the SEBI ICDR Regulations, applicants in the Issue are not allowed to withdraw or revise their Bids downwards after the Bid/Issue Closing Date. The Allotment of Equity Shares in the Issue and the credit of Equity Shares to the applicant's demat account with its depository participant could take approximately seven days to 10 Working Days from the Bid/Issue Closing Date. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events or material adverse changes in our business, results of operation or financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/Issue Closing Date and the date of Allotment of Equity Shares in the Issue. The occurrence of any such event after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants will not have the right to withdraw their Bids in the event of any such occurrence without the prior approval of SEBI. We may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

55. Any future issuance of the Equity Shares, or convertible securities by our Company may dilute your future shareholding and sales of the Equity Shares by our Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

We cannot assure you that we will not issue additional Equity Shares. Any future issuance of the Equity Shares, or convertible securities by our Company, including through exercise of employee stock options or restricted stock units may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Further, any future sales of the Equity Shares by the Promoters, or other major shareholders of our Company may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

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

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

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

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

58. 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, 2013, 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 rights 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. Our decision to file a registration statement will depend on the costs and potential liabilities associated with any such registration as well as the perceived benefits of enabling holders in such jurisdiction to exercise their pre-emptive rights and any other factors we consider appropriate at such time. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available to you by Indian law. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in our Company may be reduced.

59. Listed companies in India are highly regulated and we are subject to continuous reporting requirements.

We are subject to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we incur significant legal, accounting, corporate governance and other expenses. We are subject to the SEBI Listing Regulations which requires us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies. Further, as a listed company, we are required to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. We are also required to monitor trading in the Equity Shares in terms of the SEBI Insider Trading Regulations. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention are required. As a result, our management's attention may be diverted from our business concerns, which may affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

60. The trading price of the Equity Shares may be subject to volatility and you may not be able to sell the Equity Shares at or above the Issue Price.

The Issue Price shall be determined by us in consultation with the Lead Manager, based on the Bids received, in compliance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with rules made thereunder. It may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to the Issue.

The trading price of the Equity Shares may fluctuate due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors and the perception in the market about investments in the construction equipment sector, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments.

For example, conditions in the Indian securities markets may cause the trading price of the Equity Shares to fluctuate. The Indian securities markets are generally smaller and more volatile than securities markets in developed economies. In the past, the Indian stock exchanges have experienced high volatility and other problems that have affected the market price and liquidity of the listed securities, including temporary exchange closures, broker defaults, settlement delays and strikes by brokers. Excessive volatility may, in turn, trigger the imposition of circuit breakers. See "*There are restrictions on daily movements in the trading price of the Equity Shares, which may adversely affect a shareholder's ability to sell the Equity Shares or the price at which Equity Shares can be sold at a particular point in time.*" below. A closure of, or trading stoppage on, either of BSE and NSE could adversely affect the trading price of the Equity Shares.

In addition, if the stock markets in general experience a loss of investor confidence, the trading price of the Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of the Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Additionally, in recent years, there have been changes in laws and regulations regulating the taxation of dividend income, which have impacted the Indian equity capital markets. See "*Dividends*" on page 96. Any of these factors could adversely affect the market price and liquidity of the Equity Shares.

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

The Equity Shares are subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India, 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 the 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 us 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. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which Shareholders may be able to sell their Equity Shares.

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

A company based in India may issue equity instruments to a person resident outside India subject to entry routes, sectoral caps and attendant conditions prescribed in the FEMA Rules. Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required.

Further, in accordance with the Consolidated FDI Policy dated October 15, 2020, Government of India, investments where the beneficial owner of the equity shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

In addition, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

63. The right of the Equity Shareholders to receive payments pursuant to under the Equity Shares will be subject to tax and other liabilities upon insolvency of our Company.

The Equity Shares will be subordinated to other liabilities preferred by law, such as claims of the Government of India on account of taxes and certain liabilities incurred in the ordinary course of our Company's business (including workmen's dues, debts owed to secured creditors, wages and any unpaid dues owed to employees other than workmen, financial debts owed to unsecured creditors etc. in accordance with the mechanism as specified under Section 53 of the Insolvency and Bankruptcy Code, 2016). In the event that bankruptcy or insolvency proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy or insolvency are instituted by or against our Company, the payment of sums or dividends to the Equity Shares may be substantially reduced or delayed, or the shareholding in our Company may be significantly diluted or otherwise completely extinguished.

64. An investor will not be able to sell any of the Equity Shares subscribed in this Issue other than on a recognized Indian stock exchange for a period of 12 months from the date of the allotment of the Equity Shares.

The Equity Shares in this Issue are subject to restrictions on transfers. Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the allotment of the Equity Shares in this Issue, eligible QIBs subscribing for each of the Equity Shares may only sell their Equity Shares on NSE or BSE and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. This may affect the liquidity of the Equity Shares purchased by investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors.

65. There may not be an active or liquid market for our Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.

The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including:

- our financial results and the financial results of the companies in the businesses we operate in;
- the history of, and the prospects for, our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us; and
- Significant developments in India's economic liberalization and deregulation policies.

In addition, the Indian equity share markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

66. There is no guarantee that the Equity Shares will be listed on the Stock Exchanges in a timely manner, or at all, and prospective investors will not be able to immediately sell their Equity Shares on the Stock Exchange.

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be applied for or granted until the Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorising the issuance of the Equity Shares. Accordingly, there could be a failure or delay in listing the Equity Shares on the Stock Exchanges, which would adversely affect your ability to sell the Equity Shares. Since the Equity Shares are currently traded on the BSE and the NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Furthermore, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence

MARKET PRICE INFORMATION

As on the date of this Placement Document, 1,44,40,873 Equity Shares have been issued, subscribed and paid up. The face value of the Equity Shares is ₹10 per Equity Share. The Equity Shares have been listed on BSE and on NSE. The Equity Shares are listed and traded on NSE under the symbol PTCIL and BSE under the scrip code 539006. The closing prices of the outstanding Equity Shares on BSE and NSE as on September 02, 2024 was ₹14426.00 and ₹14,452.80 per Equity Share, respectively. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

1. The following tables set out the reported high, low and average of the closing prices of the Equity Shares on NSE and BSE and number of Equity Shares traded on the days on which such high and low prices were recorded and the total trading turnover for Fiscals 2024, 2023 and 2022.

BSE

Fiscal	High (₹)	Date of High	Number of Equity Shares traded on the date of high (₹)	Total turnover of Equity Shares traded on date of high (₹ in lakhs)	Low (₹)	Date of low	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on date of low (₹ in lakhs)	Average price for the year (₹)	Total Volume of Equity Shares traded in the Fiscals (in number)	Total Turnover of Equity Shares traded in the Fiscals (₹ in lakhs)
2024	9538.75	8-Feb- 2024	3,874	355.92	2234.00	16-May-2023	2278.00	53.16	5292.95	5,54,682	31,161.46
2023	5629.95	12-Apr-2022	2015	107.82	1571.20	10-Aug-2022	4965.00	86.84	2930.29	6,31,368	17,032.12
2022	5469.00	27-Dec-2021	2,660	143.63	1450.00	01-Apr-2021	2,007	30.51	3002.23	4,08,482	12,160.29

(Source: www.bseindia.com)

Note:

1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.*
3. *In the case of a year, average price for the year represents the average of the closing prices on each day of each year*

NSE

Fiscal	High (₹)	Date of High	Number of Equity Shares traded on the date of high (₹)	Total turnover of Equity Shares traded on date of high (₹ in lakhs)	Low (₹)	Date of low	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on date of low (₹ in lakhs)	Average price for the year (₹)	Total Volume of Equity Shares traded in the Fiscals (in number)	Total Turnover of Equity Shares traded in the Fiscals (₹ in lakhs)
2024	9,540.00	8.Feb-2024	41,957	3,862.14	2,950.00	09-Jun-2023	7,308	225.51	5,941.10	20,02,153	1,25,268.14

(Source: www.nseindia.com)

Note:

1. *The Company was listed on NSE on June 9, 2023, hence the data for Fiscal 2023 and 2022 are not applicable*
2. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the Fiscal.*
3. *In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.*
4. *In the case of a year, average price for the year represents the average of the closing prices on each day of year*

2. The following tables set out the reported high and low closing prices of our Equity Shares recorded on NSE and BSE and the number of Equity Shares traded on the days on which such high and low prices were recorded and the volume of Equity Shares traded in each of the last six months:

BSE

Month, year	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ in lakhs)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ in lakhs)	Average price for the month (₹)	Total Volume of Equity Shares traded in the month (in number)	Total Turnover of Equity Shares traded in the month (₹ in lakhs)
July, 2024	15650.00	10-Jul-2024	2,200	327.72	13,100.00	23-Jul-2024	751	100.35	14,23936	43,132	6,129.74
June, 2024	15,222.00	18-Jun-2024	3,550	509.74	8,004.55	04-Jun-2024	11,579	1,020.42	12,348.52	85,579	9,560.90
May, 2024	8650.00	31-May-2024	12,876	1095.14	7,025.05	13-May-2024	5,412	391.50	7,659.37	39,714	3,149.48
April, 2024	8,382.10	18-Apr-2024	5,837	467.24	7,305.55	15-Apr-2024	363	27.18	7,663.69	20,291	1,576.35
March, 2024	8,812.70	01-Mar-2024	1,261	108.79	7,100.00	13-Mar-2024	2,820	207.90	7,859.98	1,12,034	9,081.06
February, 2024	9,538.75	08-Feb-2024	3,874	355.92	7,708.25	01-Feb-2024	837	160.80	8,431.43	34,999	2,998.43

(Source: www.bseindia.com)

Note:

1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.*

3. *In the case of a month, average price for the month represents the average of the closing prices on each day of each month.*

NSE

Month, year	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ in Lakhs)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ in Lakhs)	Average price for the month (₹)	Total Volume of Equity Shares traded in the Month (in number)	Total Turnover of Equity Shares traded in the Month (₹ in lakhs)
July, 2024	15,702.10	10-Jul-2024	28,299	4,204.34	13,150.00	22-Jul-2024	7,920	1,087.87	142,92.45	2,38,736	34,618.20
June, 2024	15,240.00	18-Jun-2024	38,638	5,228.92	8,000	04-Jun-2024	1,05,783	9,362.77	12,348.02	8,74,680	95,522.87
May, 2024	8,665.55	31-May-2024	1,22,689	10,424.77	7,149.60	13-May-2024	8,465	613.82	7,657.10	3,27,804	26,260
April, 2024	8,383.85	18-Apr-2024	55,306	4,408.65	7,300.00	15-Apr-2024	4,361	326.17	7,665.06	1,72,721	13,423.38
March, 2024	8,803.50	01-Mar-2024	9,683.00	834.21	7,100.05	13-Mar-2024	9,046	667.14	7,860.76	2,10,366	16,794.95
February, 2024	9,540.00	8.Feb-2024	41,957	3,862.14	7,701.00	01-Feb-2024	20,991	1,669.58	8,428.17	2,72,232	23,392.02

(Source: www.nseindia.com)

Note:
1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.*
3. *In the case of a month, average price for the month represents the average of the closing prices on each day of each month.*

3. The following table sets forth the market price on the Stock Exchanges on July 15, 2024, the first Working Day following the approval of our Board for the Issue:

NSE						BSE					
Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ in lakhs) (₹)	Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ in lakhs)
14,950.00	14,990.00	14,100.00	14,202,80	17,148	2488.05	14,901.00	15,000.00	14,100.00	14,189.05	1,888	273.03

(Source: www.bseindia.com and www.nseindia.com)

USE OF PROCEEDS

The gross proceeds from this Issue shall be approximately ₹ 69,999,99 lakhs*. Subject to compliance with applicable laws, the net proceeds from this Issue, after deducting fees, commissions and estimated expenses relating to this Issue of approximately ₹2,674.41 lakhs. are ₹67,325.58 lakhs* ("**Net Proceeds**")

**Subject to allotment of Equity Shares pursuant to the Issue*

Objects of the Issue

Subject to compliance with applicable laws and regulations, we propose to utilise the Net Proceeds for the following objects:

1. Repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by our Company;

2. Funding capital expenditure, including towards expansion and development of one or more manufacturing facilities of the Company and of its Subsidiary, Aerolloy Technologies Limited (through investment in Aerolloy Technologies Limited)

3. Funding working capital requirements of our Company

4. Funding our Company's inorganic growth initiatives

5. General corporate purposes

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

Our main objects and objects incidental or ancillary to the attainment of the main objects of Memorandum of Association of our Company and its Subsidiary enable us to undertake (i) existing activities and (ii) the activities proposed to be funded from the Net Proceeds.

In the event of a change in the final Issue size, the amounts shown in the table above against each of the use of proceeds specified therein shall be modified basis the final Issue size in this Placement Document.

Proposed schedule of implementation and deployment of Net Proceeds

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

(₹ in lakhs)

Sr. No.	Particulars	Amount which will be financed from Net Proceeds	Proposed schedule for deployment of the Net Proceeds	
			Fiscal 2025	Fiscal 2026
1.	Repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by our Company	5,000.00	5,000.00	-
2.	Funding capital expenditure, including towards expansion and development of one or more manufacturing facilities of the Company and of its Subsidiary, Aerolloy Technologies Limited (through investment in Aerolloy Technologies Limited)	20,900.00	12,000.00	8,900
3.	Funding working capital requirements of the Company	7,100.00	7,100.00	-
4.	Funding the Company's inorganic growth initiatives	17,500.00	10,000.00	7,500.00
5.	General corporate purposes	16,825.58	5600.00	11225.58
	Total Net Proceeds	**67,325.58**	**39700.00**	**27625.58**

The funding requirements, deployment of funds and the intended use of Net Proceeds indicated above is based on management estimates, current circumstances of our business, our existing business plans, the prevailing market conditions and other commercial and technical factors. Given the nature of our business, we may have to revise our funding requirements and intended deployment schedule on account of a variety of factors such as our financial condition, business strategy, delay in procuring and operationalizing assets or necessary licenses and approvals, and external factors such as market conditions, competitive environment, price fluctuations and interest or exchange rate fluctuations and other external factors which may not be within the control of our management. Depending upon such factors, we may have to reduce or extend the deployment period for the stated objects. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, including the expenditure for a particular purpose, at the discretion of our management. Subject to applicable law, if the actual utilisation towards the objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds.

In case of a shortfall in raising requisite capital from the Net Proceeds, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue, subject to compliance with applicable laws. For details, see "*Risk Factors – Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by a public financial institution or a scheduled commercial bank and our management will have broad discretion over utilization of the Net Proceeds*" beginning on page 51.

Our Company proposes to deploy the entire Net Proceeds towards the Objects stated above. If the Net Proceeds are not utilized (in full or in part) for the Objects for the period stated above due to any reason, including (i) the timing of completion of the Issue; (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 part or full) in subsequent periods in such manner as may be determined by our Company, in accordance with applicable laws. Further, our Company may also utilise any portion of or the entire Net Proceeds, towards the aforementioned Objects, ahead of the estimated schedule of deployment specified above.

Details of the Objects

1. **Repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by our Company**

We have entered into various financing arrangements, including borrowings in the form of long-term loans, cash credit facilities and working capital demand loans, among others. As of July 31, 2024 we had total outstanding borrowings (i.e. the sum of our non-current and current borrowings) aggregating to ₹ 11,454.68 lakhs and non-fund based limit usage was at ₹3,087.00 lakh.

We propose to utilise an estimated amount of ₹ 5,000.00 lakhs from the Net Proceeds towards full or partial repayment or pre-payment, in full or in part, of certain outstanding unsecured and secured borrowings availed by our Company. 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. To the extent required, we have obtained necessary consents from the lenders of these borrowings as per the requirements under the borrowing arrangements. Further, pursuant to the terms of the borrowing arrangements, pre-payment of certain indebtedness may attract pre-payment charges as prescribed by the respective lender. Such pre-payment charges, as applicable, will also be funded out of the Net Proceeds and/or internal accruals. The repayment / pre-payment of certain loans by utilizing the Net Proceeds will help reduce our outstanding indebtedness. Further, it will reduce our debt-servicing costs and improve our debt equity ratio.

Details of utilization

The details of certain outstanding borrowings availed by our Company, proposed for repayment or pre-payment, in full or in part, from the Net Proceeds are set forth below:

No	Name of the lender	Principal loan amount sanctioned (In ₹ lakhs)	Balance amount Outstanding as on July 31, 2024 (In ₹ lakhs)	Amount proposed to be repaid out of the Net Proceeds (In ₹ lakhs)	Tenor and Repayment Schedule	Interest Rate (% p.a.)	Purpose for which disbursed loan amount was sanctioned and utilized	Pre-payment penalty, if any
1.	State Bank of India	1,225.00	265.00	265.00	60 months	9.25	GECL-1	Nil
2.	State Bank of India	612.00	517.00	517.00	72 months	9.25	GECL-II	Nil
3.	HDFC Bank Limited	358.00	157.00	157.00	60 months	9.25	GECL-1	Nil
4.	YES Bank Limited	652.00	258.00	258.00	60 months	9.25	GECL I	Nil
5.	Punjab National Bank	400.00	158.00	158.00	60 months	9.25	GECL-I	Nil
6.	Punjab National Bank	200.00	171.00	171.00	72 months	8.65	GECL-II	Nil
7.	Punjab National Bank	410.00	410.00	410.00	72 months	9.25	GECL-II	Nil
8.	HDFC Bank	1000	631.00	631.00	Mar-27	10.41	Term Loan	Nil
9.	HDFC Bank Limited	825.00	372.00	372.00	Liquidation date September 27	10.17	Term Loan	Nil
10.	YES Bank Limited	2000.00	935.00	935.00	Liquidation date September 27	10.20	Term Loan	Nil
11.	YES Bank Limited	155.00	92.00	92.00	Liquidation date September 27	10.20	Term Loan	Nil
12.	Punjab National Bank	2000.00	640.00	640.00	Liquidation date March 28	9.60	Term Loan	Nil
13.	Total			**4,606.00**				

Our Company has obtained a certificate dated August 28, 2024, issued by our Statutory Auditor, the utilisation of the proceeds of the loans, as indicated above has been towards the purpose availed for, as per the sanction letters / loan agreements of the respective loans.

2. **Funding capital expenditure, including towards expansion and development of one or more manufacturing facilities of the Company and of its Subsidiary, Aerolloy Technologies Limited (through investment in Aerolloy Technologies Limited)**

We are in the process of strategic expansion of our manufacturing facility situated at Lucknow node of the Uttar Pradesh Defence Industrial Corridor including expansion and development of one or more facilities for the establishment of manufacturing processes and activities of one or more products like titanium & super alloys castings, titanium and super alloys billets, sheets etc including intermediate products in our Company and through our Subsidiary, Aerolloy Technologies Limited ("**Proposed Expansion**"). We expect to benefit from such investment as we believe our plans and strategy will allow us to meet the anticipated increase in the demand for our products in the future, enable us to supply to the growing markets more efficiently and more importantly, drive profitability.

Estimated Cost

The estimated cost of Proposed Expansion is ₹ 28,933.24 lakhs, and such cost has been certified by way of a certificate dated August 28, 2024 issued by Er. Siraj Naiyer, Chartered Engineer.

An indicative list of such plant and machinery that is intended to be purchased, along with details of the purchase orders / quotations received in this respect are set forth below, which has been certified by Siraj Naiyer, Chartered Engineer, pursuant to its certificate dated August 28, 2024:

(In ₹ lakhs)

#	Particulars	Estimated cost	Amount proposed to be utilised from the Net Proceed
1	Civil and structural works	3,887.15	2,518.97
2	Plants and Machineries	21,027.67	14,367.19
3	Pre-Operative expenses	2,118.00	2,118.00
4	Contingency	1,900.42	1,900.42
	Total	**28,933.24**	**20,904.58**

Civil and structural works

Civil and structural works for the Proposed Expansion include land development work, pre-engineered building contractions, epoxy coating and others. The total estimated cost for civil and structural works for part of the Proposed Expansion is ₹ 3,887.15 lakh. Our Company has already incurred ₹1,368.18 lakh up to June 30, 2024 as certified by Er. Siraj Naiyer, Chartered Engineer vide certificate dated August 28, 2024. Our Company proposes to utilised ₹2,518.97 lakh out of the Net Proceeds towards land development, construction of main building. A detailed break-up of such estimated cost towards civil and structural works which is proposed to be funded from the Net Proceeds is set forth below:

Particulars	Total estimated costs (₹) in lakhs	Amount to be funded from Net Proceeds (₹) in Lakhs	POs/Quotations Parties	Date of purchase order/quotations
Supply and Erection of Complete PEB Building	515.81	33.50	Utopia Constro	18/10/2022
Civil Work for PEB Building	416.65	193.94	Utopia Constro	19/12/2022
Pre-Engineered Building Structure	426.69	119.24	Utopia Constro	07/07/2023
I/C of Pre Engineered Building Structure	56.21	37.54	Utopia Constro	07/07/2023
Civil Work for PEB Building 1,2,3	237.65	172.22	Utopia Constro	30/12/2023
Civil Work for PEB Building 6,7	191.49	140.16	Utopia Constro	11/03/2024
Civil Work for PEB Building 4,5	191.44	130.01	Utopia Constro	11/03/2024
Civil Work for PEB Building 1,2,3	29.52	29.52	Utopia Constro	06/05/2024
Pre Engineered Building Structure	173.46	77.91	Utopia Constro	17/05/2024

Particulars	Total estimated costs (₹) in lakhs	Amount to be funded from Net Proceeds (₹) in Lakhs	POs/Quotations Parties	Date of purchase order/quotations
I/C of Pre Engineered Building Structure	22.85	15.18	Utopia Constro	17/05/2024
Construction of VCB/Meter Room	22.24	8.97	N Hasan Contractor	28/04/2024
Construction of Road	72.12	29.77	N Hasan Contractor	11/05/2024
Forging building	151.34	151.34	Utopia Constro	12/08/2024
Forging building	342.20	342.20	Utopia Constro	14/08/2024
Mill building	180.79	180.79	Utopia Constro	14/08/2024
Mill building	435.42	435.42	Utopia Constro	14/08/2024
Office Block	421.26	421.26	Utopia Constro	08/08/2024
Total	**3,887.15**	**2,518.97**		

Note: Pursuant to the certificate dated August 28, 2024, issued by Siraj Naiyer, Chartered Engineer (Membership No.- F -15710)

Plants and Machineries

Out of the total estimated cost of the Proposed Expansion, the estimated cost towards the plants and machineries are ₹21,027.67 lakh which includes, erection commissioning, material used in trial and testing, electrical and utilities. Our Company has placed orders for certain plant and machinery for the Proposed Expansion. The Company has already incurred ₹6,660.48 lakh up to June 30, 2024, as certified by the Chartered Engineer vide its certificate dated August 28, 2024, against the purchase orders issued.

The Company proposes to utilize balance ₹ 14,367.19 lakh out of the Net Proceeds towards the plants and machineries. A detailed break-up of such estimated cost towards process plants and machineries, is set forth below:

#	Particulars	Total estimated costs (₹)	Amount to be funded from Net Proceeds (₹)	Date of quotations/purchase orders	Name of the Vendor
1	VIM+VPIC Furnace	2,867.45	243.00	February 7, 2023	Inductotherm India Private Limited (Sanand)
2	High Pressure Vacuum Gas Quenching Furnace	475.17*	43.06	June 7, 2023	Shanghai Gehang Vacuum Technology Co., Limited
3	VAR Skull Melting Furnace - L 400 SM	3,147.21*	1831.84	June 15, 2023	Ald Vacuum Technologies Gmbh
4	Industrial UPS 500 Kva	52.74	21.07	July 15, 2023	B K Technologies
5	Manual Plasma Arc Welding Machine and Manual Electrode Plasma Arc Welding Fixture	45.29*	22.45	February 3, 2024	Zhejiang New Vision Imp & Exp Co Limited
6	Open Die Forging Press	6,566.25*	5209.16	February 26, 2024	Vecchiato Officine Meccaniche SRL

#	Particulars	Total estimated costs (₹)	Amount to be funded from Net Proceeds (₹)	Date of quotations/purchase orders	Name of the Vendor
7	Knock Out Machine	8.85	5.10	March 30, 2024	Modtech Machines Private Limited
8	Industrial X Ray System 320 kV	96.51	55.62	April 3, 2024	GNAT Technologies Private Limited
9	Transformer 8000 KVA 33/11 KV	77.07	57.47	April 8, 2024	Mehi Power Transformers
10	Trackless Trolley (Steerable Transfer Car)	47.20	37.20	April 17, 2024	Electromech Material Handling Systems I Private Limited
11	ONH Elemental Analyzer	135.70	101.20	May 11, 2024	IR Technology Services Private Limited
12	33 kV HT VCB Panel	33.93	33.93	June 15, 2024	Actech Engineers
13	Automatic Plasma Welding Machine and Crucible Cleaning System	815.83*	815.83	July 5, 2024	Henan Central Source Titanium Co., Ltd.
14	Benchtop ED XRF Spectrometer	43.07*	43.07	July 5, 2024	Malvern Panalytical B.V.
15	Computed Radiography System	75.69	75.69	August 1, 2024	GNAT Technologies Private Limited
16	Crane Girder	196.59	90.46	July 7, 2023	Utopia Constro
17	I/C of Crane Girder	25.90	17.29	July 7, 2023	Utopia Constro
18	Machine Fdn for EBCHR	142.66	27.03	December 21, 2023	Utopia Constro
19	Supply and Erection of Crane Girder for 30T EOT Crane	160.97	33.60	January 5, 2024	Utopia Constro
20	Crane Column Fdn	290.82	213.19	March 29, 2024	Utopia Constro
21	Crane Girder	138.77	62.33	May 17, 2024	Utopia Constro
22	I/C of Crane Girder	18.28	12.15	May 17, 2024	Utopia Constro
23	Machine Fdn of HIP	21.74	21.74	May 17, 2024	Utopia Constro
24	Machine Fdn of Vacuum HT	32.61	32.61	May 17, 2024	Utopia Constro

#	Particulars	Total estimated costs (₹)	Amount to be funded from Net Proceeds (₹)	Date of quotations/purchase orders	Name of the Vendor
25	Crane Column Fdn for EOT 15Tx23 Mtr	14.04	14.04	July 13, 2024	Utopia Constro
26	Crane Column Fdn for EOT 15Tx22.5 Mtr	21.24	21.24	July 13, 2024	Utopia Constro
27	Machine Fdn for Shall Maker System	40.73	40.73	July 13, 2024	Utopia Constro
28	Crane Column Fdn for EOT 30Tx40Mtr	23.60	23.60	July 13, 2024	Utopia Constro
29	Construction of UG Tank for EBCHR Furnace	19.25	19.25	July 13, 2024	Utopia Constro
30	Construction of UG Tank for VIM+VPIC	14.56	10.86	May 6, 2024	N Hasan Contractor
31	Machine Fdn of VIM+ VPIC	48.12	36.01	May 13, 2024	N Hasan Contractor
32	Construction of UG Tank for Vacuum HT	13.32	10.49	July 30, 2024	N Hasan Contractor
33	Supervision for I/C of VAR and EBCHR	653.00*	510.62	June 22, 2023	Ald Vacuum Technologies Gmbh Otto-Von-Guericke-Platz1
34	Electrical Panel	13.69	13.69	July 6, 2024	Creative Electricals
35	I/C of VIM+VPIC	11.80	11.80	February 7, 2023	Inductotherm India Pvt. Ltd. (Sanand)
36	Consultancy Charges for Forging Project	28.32	19.68	December 12, 2023	Korindo Techsource Pvt Ltd
37	HIP Spares	37.97*	26.45	May 22, 2024	Luoyang Combat Tungsten & Molybdenum Material Co. Ltd
38	I/C of Vacuum HT Furnace	12.58*	12.58	June 7, 2023	Shanghai Gehang Vacuum Technology Co., Ltd
39	Supervision of I/C of WBU System	12.18*	12.18	December 19, 2023	OAS AG
40	Modification of PLC/ SCADA and MES Software	16.85*	7.82	September 12, 2023	OAS AG
41	Supervision of I/C of WBU System	51.42*	32.94	September 12, 2023	OAS AG
42	Electrical Panel	68.44	56.84	February 8, 2024	Excel Control Systems
43	Ti Sponge	624.46*	624.46	June 11, 2024	Advanced Metal

#	Particulars	Total estimated costs (₹)	Amount to be funded from Net Proceeds (₹)	Date of quotations/purchase orders	Name of the Vendor
					Industries Cluster and Toho Titanium Metal Co., Ltd.
44	Network Security	11.55	11.55	July 2, 2024	Digital Track Solutions Private Limited
45	Master Alloy with Vanadium Content	23.60	23.60	June 27, 2024	Star Alucast Private Limited
46	Master Alloy with Vanadium Content	134.95*	134.95	July 9, 2024	AMG Titanium
47	Hot Isostatic Press	177.00	147.00	March 14, 2023	Optima Diamond Tools
48	Hot Rolling Mill	1,402.50	1402.50	August 6, 2024	TIMET
49	Hot Rolling Mill - Foundation	503.74	503.74	August 14, 2024	Utopia Constro
50	Hot Rolling Mill - Freight/Duty	1,232.22	1232.22	August 16, 2024	Zenith International for freight and Central Government for custom duty and GST
51	Hot Rolling Mill - Installation & Commissioning	300.00	300.00	August 16, 2024	Utopia Constro
	Total	**21,027.67**	**14,367.19**		

** For all imported equipment or machinery, our Company has assumed an exchange rate of USD, RMB and Euro to ₹ as on date of the respective purchase order/quotation.*
Note: Pursuant to the certificate dated August 28, 2024, issued by Siraj Naiyer, Chartered Engineer (Membership No.- F -15710)

Pre-Operative expenses

The Company proposes to utilize ₹ 2,118.00 lakh out of the Net Proceeds towards pre-operative expenses as certified by Er. Siraj Naiyer, Chartered Engineer vide certificate dated August 28, 2024. A detailed break-up of such estimated cost is set forth below:

Preoperative Expenses	Expense / month in ₹ lakh	Number of months	Total Amount (₹ in lakh)
Salary Expenses	50.00	18	900.00
Travelling and conveyance	6.00	18	108.00
Other administrative overhead	10.00	18	180.00
Trial and testing expenses	155.00	6	930.00

Preoperative Expenses	Expense / month in ₹ lakh	Number of months	Total Amount (₹ in lakh)
Total Amount			**2,118.00**

Note: Pursuant to the certificate dated August 28, 2024, issued by Siraj Naiyer, Chartered Engineer (Membership No.- F -15710

Contingencies

There might be price fluctuations, and the currently estimated cost may increase on account of factors beyond our Company's control, including increase in cost of machinery and associated transportation or other charges or taxes. Certain quotations received by our Company from vendors in respect of the Proposed Expansion, contemplate price fixation for a defined period, subject to cost escalation subsequently or foreign currency fluctuation. The total estimated cost for contingencies is ₹ 1,900.42 lakh as estimated by our Company, based on its experience which is 10% of the amount proposed to be funded from the Net Proceeds for setting up the Proposed Expansion.

We certify that in case Purchase Orders have not been awarded the quotation received from the suppliers/ contractors are valid as on the date of this Placement Document. In case of erection commissioning of plant figures have been arrived based on estimation basis and actual cost may differ but may not be significant. However, our Company has not entered into any definitive agreements with the suppliers/ contractors and there can be no assurance that the abovementioned suppliers/ contractors would be engaged to eventually provide the services at the same costs. If there is any increase in the costs, the additional costs shall be paid by the Company from its internal accruals/ borrowings from banks.

Government approvals

Our Subsidiary, Aerolloy Technologies Limited, is required to obtain approvals, which are routine in nature, from certain governmental or local authorities as provided in the table below:

Sr. No.	Approval for	Authority	Application date	Approval date	Stage at which approvals are required	Status
1.	Consent to establish	State Pollution Control Board	June 3, 2022	August 26, 2022	Approved	Approved
3.	Sanction of electrical load	UPPCL	April 13, 2024	May 27, 2024	Approved	Approved
2.	In-principle approval of building layout	UPEIDA	December 5, 2023	-	Under Approval	Pending

Note: Pursuant to the certificate dated August 28, 2024, issued by Siraj Naiyer, Chartered Engineer (Membership No.- F -15710

In the event of any unanticipated delay in receipt of such approvals, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly.

In order to fund the capital expenditure towards expansion and development of manufacturing facility of Aerolloy Technologies Limited, our Company proposes to invest ₹ 20,904.58 lakhs in ATL to fund their capital expenditure requirements. To the extent our Company deploys the Net Proceeds in ATL, for the purpose of funding their capital expenditure requirements, it shall be in the form of equity or debt, including inter-corporate loans or in any other manner as may be decided by our Board. The actual mode of such deployment has not been finalized as on the date of this Placement Document.

3. Funding working capital requirements of the Company

We have significant working capital requirements and in the ordinary course of business we fund our working capital needs through internal accruals and availing financing facilities from various banks and financial institutions. As on March 31, 2024, our Company has a total sanctioned limit of secured fund based working capital facilities of ₹10,040.00 lakhs and unsecured fund based facilities of ₹ 2,145.00 lakhs and has utilised ₹ 7085.20 lakhs fund based facilities. We require additional working capital in order to support its incremental business requirements, funding future growth opportunities and for other strategic and corporate purposes.

Considering future growth in business activities, based on historic growth rate of our Company and its Subsidiary, Aerolloy Technologies Limited and the estimated cash flow that will be generated from the business, we estimate the working capital requirement of our Company to be ₹ 22,463.56 lakhs, respectively for which, we propose to utilize ₹ 7,100.00 lakhs from the Net Proceeds. The balance portion of our working capital requirement will be arranged from existing equity, internal accruals and borrowings from banks and financial institutions.

Basis of estimation of working capital requirement

Existing working capital of our Company

The details of Company's working capital and the source of funding, on the basis of the Audited Standalone Financial Statements for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 of our Company are provided in the table below:

(₹ in lakhs)

Working Capital	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Inventory	5,779.90	6,694.26	6,178.24
Trade Receivables	10,022.45	6,249.37	6,147.52
Current Investments, Loans and Other Financial Assets	3,639.90	241.99	559.43
Other current assets	1,305.54	1,470.53	1363.65
Total Current Assets excluding Cash and Cash Equivalent and Bank Balances other than Cash and Cash Equivalent (A)	20,747.79	14,656.15	14,248.84
Trade Payables	1,320.31	1,976.85	1,806.61
Other financial liabilities, Other current liabilities, Provisions and Current tax liabilities (Net)	2,010.80	1,995.45	1,321.31
Total Current Liabilities (B)	**3,331.11**	**3,972.30**	**3,127.92**
Net working capital C= (A- B)	**17,416.68**	**10,683.85**	**11,120.92**
Funding Pattern			
Current borrowings (Including current maturity of non current borrowings) (D)	**9,557.36**	**7,530.54**	**10,191.98**
Internal Accruals / Networth E= (C-D)	**7,859.32**	**3,153.31**	**928.94**
Total means of finances	**17,416.68**	**10,683.85**	**11,120.92**

Note: Pursuant to the certificate dated August 28, 2024, issued by M/s. T. Nagar & Co Chartered Accountants (Firm Registration Number: 012198C).

Assumptions for our estimated working capital requirements

Provided below are details of the holding levels (days) for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, which have been computed from the audited standalone financial statements of our Company:

Working Capital	**As on March 31, 2024**	**Holding Level (Days)**	**As on March 31, 2023**	**Holding Level (Days)**	**As on March 31, 2022**	**Holding Level (Days)**
Inventories	5,779.90	87	6,694.26	115	6,178.24	126
Trade Receivables	10,022.45	152	6,249.37	108	6,147.52	125

Working Capital	As on March 31, 2024	Holding Level (Days)	As on March 31, 2023	Holding Level (Days)	As on March 31, 2022	Holding Level (Days)
Current investments, loans and other financial assets	3,639.90	55	241.99	4	559.43	11
Other current assets	1,305.54	20	1,470.53	25	1,363.65	28
Total Current Assets excluding Cash and Cash Equivalent and Bank Balances other than Cash and Cash Equivalent (A)	**20,747.79**	**314**	**14,656.15**	**253**	**14,248.84**	**291**
Trade Payables	1,320.31	20	1,976.85	34	1,806.61	37
Other financial liabilities, Other current liabilities, Provisions and Current tax liabilities (Net)	2,010.8	30	1,995.45	34	1,321.31	27
Total Current Liabilities (B)	**3331.11**	**50**	**3,972.3**	**68**	**3,127.92**	**64**
Net working capital I = (A- B)	**17,416.68**	**263**	**10,683.85**	**184**	**11,120.92**	**227**
Funding Pattern						
Current borrowings (Including current maturity of non current borrowings) (i)	9,557.36	145	7,530.54	130	10,191.98	208
Internal Accruals / Networth (ii) = (I) - (i)	**7,859.32**	**119**	**3,153.31**	**54**	**928.94**	**19**
Total Means of Finance (i) + (ii)	**17,416.68**	**263**	**10,683.85**	**184**	**11,120.92**	**227**

Note: Pursuant to the certificate dated August 28, 2024, issued by M/s. T. Nagar & Co Chartered Accountants (Firm Registration Number: 012198C).

On the basis of existing working capital requirement and holding levels for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, the Listing Committee of our Company, pursuant to its resolution dated August 28, 2024, has approved the projected working capital requirements for Fiscal 2025 as ₹22,463.56 lakhs. Accordingly, our Company proposes to utilize ₹7,100.00 lakhs of the Net Proceeds in Fiscal 2025 towards estimated working capital requirements. The balance portion of our working capital requirement shall be met inter alia from internal accruals and extending existing or additional working capital facilities from various banks, financial institutions and non-banking financial companies.

4. Funding the Company's inorganic growth initiatives

We propose to deploy, to the extent of ₹ 17,500.00 lakhs, towards strategic acquisitions and investments towards inorganic growth. We believe that we have, and we will benefit significantly from the acquisitions undertaken by us in the past. We keep on monitoring and identifying any strategic opportunities that would be a good fit with our business. The table below summarizes the acquisitions that we have undertaken over the recent past:

Sr. No.	Nature of acquisition	Year of acquisition	Benefits
1.	Purchase of Plasma Arc Melting furnace from TIMET UK Limited, through our Subsidiary, Aerolloy Technologies Limited, pursuant to an equipment purchase and sale agreement dated January 30, 2023. This equipment was located at located at Witton Plant 1 Facility, Holford Road off Witton Road, Birmingham B6 7BJ ("**Plant**")	Fiscal 2024	Manufacturing Ti Alloy ingots in small lot sizes for exotic Ti alloys as well as for recycling of Ti alloy scrap and waste generated by the company's Titanium Casting production
2.	Purchase of all machinery, equipment and accessories related to Electron Beam Melt Furnace from Titanium Metals Corporation, USA, a Delaware corporation pursuant to an equipment purchase and sale agreement dated July 6, 2022 through our Subsidiary, Aerolloy Technologies Limited	Fiscal 2023	Manufacturing of Ti Ingots and slabs up to 12 tonnes weight, using Ti Scrap and Sponge with annual melt capacity of 5000 tonnes, for sales to Aerospace and Defence companies in India and for Exports
3.	Purchase of all machinery, equipment and accessories related to Vacuum Arc Remelting Furnace from Titanium Metals Corporation USA, a Delaware corporation pursuant to an equipment purchase and sale agreement dated March 25, 2021 through our Subsidiary, Aerolloy Technologies Limited	Fiscal 2022	Manufacturing of Ti Ingots of up to 1 m dia and 12 tonnes weight, using Ti Sponge with annual capacity of 1500 tonnes, for sales to Aerospace and Defence companies in India and for Exports

Further, our Subsidiary, Aerolloy Technologies Limited is in process to acquire a Hot Rolling Mill for manufacturing Plates and Sheets in Titanium Alloys for Aerospace and Defence applications from a USA based entity and made an announcement on August 24, 2024. With this Hot Rolling Mill acquisition, we will have a fully vertically integrated capability which covers the entire titanium alloy products value chain, with the Company's offering covering Titanium Alloy Ingots, Billets, Bars, Rods, Castings and now Plates and Sheets also. This manufacturing capability will enable our production of thinner titanium sheets as well, which are integral to defence and aerospace applications such as aircraft wings and marine engineering for corrosion resistant ship components, etc.

We will from time to time continue to seek attractive inorganic opportunities that we believe will fit well with our strategic business objectives and growth strategies. The amount of Net Proceeds to be used for acquisitions will be based on our management's decision and may not be the total value or cost of any such acquisitions, but is expected to provide us with sufficient financial leverage to pursue such acquisitions.

Rationale for such expenditure on such inorganic growth initiatives in the future.

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

a. expertise in the domain we operate in or wish to expand into;

b. strategic fit to our existing business(es) or serving connected extensions;

c. new customers/users that we can serve with our existing capabilities;

d. new capabilities to serve customers;

e. newer technology infrastructure, service/product offerings, including ones which plug-in gaps in our existing ecosystem/value chain and thus, enhance the range of our offerings;

f. enhance our geographical reach;

g. strengthen market share in existing markets; and

h. strong management team.

We will from time to time undertake potential acquisitions and/or investments in line with our business objectives and overall expansion strategies, with a view to augment our growth by acquiring companies with strong supply/distribution capabilities, expand our product offerings and portfolios, enhance our geographical presence and strengthen our existing platforms through complementary technology and advancements. Accordingly, we believe that acquisitions and investments made by our Company in furtherance of the factors set out above, will fit in our strategic business objectives and growth strategies. We intend to utilise the above-stated portion of the Net Proceeds towards our strategic acquisitions and/or investments which may be undertaken as stated above.

If the actual utilization towards any of the Objects is lower than the proposed deployment, such balance will be used for future growth opportunities, if required, in accordance with applicable laws. In the event that estimated utilization out of the Net Proceeds in a fiscal is not completely met, the same shall be utilized in the subsequent fiscals, as may be decided by our Company, in accordance with applicable laws. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular object vis-àvis the utilization of Net Proceeds. The proposed inorganic acquisitions shall be undertaken in accordance with the applicable laws, including the Companies Act, FEMA and the regulations notified thereunder, as the case may be.

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

5. General Corporate Purposes

Our Company intends to deploy ₹ 67,325.58 lakhs, towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds in compliance with the circular bearing reference no. NSE/ CML/2022/56 dated December 13, 2022, issued by NSE and circular no. 20221213-47 dated December 13, 2022, issued by BSE.

The general corporate purposes for which our Company proposes to utilise Net Proceeds include, without limitation, funding growth opportunities, business development initiatives, meeting expenses incurred in the ordinary course of business and towards any exigencies or any other purpose, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act. 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. 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.

Monitoring of utilisation of funds

Pursuant to Regulation 173A of the SEBI ICDR Regulations, our Company has appointed ICRA Limited, a credit rating agency registered with the SEBI, as the monitoring agency ("**Monitoring Agency**") by way of an agreement dated August 28, 2024, as the size of our Issue exceeds ₹ 10,000 lakhs. The Monitoring Agency shall submit its report to our Company in the format specified in Schedule XI of the SEBI ICDR Regulations on a quarterly basis, till 100% of the proceeds of the Issue have been utilised. The board of directors and the management of our Company will provide their comments on the findings of the Monitoring Agency as specified in Schedule XI.

Our Company shall, within 45 days from the end of each quarter, upload the report of the Monitoring Agency on our website and also submit the same to the Stock Exchanges.

The report of the Monitoring Agency shall be placed before our Audit Committee on a quarterly basis, promptly upon its receipt. 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 Issue from the Objects, as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects, as stated above. This information will also be published on our website 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.

Interim use of Net Proceeds

Our Company will have flexibility in deploying the Net Proceeds received by our Company from the Issue in accordance with applicable laws. Pending utilisation of the Net Proceeds towards the purposes described in this section, shall be invested in money market instruments including money market/debt mutual funds, deposits in scheduled commercial banks or in short term debt or long-term debt or cash credit accounts or such other permitted modes as per applicable laws and other instruments as approved by the Board of Directors from time to time.

Other confirmations

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised as approved by our Board and/ or a duly authorized committee of our Board, from time to time only for such purposes, as permitted under the Companies Act, prescribed Objects as disclosed above and other applicable laws.

Subject to applicable laws, our Board shall determine the quantum of Net Proceeds to be deployed by our Company from the Issue, depending on business opportunities or requirements of our Company from time to time.

Neither of our Promoters, members of the Promoter Group, our directors and the group companies are making any contribution either as part of the Issue or separately in furtherance of the Objects. None of our Promoters, members of the Promoter Group, our Directors and the group companies shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel or members of Senior Management (including 'key managerial personnel' under the Companies Act) are not eligible to subscribe in the Issue.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation and total debt as on June 30, 2024 based on our Audited Consolidated Financial Statements and our Company's capitalisation as adjusted to reflect the receipt of the gross proceeds of this Issue and the application thereof.

This table should be read together with "***Risk Factors***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", "***Financial Information***" on pages 45, 97 and 311, respectively and the related notes included elsewhere in this Placement Document.

(in ₹ lakhs)

Particulars	Pre – Issue	Post – Issue
	As at March 31, 2024 (A) (Un adjusted)	As Adjusted*
Borrowings:		
Deposits	0	0
Debt Securities	0	0
Borrowings (consists of current and non-current borrowings)	18,189.13	18,189.13
Subordinated Liabilities		0
Total indebtedness (A)	**18,189.13**	**18,189.13**
Equity		
Equity Share capital	1,444.09	1497.12
Other Equity	63,115.88	1,34,120.80
Total Equity (B)	**64,559.97**	**1,35,617.92**
Total Capitalization (C = A+B)	**82,749.10**	**1,53,807.05**

**These terms shall carry the meaning as per Division II of Schedule III of the Companies Act, 2013*

CAPITAL STRUCTURE

The Equity Share capital of our Company as on the date of this Placement Document is set forth below:

(In ₹lakhs, except share data)

	Particulars	Aggregate value at face value (except for securities premium account)
A	**AUTHORIZED SHARE CAPITAL**	
	2,00,00,000 Equity Shares of face value of ₹ 10 each	20,00,00,000
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**	
	1,44,40,873 Equity Shares of face value of ₹ 10 each	14,44,08,730
C	**PRESENT ISSUE IN TERMS OF THIS PLACEMENT DOCUMENT**	
	5,30,315 Equity Shares aggregating to ₹ 69,999.99 lakhs (1)	53.03
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**	
	1,49,71,188 Equity Shares of face value of ₹ 10 each	14,97,11,880
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue	436,91.62
	After the Issue (2)	1,13,638.58

(1) *The Issue has been authorized by the Board of Directors pursuant to its resolution dated July 13, 2024, and the Shareholders pursuant to a special resolution dated August 8, 2024.*

(2) *The securities premium account after the Issue is calculated on the basis of gross proceeds of the Issue. Adjustments do not include Issue related expenses.*

Equity Share Capital History of our Company

The following table sets forth the history of the Equity Share capital of our Company since incorporation:

Date of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of allotment	Consideration	Cumulative equity shares
February 27, 1963^	43	100	100	Initial subscription to Memorandum of Association	Cash	43
January 25, 1965^	1,197	100	100	Further issue	Cash	1,240
September 14, 1965^	10	100	100	Further issue	Cash	1,250
September 14, 1965^	520	100	100	Further issue	Cash	1,770
January 25, 1966^	590	100	100	Further issue	Cash	2,360
April 18, 1970^	150	100	100	Further issue	Cash	2,510
April 2, 1971^	50	100	100	Further issue	Cash	2,560
June 15, 1981^	1,865	100	100	Further issue	Cash	4,425
October 10, 1992^	1,575	100	100	Further issue	Cash	6,000

Date of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of allotment	Consideration	Cumulative equity shares
March 22, 1993^	6,000	100	100	Bonus	N.A.	12,000
March 28, 1993^	9,755	100	100	Private Placement	Cash	21,755
May 24, 1993^	2,245	100	100	Private Placement	Cash	24,000
August 11, 1993^	6,000	100	100	Right issue in the ration of 4:1	Cash	30,000
September 3, 1993^	60,000	100	100	Bonus	N.A.	90,000
September 3, 1993^	2,10,000	100	100	Bonus	N.A.	3,00,000
Pursuant to the resolutions passed by our Shareholders on August 27, 1994, the face value of the Equity Shares was sub-divided from ₹100 per equity share to ₹10 per Equity Share. Accordingly, the issued, subscribed and paid-up Equity Share capital of our Company being 3,00,000 equity shares of ₹100 each was subdivided into 30,00,000 Equity Shares of ₹10 each.						
December 12, 1994^	5,50,000	10	50	Listing at OTC Exchange of India	Cash	35,50,000
December 28, 1998^	6,41,250	10	NA	Pursuant to amalgamation order in the ratio 1:5 to Sunika Alloys Pvt Ltd & 5:2 to Ashman Tools Engineers Pvt Ltd	Cash	41,91,250
April 23,2014	3,64,456	10	381.75	Pursuant to conversion of 1,39,130 CCDs	Cash	45,55,706
November 8, 2014	6,83,357	10	381.75	Pursuant to conversion of 2,60,870 CCD	Cash	52,39,063
August 23, 2022	78,58,594	10	10	Rights issue in the ratio of 3:2	Cash	1,30,97,657
December 7, 2022	2,84,600	10	2,349	Preferential Issue	Cash	1,33,82,257
July 19, 2023	1,80,000	10	2,500	Preferential Issue	Cash	1,35,62,257
December 15, 2023	13,031	10	402	Allotment pursuant to ESOP 2019	Cash	1,35,75,288
January 4, 2024#	6,30,170	10	2,349	Pursuant to conversion of warrants into equity shares	Cash	1,42,05,458
February 15, 2024,	2,35,415	10	6,000	Preferential Issue	Cash	1,44,40,873

^ We have been unable to trace return of allotment filed with RoC, including the payment challans thereof, certain minutes of the meetings of the board and/or shareholders and regulatory forms with respect to certain allotments of equity shares made by the Company. We have included these details basis the search report issued by an independent practising company secretary pursuant to their inspection and independent verification of the documents available or maintained by our Company and the Ministry of Corporate Affairs at the MCA Portal.

*Accordingly, we have relied on the certificate dated August 28, 2024, issued by Amit Gupta & Associates, Practicing Company Secretaries ("**RoC Search Report**"). Please also see "Risk Factors – Certain documents filed by us with the Registrar of Companies and certain corporate records and other documents related to the capital structure of our Company, from the year 1963 to 2014, are not traceable." on page 56.*
 # We issued 6,30,170 convertible warrants pursuant to board and shareholders' resolution date October 20, 2022 and November 19, 2022 respectively, further, these warrants were allotted on December 7, 2022 and same was converted into equity shares pursuant to Listing Committee resolutions dated January 04, 2024.

Except as stated in "- *Equity Share Capital History of our Company*", our Company has not made any allotment of Equity Shares in the one year immediately preceding the date of this Placement Document, including for consideration other than cash.

Preference Shares

As on the date of this Placement Document, there are no outstanding preference shares of our Company.

Warrants

As on the date of this Placement Document, there are no outstanding warrants issued by our Company.

Employee stock option schemes

Pursuant to a Board resolution dated May 27, 2019, and Shareholders' resolution dated September 28, 2019, our Company instituted the PTC-ESOS 2019 ("**ESOP 2019**"). The Compensation Committee (Nomination & Remuneration Committee) at its meeting held on August 30, 2022 approved the adjustment in the Options, pursuant to the issue of up to 78,58,594 fully paid-up equity shares of the face value of ₹ 10 each ("**Rights Equity Shares**") of our company for cash at a price of ₹ 10 per Rights Equity Share aggregating up to ₹ 785.86 lakhs on a rights issue basis to the eligible equity Shareholders of our Company in the ratio of 3 rights equity shares for every 2 fully paid-up equity shares held by the eligible equity Shareholders of our Company on the record date, that is, on July 22, 2022. The ESOP 2019 is compliant with the SEBI SBEB Regulations.

Details	**Existing**	**Adjusted pursuant to the Rights Issue**
Total Pool	1,57,170	3,92,925 (2,35,755 additional)
Exercise Price	990/- per share	402/- per share

The details of ESOP 2019, as on the date of this Placement Document, are as under:

Particulars	Number of options
Total number of options	3,92,925
Option granted	45500
Options vested	15503
Options exercised	13,031
Total options outstanding	3,79,894

Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Lead Manager, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, and the percentage of post-Issue share capital that may be held by them is set forth in the section "*Details of Proposed Allottees*" on page 310.

Shareholding Pattern of our Company

The pre-Issue and post-Issue shareholding pattern of our Company is set forth below.

Sr. No.	Category	Pre-Issue^		Post-Issue*	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held**	% of shareholding
A.	**Promoter's holding#**				
1.	**Indian**				
	Individual and HUF	57,47,711	39.81	57,47,217	38.39
	Corporate	32,11,128	22.23	32,11,128	21.45
2.	**Foreign**	0	0	0	
	Sub-total (A)	**89,58,839**	**62.04**	**89,58,345**	**59.84**
B.	**Non-Promoter's holding**				
1.	**Institutional investors**	7,84,260	5.43	13,26,515	8.86
2.	**Non-institutional investors**				
	Individual share capital up to ₹ 2 Lakh	14,34,897	9.94	14,22,654	9.50
	Individual share capital in excess of ₹ 2 Lakh	25,55,736	17.69	25,54,745	17.06
3.	**Foreign Companies**	0	0		0.00
4.	**Bodies Corporate**	3,25,163	2.25	3,24,878	2.17
5.	**Any Other** [including Non-resident Indians (NRIs) and clearing members]	3,81,978	2.65	3,84,051	2.57
	Sub-total (B)	**54,82,034**	**37.96**	**60,12,843**	**40.16**
C.	**Non-Promoter Non-Public shareholder**				
1.	Custodian/ DR Holder	0	0	0	0
2.	Employee Benefit Trust	0	0	0	0
	Sub-total (C)	0	0	0	0
	Total (A+B+C)	**1,44,40,873**	**100.00**	**1,49,71,188**	**100.00**

#Includes shareholding of the members of the Promoter Group.
^Based on beneficiary position data of our Company as on August 23, 2024.

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 Placement Document.

Other Confirmations

The Promoters, members of the Promoter Group, the Directors, Key Managerial Personnel and the Senior Management of our Company do not intend to participate in the Issue. No change in control in our Company will occur consequent to the Issue.

Our Equity Shares have been listed for a period of at least one year prior to the date of issuance of EGM notice dated July 17, 2024, to the shareholders for the approval of this Issue.

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue.

DIVIDENDS

The declaration and payment of dividends by our Company 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, 2013.

Our Board has approved and adopted a formal dividend distribution policy on September 05, 2022, in terms of Regulation 43A of the SEBI Listing Regulations ("**Dividend Distribution Policy**"). In accordance with the Dividend Distribution Policy, the dividend pay-out shall be determined by the Board after taking into account a number of factors, including but not limited to current year's profits, future outlook, with due consideration of internal and external environment, operating cash flows and treasury position, financial ratios, earning per share possibilities of alternative usage of cash, e.g. capital expenditure etc. with potential to create greater value for shareholders, providing for unforeseen events and contingencies with financial implications, other factors that may be considered relevant from time to time. For further information, see "*Description of the Equity Shares*" on page 291.

Our Company has not declared or paid any dividend on the Equity Shares in respect of Fiscals 2024, 2023 and 2022 and since April 1, 2024 until the date of this Placement Document.

There is no guarantee that any dividends will be declared or paid in the future. The Equity Shares to be offered in connection with this Issue shall qualify for all dividends, including interim dividend, if any, that is declared in respect of the fiscal in which they have been allotted.

Also see "*Statement of Possible Special Tax Benefits*" and "*Risk Factors*" on pages 296 and 45, respectively.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey our management's perspective on our financial condition and results of operations for Fiscals 2024, 2023, 2022 and the three months' period ended June 30, 2024 and June 30, 2023. Financial information for the three months ended June 30, 2024 and June 30, 2023 is not annualised and not indicative of full year results, and is not comparable with annual financial statements presented in this Placement Document. You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our Audited Consolidated Financial Statements including the schedules, annexures and notes thereto and the reports thereon and our unaudited consolidated financial result for three months' period ended June 30, 2024 and June 30, 2023 in the section titled "Financial Information" beginning on page 311.

This discussion contains forward-looking statements, that involve risks and uncertainties and reflects our current views with respect to future events and financial performance. We caution investors that our business and financial performance are subject to substantive risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth under the sections titled "Forward-Looking Statements" and "Risk Factors" beginning on pages 17 and 45, respectively, and elsewhere in this Placement Document.

*We prepared our Financial Statements in accordance with the Indian Accounting Standards prescribed under section 133 of the Company Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("**Ind AS**"). Ind AS differs in some material respects from US GAAP and IFRS and other accounting principles with which prospective investors may be familiar.*

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter "Forward-Looking Statements" beginning on page 17 for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" beginning on page 45 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.

Unless otherwise indicated, industry data in this section has been derived from the D&B Report. Neither we, nor the Lead Manager, nor any other person connected with the Issue has independently verified this information. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "Risk Factors - Certain sections of this Placement Document contain information from the D&B Report which we commissioned and purchased and any reliance on such information for making an investment decision in this Issue is subject to inherent risks." beginning on page 60 and "Presentation of Financial and Other Financial Information" beginning on page 13.

Overview

PTC Industries Limited, is an Indian manufacturer with over 60 years of experience in precision metal components and caters to critical applications and, through its Subsidiary, Aerolloy, produces critical and supercritical metal components for Aerospace, Defence and Industrial applications, serving both domestic and international markets, which are developed through sustainable, disruptive and innovative technologies. Established in 1963 as Precision Tools & Castings Private Limited *(now PTC Industries Limited)*, our Company started with an objective to export metal parts by setting up an investment casting foundry in India, to produce metal components using casting techniques to cater to a large number of industries for their specific process applications. With over six decades of expertise, our Company has evolved into a supplier of precision-engineered metal components across a broad spectrum of industries. Our extensive OEM portfolio caters to Aerospace, Defence, oil and gas, marine, energy, pulp and paper, and various engineering sectors. We specialize in manufacturing components crucial to operations such as valves, pumps, propulsion systems, titanium castings, and flow meters, among others.

Our manufacturing technologies enable us to cater to a wide spectrum in the aerospace and defence sector. This includes (i) civil aviation, (ii) air defence, (iii) naval defence, (iv) space, (v) aero engines, (vi) land defence and (vii) strategic systems.

Given below is an illustration of some of our platform independent core manufacturing technologies:

Sector	Particulars	Description
Civil Aircraft	Landing System structurals	Components used in landing gears
	Airframe structural	Wings, fuselage, and undercarriage
	Engine mounts	For holding Engine to wings and holding ancillaries to engine
	Turbine frames	Hot gas conduits
	Engine shrouds	For sealing surfaces with Rotating parts
Military Aircraft	Airframe structures	For structural support and aerodynamics
	Intermediate casings	For engine support and component housing
	Bearing housings	For bearing support and alignment
	Re-fuelling nozzles	For fuel transfers and refuelling
	Turbine oil-tanks	For oil storage and engine lubrication
	Engine gearboxes	For power transmission and gear control
Naval Defence	Pump & Valve components	For fluid control and pressure regulation
	On-line fittings	For pipe connections and fluid transfers
	Propellers and propulsion components	For thrust generation and propulsion
Space	Propellant tanks	For fuel storage or missile propulsion
	Propulsion nozzles	For thrust control, exhaust management.
	Bulkheads	For structural support, compartmentalisation.
	Liquid fuel pump casings and impellers	For fuel transfer, pressure regulation.
	Lightweight structurals	For weight reduction, structural support.
Aero Engines	Turbine frames	For structural support, turbine housing
	Blades, buckets and vanes	For airflow management, power generation
	Bearing housings	For rearing support, alignment.
	Inlet and outlet structures	For airflow management, pressure regulation.
Land Defence	Suspension arms	For vehicle stability, shock absorption.
	Muzzle brakes	For recoil reduction, accuracy enhancement
	Lightweight artillery structures	For mobility, firepower efficiency
	Armour protection	For defence enhancement, impact resistance
Strategic Systems	Propellant tanks	For fuel storage, missile propulsion
	Propulsion nozzles	For thrust control, exhaust management
	Bulkheads	For structural integrity, compartmentalisation.
	Pressure bottles	For high-pressure storage, gas containment
	Lightweights structural	For weight reduction, structural support

As of June 30, 2024, we have developed capabilities to manufacture over 1414 products which can broadly be categorised into three vital technology groups, namely:

ii. *Industrial And Defence Group*: comprising the air-melt castings vertical and machining and integration vertical and caters to the specific needs of critical and supercritical applications in industries such as oil and gas, marine, energy, pulp and paper, and defence.

iii. *Aerospace Castings Group*: comprising the titanium castings vertical, super alloy castings vertical and airfoil castings vertical which includes manufacturing of single crystal, directionally solidified, and equiaxed blades and vanes.

iv. *Aerospace Materials Group*: comprising the titanium alloy mill vertical, super alloy mill vertical and the forging & rolling mill vertical.

Certain Factors Affecting our Results of Operation

Our historical results are not necessarily indicative of the results that may be expected in the future and the quarterly results are not necessarily indicative of results to be expected for the full year or any other period. As a result, our past quarterly operating results are not necessarily indicators of future performance. Our operating results in any given quarter can be influenced by numerous factors, many of which we are unable to predict or are outside of our control. Our results of operations are affected by a variety of factors that have affected our results in the past and may affect our results in the future.

Economic conditions in the markets in which we operate

Our results of operations are dependent on the overall economic conditions in the markets in which we operate, including India, US, China and Europe. Any change in macro-economic conditions in these markets, including changes in interest rates, government policies or taxation and political, economic or other developments could affect our business and results of operations. The engineering components manufacturing market in India may perform differently and be subject to market and regulatory developments that are dissimilar to the engineering components manufacturing markets in other parts of the world. While stronger macro-economic conditions tend to result into higher demand for engineering components in various sectors such as Defence, Aerospace, Marine, Oil and Gas, Energy etc., weaker macro-economic conditions tend to result in lower demand for engineering components. Change in demand in the market segments we currently supply or improvement/deterioration in the engineering components or a change in regulations, customs, taxes or other trade barriers or restrictions could affect our operations and financial condition.

Diversity and quality of our products

Our financial performance has largely been driven by our ability to continue to diversify our business through maintaining a diversified mix of our products offered to continue to deliver strategic value for our customers, an increase in our customer base in a cost-effective manner and deepening our relationships with our existing customers. Our ability to continuously acquire new assignments for our products enhances our competitiveness and market share. Presently, we cater to the following three vital technology groups:

a. The first being the industrial & defence group, which includes our air-melt castings vertical and machining and integration vertical. It caters primarily to the specific needs of critical and supercritical applications in oil & gas, marine, energy, pulp & paper, and defence.
b. The second is the aerospace castings group, which includes our titanium castings vertical, super alloy castings vertical and controlled microstructure castings vertical. The latter represents the manufacturing of single crystal, directionally solidified, and equiaxed blades and vane.
c. The third is the aerospace materials group, which includes our titanium alloy mill vertical and super alloy mill vertical.

Set out below are details of our product category-wise revenue from the sale of goods and services for the relevant financial periods:

Products	**Fiscal 2022**		**Fiscal 2023**		**Fiscal 2024**		**Three month period ended June 30, 2024**	
	Sales of goods and services	**%**	**Sales of goods and services**	**%**	**Sales of goods and services**	**%**	**Sales of goods and services**	**%**
Sale of Product	17,635.14	98.55	21,501.76	98.06	25,159.43	97.94	4,579.01	98.00

Other operating revenues	260.34	1.45	424.45	1.94	528.49	2.06	107.62	2.00
Total Revenue from operation	17,895.48	100	21,926.21	100	25,687.92	100	4,686.63	100

Further, through our strong focus on process R&D, we have built the capabilities to manufacture technologically advanced precision products, which assist our customers in meeting the market demands of their customers and end users. Our systems are designed, and products are manufactured in accordance with international quality standards and customised to specific customer requirements. Increased competition from other aerospace and engineering component or material manufacturers as they develop differentiated and competitive products that compete with our products, could have an adverse impact on our business, results of operations, financial condition and cash flows.

Ability to maintain relationships with customers, adapt to their business needs and estimate their business requirements

We have established long-standing relationships with our customers. These customers include Valmet, Kongsberg and Klinger Westad

The effect of variations in our customers' purchasing patterns is based on the forecasts from the customers, as is standard in the aerospace, defence, oil and gas, pulp and paper, energy and industrial product manufacturing industry. Although we have long-standing relationships with several customers and in several instances, we engage closely with our customers from concept to delivery, it is difficult for us to predict with certainty when our customers will decide to increase or decrease inventory levels or levels of production, which strategic direction they will pursue, when they might launch new models or open new facilities, or whether future inventory levels will be consistent with historical levels. Any increases or decreases in the levels of inventory and activity by our customers, in turn, are likely to have an effect on our revenues and our results of operations.

Further, 79.82%, 90.23%, 82.30% and 86.08% of our revenue from operations was attributable to a group of foreign countries for the purpose of export of products in Fiscal 2022, Fiscal 2023, Fiscal 2024- and three-months period ended June 30, 2024, respectively. Accordingly, since a significant portion of our products are exported, there is a large portion of the inventory on the sea and in third party warehouses to ensure safety stocks and reserves. Sudden variations in forecasts can cause depletion of safety stocks or build-up of excess inventory. Transit times in shipping and congestion at the ports can alter the levels of safety stock in the pipeline.

Our actual production volumes may differ significantly from our estimates due to variations in customer demand for the related platforms, equipment or products. When actual production volumes differ significantly from our estimates, we generally seek to make up any shortfalls through new orders, either with existing or with new customers, which may or may not materialise and may adversely affect our results of operations.

Costs and availability of skilled labour

We are dependent on highly trained engineers and other skilled labour for our air-melt and vacuum melt castings, machining, materials and integration verticals, which caters to the specific needs of critical and supercritical applications in Oil and Gas, Marine, Energy, Pulp & Paper, Defence and Aerospace sectors. Our ability to meet future business challenges depends on our ability to attract, recruit and retain talented and skilled personnel. We have generally been successful in recruiting the talent we need in India.

However, many factors could make it more difficult, or more expensive, for us to recruit and retain the personnel we need, particularly as we grow our business. We believe that our ability to offer a growth-oriented environment and implement a compensation package which extends benefits on par with other similar organisations is a key factor in our ability to attract skilled labour and maintain employee morale.

Our employee benefits expense for Fiscal 2022, Fiscal 2023, Fiscal 2024 and three months period ended June 30, 2024 were ₹ 2,085.16 lakhs, ₹ 2,621.84 lakhs, ₹ 3,159.83 lakhs and ₹ 791.28 lakhs, respectively, which was 12.40%, 13.58%, 14.62% and 17.92% of our total expenses in such respective periods.

Managing supply chain and operating expenses

Our profitability depends on our ability to manage our supply chain and operating costs in manufacturing of aerospace, defence and industrial components and materials. We are dependent upon our suppliers' ability to meet quality specifications and delivery schedules. We also procure certain key items such as titanium billets, titanium sponge, Inconel billets, moulding materials, and dies from limited suppliers. The inability of a supplier to meet these requirements, the loss of a significant supplier, or work stoppages could have an adverse effect on our ability to meet our customers' delivery requirements. Further, the cost of our key raw materials and commodities is susceptible to future volatility in commodity prices.

Most of our contracts with customers are structured to pass-through market fluctuations in raw material prices based on the index. Other than the foregoing, our costs may be susceptible to fluctuation in commodity prices like Stainless Steel, Titanium, Inconel, Cobalt, and other ferro alloys used in oil and gas, marine, energy, aerospace and defence, and other industrial businesses. We are constantly working on value addition and value engineering initiatives and procurement of materials, which go into our products from local suppliers, in order to reduce costs and maintain our margins. We are also constantly working on localising the imported material or bought-out parts to reduce costs and maintain our margins.

In Fiscal 2022, Fiscal 2023, Fiscal 2024 and three-months period ended June 30, 2024, our cost of materials consumed and changes in inventories of finished goods and work-in progress was ₹4,307.35 lakhs, ₹5,439.20 lakhs, ₹ 6,176.95 lakhs and ₹ 583.48 lakhs, respectively. As a percentage of total income, our cost of materials consumed and changes in inventories of finished goods and work-in progress was 23.25%, 23.99%, 22.86% and 11.55% in Fiscal 2022, Fiscal 2023, Fiscal 2024 and three months period ended June 30, 2024, respectively.

Foreign exchange rate fluctuations

Our Company has a globally diversified revenue profile.

Geography	Fiscal 2022		Fiscal 2023		Fiscal 2024		Three month period ended June 30, 2024	
	Revenue from Operations	% contribution	Revenue from Operations	% contribution	Revenue from Operations	% contribution	Revenue from Operations	% contribution
European Union	6,096.21	34.00%	8,717.38	40.00%	9,659.15	38.00%	1,793.35	38.00%
Norway	2,396.43	13.00%	2,214.88	10.00%	4,831.83	19.00%	1,213.60	26.00%
India	3,348.62	19.00%	1,407.59	6.00%	4,017.99	16.00%	544.49	12.00%
United States	3,029.96	17.00%	4,063.53	19.00%	3,268.24	13.00%	480.02	10.00%
United Kingdom	296.71	2.00%	418.91	2.00%	830.60	3.00%	49.19	1.00%
Brazil	370.00	2.00%	1,247.22	6.00%	226.44	1.00%	28.84	1.00%
China	1,982.37	11.00%	2,792.06	13.00%	1,945.70	8.00%	361.25	8.00%

Accordingly, a large portion of our revenue and some part of expenses, are denominated in US$, Euros and GBP. As a result of our substantial international operations, we are exposed to foreign currency risks that arise from our business transactions that are denominated in foreign currencies.

Since our reporting currency is the Indian rupee, all foreign currency transactions including sales, purchases and expenses are translated into Indian rupees. Due to its inherent net dollar long position, depreciation of the Indian rupee against these foreign currencies will generally have a positive effect on our reported revenues and operating income and appreciation of the Indian rupee against US$, Euro or GBP will generally have a negative impact on our reported revenues and operating income.

Competition

We operate in a highly competitive environment in both in the Indian and overseas markets. The industry is highly specialised, both domestically and globally. 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 product offering. Due to the long lead times associated with development for many of the products, as well as the competitive advantage that can come from being the manufacturer of a critical new product, it is important that we maintain a sufficiently large portfolio of products and a product pipeline and manage their development processes so as to ensure commercial supply of our products to our customers on a timely basis. The introduction of new products in our product portfolio is a complex process, the success of which depends on a wide range of factors, including the production readiness of our manufacturing facilities, our manufacturing processes and those of our suppliers, as well as factors related to tooling, equipment, employees, initial product quality and other factors. If we fail to do so, it may have an adverse effect on our market share and results of operations.

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.

Government Policies and Initiatives

We operate in an industry which is highly regulated and our operations, including manufacturing and sales, are subject to stringent laws and regulations. Our business is subject to the laws, regulations and policies of the GoI. Changes in applicable regulations may have an impact on our business and results of operations. We are required to obtain certain certificates from the GoI in order to sell the defence related products. The process of approval is rigorous, time consuming and involves multiple iterations before one application is finally approved, which in turn can adversely impact our cash flows and results of operations. If we fail to receive such type certifications or if the certifications are delayed, then it would have an adverse impact on our business, financial condition and result of operations. If we fail to comply with the applicable regulations, we may be subject to penalties, incur increased costs, have our approvals and permits revoked or suffer a disruption in our operations. Further, our results of operations have been favourably affected by the GoI's initiatives to further develop the Indian defence agencies to which we sell our products and services, by way of increased government spending in defence procurement and its policy that the Indian defence services must give the first opportunity to domestic companies to meet their defence product requirements

SIGNIFICANT ACCOUNTING POLICIES

See the section of this Placement Document titled "*Financial Information*" for a description of our significant accounting policies used in the preparation of our Audited Consolidated Financial Statements.

Non-GAAP Financial Measures

In addition to our results determined in accordance with Ind AS, we believe the following non-GAAP measures are useful to our Company and our investors as a means of assessing and evaluating our performance in comparison to prior periods. We use the following non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes: EBITDA, EBITDA Margin, Profit After Tax Margin, Average Return on Capital Employed, Adjusted Average Return on Capital Employed, Average Return on Equity, production volume and sales volume. We believe that non-GAAP financial information, when taken collectively with financial measures prepared in accordance with Ind AS, may be helpful to investors because it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance. However, our management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with Ind AS.

These non-GAAP financial measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities and are not required by or presented in accordance with Indian GAAP or Ind AS. 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 financial services businesses, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial statements included in this Placement Document. Prospective investors should read this information in conjunction with the financial statements included in "*Financial Information*" on page 311.

Consolidated performance	**Fiscal 2022**	**Fiscal 2023**	**Fiscal 2024**	**Three month period ended June 30, 2024**
Revenue from operations	17,895.48	21,926.21	25,687.92	4,686.63
Total Income	18,523.47	22,673.48	27,025.84	5,051.80
EBITDA*	4,838.15	6,610.52	8,602.51	1,369.43
EBITDA Margin %**	26.10%	29.20%	31.80%	27.10%
PAT	1,281.15	2,581.51	4,221.58	489.57
Profit After Tax Margin %	6.90%	11.40%	15.60%	9.70%
Adjusted Average RoCE	11.70%	11.50%	9.20%	1.30%
Average RoCE	11.70%	11.50%	9.20%	1.30%
Average RoE	7.6%	8.40%	6.50%	0.80%
Debt to Equity Ratio (in times)	1.16	0.58	0.28	0.27
Sales volume (MT)	1,570.43	1,542.38	1,651.34	345.93

**EBITDA (as per financial statements) - Total Income Less Total Expenses (excluding Finance Costs and Depreciation)*
***EBITDA Margin = EBITDA/Total Income*

Principal Components of profit and loss

Total income

Our total income consists of (a) revenue from operations; and (b) other income.

Revenue from operations

Our Company is primarily involved in manufacture of engineering components for various critical and super-critical applications. Our revenue from operations, primarily comprises of sale of products, and other operating revenue including export incentives and income from power generation.

Other Income

Our other income primarily includes interest from bank deposits valued at amortised costs, rent income from investment property and property plant equipment, supply of services, insurance claims received, gain on foreign exchange fluctuation, fair value gain on investment at fair value through profit or loss, dividend income (on investments carried at fair value through profit & loss), mark to market gain on forward contracts measured at fair value through profit and loss amortisation of deferred income, profit on sale of assets and miscellaneous income.

Expenses

Our total expenses comprised of cost of materials consumed; change in inventories of finished goods and work in progress, employee benefits expense, finance costs, depreciation & amortization expenses and other expenses.

Cost of raw materials consumed

Cost of raw materials consumed comprises of purchases of raw materials made during the year. It also includes raw material consumed for research and development.

Change in inventories of finished goods and work-in-progress

Change in inventories of finished goods and work-in-progress consists of changes in finished goods and work-in-progress from the beginning of the year to the end of the year differential.

Employee benefits expense

Employee benefits expense comprises of salaries, wages and bonus, contribution to provident and other funds, gratuity expense, staff welfare expenses, ESOP payment expenses.

Research and development expense

Research and development expense includes raw materials consumed, materials, stores and spares consumed, and salary and wages paid by the Company towards research and development.

Other expenses

It mainly includes manufacturing expenses which include stores and spares consumed, expenses towards power and fuel, repairs and maintenance of plant and machinery and building, packing and general consumables, testing and inspection charges etc., administrative, selling and other expenses such as charges towards freight and clearing, travelling and conveyance, claim settlement expenses, vehicle running and maintenance, legal and professional expenses etc.

Finance costs

Our finance cost includes interest expense on borrowings measured at amortised cost on working capital loans and on term loans, interest on others and bank charges.

Depreciation and amortisation expenses

Depreciation and amortisation expenses depreciation on property, plant and equipment, depreciation on investment property and amortisation on intangible assets.

Exceptional Items

TDDP grant refers to the grant received under "*Technology Development and Demonstration Programme*" from National Research Development Corporation an enterprise of Department of Scientific & Industrial Research. TAFP grant refers to the grant received under the "*Technology Acquisition Fund Programme*" from the Department of Heavy Industry under Government of India, Ministry of Commerce and Industry.

Results of operations in our Audited Consolidated Financial Statements

The following table sets forth select financial data from our statement of unaudited consolidated profit and loss for the 3 months period ended June 30, 2024, and audited consolidated profit and loss for Fiscal 2024, Fiscal 2023 and Fiscal 2022, the components of which are also expressed as a percentage of total income for such years.

Three-month period Ended June 30, 2024, and June 30, 2023

The following table sets forth certain information with respect to our revenues, expenses and profits, also expressed as a percentage of our total revenue, for the three-month period ended June 30, 2024, and June 30, 2023, as derived from our Unaudited Consolidated Financial Statements:

(₹ in lakhs)

Particulars	**Three-month period ended June 30, 2024**	**% of total income**	**Three-month period ended June 30, 2023**	**% of total income**	**Growth over the Fiscal year %**
Income					
Revenue from Operations	4,686.63	92.77%	7,150.69	96.09%	-34.46%
Other Income	365.17	7.23%	290.94	3.91%	25.51%
Total Income	**5,051.80**	100.00%	**7,441.63**	100.00%	-32.11%
Expenses					

Particulars	Three-month period ended June 30, 2024	% of total income	Three-month period ended June 30, 2023	% of total income	Growth over the Fiscal year %
Cost of materials consumed	1,941.93	38.44%	1,577.13	21.19%	23.13%
Change in Inventories of finished goods, and work-in-progress	-1,358.45	-26.89%	344.64	4.63%	-494.16%
Employees Benefits Expenses	791.28	15.66%	752.57	10.11%	5.14%
Other expenses	2,307.61	45.68%	2,500.70	33.60%	-7.72%
Total expenses	**3,682.37**	72.89%	**5175..04**	69.54%	-28.84%
Depreciation & amortization	414.88	8.21%	413.42	5.56%	0.35%
Finance costs	318.54	6.31%	366.88	4.93%	-13.18%
Profit /(loss) before tax	**636.01**	12.59%	**1,486.29**	19.97%	-57.21%
Tax Expenses	146.44	**2.90%**	358.38	**4.82%**	**-59.14%**
Profit for the year	**489.57**	**9.69%**	**1,127.91**	**15.16%**	**-56.59%**
Total other comprehensive income	**-6.63**	-0.13%	**-1.94**	-0.03%	241.75%
Total comprehensive income for the period	**482.94**	**9.56%**	**1,125.97**	**15.13%**	-57.11%
(1) Basic	3.39		8.43		
(2) Diluted	3.38		8.36		

Income

Revenue from operations

Revenue from operations decreased by 34.46% from ₹7,150.69 lakhs for the three-month period ended June 30, 2023, to ₹4,686.63 lakhs in three-month period ended June 30, 2024. This decrease was primarily due to temporary demand fluctuations and supply chain adjustments, and the company is confident of a stronger and more resilient performance moving forward.

Other Income

Other income increased by 25.51% from ₹290.94 lakhs for the three-month period ended June 30, 2023, to ₹365.17 Lakhs for the three-month period ended June 30, 2024.

Total Income

Total income decreased by 32.11% from ₹7,441.63 Lakhs for the three-month period ended June 30, 2023, to ₹5,051.80 lakhs for the three-month period ended June 30, 2024, primarily due to a decrease in income from operations and increase in other income as explained above.

Expenses

Cost of Production

(a) Cost of raw materials consumed increased by 23.13% from ₹1,577.13 Lakhs for the three-month period ended June 30, 2023, to ₹1,941.93 lakhs for the three-month period ended June 30, 2024, primarily due to change in product mix during the different periods;

(b) Change in Inventories of finished goods and work-in-progress decreased by 494.16% from ₹344.64 lakhs for the three-month period ended June 30, 2023 to ₹ (1,358.45) lakhs for the three-month period ended June 30, 2024, primarily due to increased production efficiency and a strategic reduction in inventory levels aimed at optimizing working capital, resulting in a significant release of stock from previous periods.

Employee benefits expenses

Employee benefits expenses increased by 5.14% from ₹752.57 lakhs in three-month period ended June 30, 2023 to ₹791.28 lakhs in three-month period ended June 30, 2024.

Other expenses

Other expenses decreased by 7.72% from ₹2,500.70 lakhs in three-month period ended June 30, 2023, to ₹2,307.61 lakhs for three-month period ended June 30, 2024. This decrease in other expenses was primarily on account of improved strategies that led to lower operational and administrative costs during the period.

Depreciation and amortization expenses

Depreciation and amortization expenses increased marginally by 0.35% from ₹413.42 lakhs for three-month period ended June 30, 2023, to ₹414.88 lakhs for three-month period ended June 30, 2024.

Finance cost

Finance cost decreased by 13.18% from ₹366.88 lakhs for three-month period ended June 30, 2023, to ₹318.54 lakhs for three-month period ended June 30, 2024. This decrease in finance cost expenses was primarily due to decrease in limit utilization of credit facilities, resulting in reduced interest expenses during the period.

Total Expenses

Total expenditure decreased by 25.85% from ₹5,955.34 lakhs in three-month period ended June 30, 2023, to ₹4,415.79 lakhs in three-month period ended June 30, 2024.

Profit before tax

Our profit before tax decreased by 57.21% from ₹1,486.29 lakhs in three-month period ended June 30, 2023, to ₹636.01 lakhs in three-month period ended June 30, 2024 mainly on account of factors mentioned above.

Tax Expense

Tax expense decreased to ₹146.44 Lakhs for three-month period ended June 30, 2024, as against ₹358.38 lakhs for three-month period ended June 30, 2023, due to decrease in profit before tax by ₹850.28 lakhs

Profit after tax

Our profit after tax decreased by 56.59% from ₹1,127.91 lakhs in three-month period ended June 30, 2023, to ₹489.57 lakhs in three-month period ended June 30, 2024 primarily due to decrease in total income.

Fiscal Years Ended March 31, 2024, and March 31, 2023

The following table sets forth certain information with respect to our revenues, expenses and profits, also expressed as a percentage of our total revenue, for Fiscal 2024 and Fiscal 2023, as derived from our Audited Consolidated Financial Statements:

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	% of total income	Year ended March 31, 2023	% of total income	Growth over the Fiscal year %
Income					

Revenue from Operations	25,687.92	95.05%	21,926.21	96.70%	17.16%
Other Income	1,337.92	4.95%	747.27	3.30%	79.04%
Total Income	**27,025.84**	100.00%	**22,673.48**	100.00%	19.20%
Expenses					
Cost of materials consumed	5,682.02	21.02%	5,475.50	24.15%	3.77%
Change in Inventories of finished goods, stock-in-trade and work-in-progress	494.93	1.83%	-36.3	-0.16%	-1463.44%
Employees Benefits Expenses	3,159.83	11.69%	2,621.84	11.56%	20.52%
Other expenses	9,086.55	33.62%	8,001.92	35.29%	13.55%
Total expenses	**18,423.33**	68.17%	**16,062.96**	70.84%	14.69%
Depreciation & amortization	1,662.93	6.15%	1,666.92	7.35%	-0.24%
Finance costs	1,524.79	5.64%	1,577.74	6.96%	-3.36%
Profit /(loss) before tax	**5,414.79**	**20.04%**	**3,365.86**	**14.84%**	**60.87%**
Tax Expenses	1,193.21	4.42%	784.35	3.46%	52.13%
Profit for the year	**4,221.58**	**15.62%**	**2,581.51**	**11.39%**	**63.53%**
Total other comprehensive income	**-26.54**	**-0.10%**	**-7.75**	**-0.03%**	**242.45%**
Total comprehensive income for the period	**4,195.04**	**15.52%**	**2,573.76**	**11.35%**	**62.99%**
(1) Basic	30.83		19.60		
(2) Diluted	30.35		19.54		

Income

Revenue from operations

Revenue from operations increased by 17.16% from ₹21,926.21 Lakhs for the Fiscal 2023 to ₹25,687.92 Lakhs in Fiscal 2024. This increase in revenue from operations was primarily driven by higher sales volumes, improved product mix, and the successful entry into new markets.

The sale of products increased by 17.01% from ₹21,501.76 lakhs in Fiscal 2023 to ₹25,159.43 lakhs in Fiscal 2024 primarily due to successful entry into new markets, and the introduction of new product lines that resonated well with the market, leading to higher sales volumes and revenue growth.

Other operating revenues include export incentives of ₹386.31 Lakhs and ₹473.14 Lakhs for Fiscal 2023 and Fiscal 2024, respectively and income from power generation of ₹38.14 Lakhs and ₹55.35 Lakhs for Fiscal 2023 and Fiscal 2024, respectively.

Other Income

Other income increased by 79.04% from ₹747.27 Lakhs for the Fiscal 2023 to ₹1,337.92 Lakhs for the Fiscal 2024, primarily on account of increase in interest from bank deposits valued at amortised costs by 501.49% from ₹71.69 Lakhs for the Fiscal 2023 to ₹431.21 Lakhs for the Fiscal 2024, increase in rent income from investment property and property plant equipment by 7.48% from ₹49.4 Lakhs for the Fiscal 2023 to ₹53.1 Lakhs for the Fiscal 2024, an increase in fair value gain on investment at fair value through profit or loss by 100% from ₹0.00 Lakhs for the Fiscal 2023 to ₹1.91 Lakhs for the Fiscal 2024, an increase in mark to market gain on forward contracts measured at fair value through PL by 100% from Rs0.00 Lakhs to ₹244.2 Lakhs, an increase in liabilities no longer required written back by 100% from ₹0.00 Lakhs in Fiscal 2023 to ₹136.24 Lakhs in Fiscal 2024 and an increase in miscellaneous income by 12.30% from ₹15.34 Lakhs in Fiscal 2023 to ₹17.23 Lakhs in Fiscal 2024. This was offset by a decrease in supply of services by 100% from ₹3.42 Lakhs for the Fiscal 2023 to ₹0.00 Lakhs for the Fiscal 2024, a decrease in gain on foreign exchange fluctuation by 27.63% from ₹535.27 Lakhs for the Fiscal 2023 to ₹387.36 Lakhs for the Fiscal 2024, a decrease in dividend income by 100% from ₹0.02 Lakhs for the Fiscal 2023 to ₹0.00 Lakhs for the Fiscal 2024, and profit on sale of assets by 100% from ₹5.46 Lakhs for the Fiscal 2023 to ₹0.00 Lakhs for the Fiscal 2024

Total Income

Total income increased by 19.20% from ₹22,673.48 Lakhs for the Fiscal 2023 to ₹27,025.84 Lakhs for Fiscal 2024, primarily due to an increase in income from operations and other income as explained above.

Expenses

Cost of Production

(c) Cost of raw materials consumed increased by 3.77% from ₹5,475.50 Lakhs for the Fiscal 2023 to ₹5,682.02 Lakhs for the Fiscal 2024, primarily due to higher production volumes to meet the growing demand, which resulted in greater consumption of raw materials during the period.

(d) Change in Inventories of finished goods, stock-in-trade and work-in-progress increased by (-1,463.44%) from ₹(36.30) Lakhs for the Fiscal 2023 to ₹494.93 Lakhs for the Fiscal 2024, primarily due to increased production levels and strategic stocking to meet anticipated future demand, resulting in some buildup of inventory during the period.

Employee benefits expenses

Employee benefits expenses increased by 20.52% from ₹2,621.84 Lakhs in Fiscal 2023 to ₹3,159.83 Lakhs in Fiscal 2024.

(a) Salaries, Wages and Bonus - The expense on Salaries, Wages and Bonus was ₹2,202.24 Lakhs for the Fiscal 2023 as against ₹2,702.96 Lakhs in Fiscal 2024 which indicates an increase of 22.74% primarily on account of annual salary revisions, recruitment of additional workforce to support business growth, and performance-based bonuses awarded during the period.

(b) Contributions to Provident and other Funds - The contributions made to Provident Fund and other Funds was ₹185.78 Lakhs for the Fiscal 2024 as against ₹142.55 Lakhs in Fiscal 2023 which indicates an increase of 30.33% primarily on account of growing employee headcount, salary increments, and corresponding increases in statutory contributions in line with the expanded workforce and revised compensation structures.

(c) Gratuity expenses - The gratuity expenses were ₹47.14 Lakhs for the Fiscal 2024 as against ₹42.01 Lakhs in Fiscal 2023 which indicates an increase of 12.21% primarily on account of the higher provision requirements due to an increase in the number of eligible employees and adjustments in actuarial assumptions reflecting changes in salary scales and employee tenure.

(d) Staff welfare expenses - The staff welfare expenses were ₹90.01 Lakhs for the Fiscal 2024 as against ₹70.73 Lakhs in Fiscal 2023 which indicates an increase of 27.25% primarily on account of growing employee count, enhanced employee benefit programs, and the introduction of new staff engagement activities aimed at improving overall employee well-being and satisfaction.

Employee stock option payment expenses - The employee stock option payment expenses were ₹133.94 Lakhs for the Fiscal 2024 as against ₹164.31 Lakhs in Fiscal 2023 which indicates a decrease of 18.48%. This reduction is primarily due to the departure of certain employees during the year, resulting in the non-vesting of stock options previously allotted to them. Consequently, no provision was required for future vesting, leading to lower expense recognition in the current year.

Other expenses

Other expenses increased by 13.55% from ₹8,001.92 Lakhs in Fiscal 2023 to ₹9,086.55 Lakhs for Fiscal 2024. This increase in other expenses was primarily on account of the following:

Manufacturing expenses

(i) Stores and spares increased by 11.82% from ₹2,697.85 Lakhs in the Fiscal 2023 to ₹3,016.61 Lakhs in Fiscal 2024;

(ii) Power and fuel charges increased by 9.89% from ₹1,353.04 Lakhs in Fiscal 2023 to ₹1,486.88 Lakhs in Fiscal 2024;

(iii) Packing and general consumables increased by 17.77% from ₹209.58 Lakhs in Fiscal 2023 to ₹246.83 Lakhs in Fiscal 2024;

(iv) Processing and work charges increased by 5.39% from ₹972.34 Lakhs in Fiscal 2023 to ₹1,024.79 Lakhs in Fiscal 2024;

(v) Repairs and maintenance on plant and machinery, and buildings increased by 70.06% from ₹312.08 Lakhs in Fiscal 2023 to ₹530.73 Lakhs in Fiscal 2024;

(vi) Freight expenses decreased by 14.35% from ₹41.43 Lakhs in Fiscal 2023 to ₹35.53 Lakhs in Fiscal 2024;

(vii) Outsourced services increased by 211.17% from ₹87.34 Lakhs in Fiscal 2023 to ₹271.78 Lakhs in Fiscal 2024;

(viii) Testing and inspection charges increased by 39.91% from ₹371.04 Lakhs in Fiscal 2023 to ₹519.13 Lakhs in Fiscal 2024;

Administrative, selling and other expenses

(i) Rent increased by 4.20% from ₹24.38 Lakhs in Fiscal 2023 to ₹25.4 Lakhs in Fiscal 2024;

(ii) Rates and taxes decreased by 87% from ₹154.89 Lakhs in Fiscal 2023 to ₹20.03 Lakhs in Fiscal 2024;

(iii) Insurance expenses increased by 13.02% from ₹88.48 Lakhs in Fiscal 2023 to ₹100.00 Lakhs in Fiscal 2024;

(iv) Security expenses increased by 5.40% from ₹107.16 Lakhs in Fiscal 2023 to ₹112.95 Lakhs in Fiscal 2024;

(v) Legal and professional expenses increased by 167.53% from ₹161.32 Lakhs in Fiscal 2023 to ₹431.59 Lakhs in Fiscal 2024;

(vi) Payment to auditors increased by 11.18% from ₹32.82 Lakhs in Fiscal 2023 to ₹36.50 Lakhs in Fiscal 2024;

(vii) Travelling and conveyance decreased by 4.55% from ₹320.54 Lakhs in Fiscal 2023 to ₹305.96 Lakhs in Fiscal 2024;

(viii) Vehicle running and maintenance increased by 3.94% from ₹140.92 Lakhs in Fiscal 2023 to ₹146.47 Lakhs in Fiscal 2024;

(ix) Communication expenses increased by 7.00% from ₹30.33 Lakhs in Fiscal 2023 to ₹32.44 Lakhs in Fiscal 2024;

(x) Printing and stationery increased by 80.64% from ₹17.19 Lakhs in Fiscal 2023 to ₹31.06 Lakhs in Fiscal 2024;

(xi) Seminar, conferences and exhibitions decreased by 59.33% from ₹31.35 Lakhs in Fiscal 2023 to ₹12.75 Lakhs in Fiscal 2024;

(xii) Financial instruments measured at fair value decreased by 100% from ₹156.37 Lakhs in Fiscal 2023 to ₹0.00 Lakhs in Fiscal 2024;

(xiii) Freight and clearing expenses decreased by 26.00% from ₹258.42 Lakhs in Fiscal 2023 to ₹192.00 Lakhs in Fiscal 2024;

(xiv) Sales commissions increased by 100% from ₹0.00 Lakhs in Fiscal 2023 to ₹3.77 Lakhs in Fiscal 2024;

(xv) Claim settlement expenses decreased by 49.28% from ₹259.71 Lakhs in Fiscal 2023 to ₹131.73 Lakhs in Fiscal 2024;

(xvi) Late delivery charges decreased by 60.92% from ₹6.55 Lakhs in Fiscal 2023 to ₹2.56 Lakhs in Fiscal 2024;

(xvii) Advertisement and promotion expenses decreased by 70.85% from ₹7.89 Lakhs in Fiscal 2023 to ₹2.30 Lakhs in Fiscal 2024;

(xviii) Loss on sale of assets increased by 100% from ₹0.00 Lakhs in Fiscal 2023 to ₹11.05 Lakhs in Fiscal 2024;

(xix) Computer expenses increased by 88.99% from ₹43.64 Lakhs in Fiscal 2023 to ₹82.47 Lakhs in Fiscal 2024;

(xx) CSR expenses increased by 63.12% from ₹26.13 Lakhs in Fiscal 2023 to ₹42.62 Lakhs in Fiscal 2024;

(xxi) Bad debts written off increased by 100% from ₹0.00 Lakhs in Fiscal 2023 to ₹0.09 Lakhs in Fiscal 2024;

(xxii) Office upkeep and maintenance charges increased by 90.58% from ₹31.45 Lakhs in Fiscal 2023 to ₹59.94 Lakhs in Fiscal 2024;

(xxiii) Miscellaneous expenses increased by 489.99% from ₹12.84 Lakhs in Fiscal 2023 to ₹75.73 Lakhs in Fiscal 2024;

Depreciation and amortization expenses

Depreciation and amortization expenses decreased marginally by 0.24% from ₹1,666.92 Lakhs for Fiscal 2023 to ₹1,662.93 Lakhs for Fiscal 2024. The decrease in depreciation and amortization expenses was primarily on account of reducing balance of property, plant and equipment and no significant new capitalisation.

Finance cost

Finance cost decreased by 3.36% from ₹1,577.74 Lakhs for Fiscal 2023 to ₹1,524.79 Lakhs for Fiscal 2024. This decrease in finance cost expenses was primarily due to reduced utilization of credit facilities, which led to lower interest expenses during the period.

Total Expenses

Total expenditure increased by 14.69% from ₹16,062.96 Lakhs in Fiscal 2023 to ₹18,423.33 Lakhs in Fiscal 2024. The increase is primarily attributable to higher consumption of raw materials with increase in sales volumes, increased employee-related expenses due to workforce expansion and salary increments, and higher operational costs associated with increased production volumes and expansion activities during the period.

Profit before tax

Our profit before tax increased by 60.87% from ₹3,365.86 Lakhs in Fiscal 2023 to ₹5,414.79 Lakhs in Fiscal 2024 mainly on account of factors mentioned above.

Tax Expense

Tax expense increased to ₹1,193.21 Lakhs for Fiscal 2024 as against ₹784.35 Lakhs for Fiscal 2023, due to increase in profit before tax.

Profit after tax

Our profit after tax increased by 63.53% from ₹2,581.51 Lakhs in Fiscal 2023 to ₹4,221,58 Lakhs in Fiscal 2024. There has been an improvement in our profit after tax margins (PAT Margin= PAT/Total Income) from 11.40% in Fiscal 2023 to 15.6% in Fiscal 2024 mainly on account of increased revenue driven by higher sales volumes and improved product mix, coupled with effective cost management strategies that led to better operational efficiencies and lower finance costs.

Financial Year 2023 compared with Financial Year 2022

The following table sets forth certain information with respect to our revenues, expenses and profits, also expressed as a percentage of our total revenue, for Fiscal 2023 and Fiscal 2022, as derived from our Audited Financial Statements:

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	% of total income	Year ended March 31, 2022	% of total income	Growth over the Fiscal year %
Revenue from Operations	21,926.21	96.70%	17,895.48	96.61%	22.52%
Other Income	747.27	3.30%	627.99	3.39%	18.99%
Total Revenue	**22,673.48**	100.00%	**18,523.47**	100.00%	22.40%
Expenses					
Cost of materials consumed	5,475.50	24.15%	5,066.82	27.35%	8.07%
Change in Inventories of finished goods, stock-in-trade and work-in-progress	-36.3	-0.16%	-759.47	-4.10%	-95.22%
Employees Benefits Expenses	2,587.28	11.44%	2,085.16	11.26%	24.08%
Research and development expense	34.56	0.15%	181.94	0.98%	-81.00%
Other expenses	8,001.92	35.29%	7,110.87	38.39%	12.53%
Total expenses	**16062.96**	70.84%	**13685.32**	73.88%	17.37%
Depreciation & amortization	1,666.92	7.35%	1,462.99	7.90%	13.94%
Finance costs	1,577.74	6.96%	1,516.58	8.19%	4.03%
Profit /(loss) before exceptional items and tax	**3,365.86**	**14.84%**	**1,858.58**	**10.03%**	**81.10%**
Exceptional items	**-**	**-**	**156.79**	**0.85%**	
Tax Expenses	784.35	3.46%	420.64	2.27%	86.47%
Profit for the year	**2,581.51**	**11.39%**	**1,281.15**	**6.92%**	101.50%
Total other comprehensive income	**-7.75**	**-0.03%**	**-0.49**	**0.00%**	1481.63%
Total comprehensive income for the period	**2,573.76**	**11.35%**	**1,280.66**	**6.91%**	100.97%
(1) Basic	19.60		9.82		
(2) Diluted	19.54		9.81		

Financial Year 2023 compared with Financial Year 2022

Revenue

Revenue from operations

Revenue from operations increased by 22.52% from ₹17,895.48 lakhs for the Fiscal 2022 to ₹21,926.21 Lakhs in Fiscal 2023. This increase in revenue from operations was primarily driven by the following:

The sale of products increased by 21.93% from ₹17,635.14 lakhs in Fiscal 2022 to ₹21,501.76 lakhs in Fiscal 2023 primarily due to strong market demand, and the introduction of new products and customers leading to a significant boost in sales volumes during the period.

Other operating revenues includes export incentives of ₹221.34 lakhs and ₹386.31 lakhs for Fiscal 2022 and Fiscal 2023, respectively and income from power generation of ₹39.00 Lakhs and ₹38.14 lakhs for Fiscal 2022 and Fiscal 2023, respectively.

Other Income

Other income increased by 18.99% from ₹627.99 Lakhs for the Fiscal 2022 to ₹747.27 Lakhs for the Fiscal 2023, primarily on account of increase in interest from bank deposits valued at amortised costs by 370.08% from ₹15.25 Lakhs for the Fiscal 2022 to ₹71.69 Lakhs for the Fiscal 2023, increase in rent income from investment property and property plant equipment by 8.10% from ₹45.70 lakhs for the Fiscal 2022 to ₹49.40 lakhs for the Fiscal 2023, an increase in gain on foreign exchange fluctuation by 63.22% from ₹327.95 Lakhs in Fiscal 2022 to ₹535.27 Lakhs in Fiscal 2023, an increase in amortisation of deferred income by 29.02% from ₹51.67 Lakhs in Fiscal 2022 to ₹66.67 Lakhs in Fiscal 2023 and an increase in profit on sale of assets by 4100% from ₹0.13 Lakhs in Fiscal 2022 to₹5.46 Lakhs in Fiscal 2023. This was offset by a decrease in supply of services by 93.80% from ₹55.13 Lakhs for the Fiscal 2022 to ₹3.42 Lakhs for the Fiscal 2023, a decrease in insurance claims received by 100% from ₹64.90 Lakhs for the Fiscal 2022 to ₹0.00 Lakhs for the Fiscal 2023, a decrease in dividend income by 91.30% from ₹0.23 Lakhs for the Fiscal 2022 to ₹0.02 Lakhs for the Fiscal 2023, a decrease in mark to market gain on forward contracts measured at fair value through PL by 100% from ₹28.05 Lakhs in Fiscal 2022 to ₹0.00 Lakhs in Fiscal 2023, a decrease in liabilities no longer required written back by 100% from ₹3.54 Lakhs in Fiscal 2022 to ₹0.00 Lakhs in Fiscal 2023, and a decrease in miscellaneous income by 56.71% from ₹35.44 Lakhs for the Fiscal 2022 to ₹15,34 Lakhs for the Fiscal 2023.

Total Revenue

Total Revenue increased by 22.40% from ₹18,523.47 Lakhs for the Fiscal 2022 to ₹22,673.48 Lakhs for Fiscal 2023, primarily due to an increase in Revenue from Operations and Other Income as explained above.

Expenses

Cost of Production

(a) Cost of materials consumed increased by 8.07% from ₹5,066.82 Lakhs for the Fiscal 2022 to ₹5,475.50 Lakhs for the Fiscal 2023, primarily due to an increase in production volumes to meet growing demand, as well as rising prices of key raw materials during the period, which contributed to higher material consumption costs.;

(b) Change in Inventories of finished goods, stock-in-trade and work-in-progress decreased by 95.22% from ₹(759.47) Lakhs for the Fiscal 2022 to ₹(36.30) Lakhs for the Fiscal 2023, primarily due to a reduction in inventory levels and continuous improvements in inventory management practices leading to a decrease in the accumulation of stock during the period.

Employee benefits expenses

Employee benefits expenses increased by 24.08% from ₹2,085.16 Lakhs in Fiscal 2022 to ₹2587.28 Lakhs in Fiscal 2023. Employee benefits expenses as a percentage of Total Revenue increased from 11.26% in Fiscal 2022 to 11.41% in Fiscal 2023.

(e) Salaries, Wages and Bonus - The expense on salaries, wages and bonus was ₹1,818.57 Lakhs for the Fiscal 2022 as against ₹2,167.68 Lakhs in Fiscal 2023 which indicates an increase of 19.20% primarily on account of annual salary increments, the hiring of additional staff to support business growth, and performance-based bonuses to reward employee contributions during the period.

(f) Contributions to Provident and other Funds - The contributions made to provident fund and other Funds was ₹142.55 lakhs for the Fiscal 2023 as against ₹114.88 Lakhs in Fiscal 2022 which indicates an increase of 24.08% primarily on account of higher salaries due to annual increments and the addition of new employees, leading to an increase in the mandatory contributions to provident and other funds during the period.

(g) Gratuity expenses - The gratuity expenses were ₹42.01 Lakhs for the Fiscal 2023 as against ₹39.47 Lakhs in Fiscal 2022 which indicates an increase of 6.43% primarily on account of an increase in the number of employees becoming eligible for gratuity benefits and adjustments in actuarial valuations due to changes in salary structures and employee tenure during the period.

(h) Staff welfare expenses - The staff welfare expenses were ₹70.73 Lakhs for the Fiscal 2023 as against ₹69.03 Lakhs in Fiscal 2022 which indicates an increase of 2.47% primarily on account of enhanced employee welfare programs, slight increases in health and safety-related expenditures, and the introduction of new initiatives aimed at improving overall employee well-being during the period.

(i) Employee stock option payment expenses - The employee stock option payment expenses were ₹164.31 Lakhs for the Fiscal 2023 as against ₹43.21 Lakhs in Fiscal 2022 which indicates a decrease of 280.25% primarily on account of vesting of a larger number of stock options during Fiscal 2023, reflecting the higher value of options granted in previous years and the company's efforts to retain and incentivise key employees through its stock option plan.

Other expenses

Other expenses increased by 12.53% from ₹7,110.87 Lakhs in Fiscal 2022 to ₹8,001.92 Lakhs for Fiscal 2023. This increase in other expenses was primarily on account of the following:

Manufacturing expenses

(i) Stores and spares increased by 18.94% from ₹2,268.22 Lakhs in the Fiscal 2022 to ₹2,697.85 Lakhs in Fiscal 2023;

(ii) Power and fuel charges decreased by 8.93% from ₹1,485.74 Lakhs in Fiscal 2022 to ₹1,353.04 Lakhs in Fiscal 2023;

(iii) Packing and general consumables increased by 2.09% from ₹205.29 Lakhs in Fiscal 2022 to ₹209.58 Lakhs in Fiscal 2023;

(iv) Processing and work charges decreased by 3.92% from ₹1,012.02 Lakhs in Fiscal 2022 to ₹972.34 Lakhs in Fiscal 2023 ;

(v) Freight expenses increased by 34.65% from ₹30.77 Lakhs in Fiscal 2022 to ₹41.43 Lakhs in Fiscal 2023;

(vi) Repairs and maintenance on plant and machinery, and buildings decreased by 33.34% from ₹468.19 Lakhs in Fiscal 2022 to ₹312.08 Lakhs in Fiscal 2023;

(vii) Outsourced services decreased by 14.92% from ₹102.66 Lakhs in Fiscal 2022 to ₹87.34 Lakhs in Fiscal 2023;

(viii) Testing and inspection charges increased by 20.36% from ₹308.27 Lakhs in Fiscal 2022 to ₹371.04 Lakhs in Fiscal 2023;

Administrative, selling and other expenses

(i) Rent increased by 3.51% from ₹23.55 Lakhs in Fiscal 2022 to ₹24.38 Lakhs in Fiscal 2023;

(ii) Rates and taxes increased by 1592.78% from ₹9.15 Lakhs in Fiscal 2022 to ₹154.89 Lakhs in Fiscal 2023;

(iii) Insurance expenses increased by 5.51% from ₹83.86 Lakhs in Fiscal 2022 to ₹88.48 Lakhs in Fiscal 2023;

(iv) Security expenses increased by 11.13% from ₹96.43 Lakhs in Fiscal 2022 to ₹107.16 Lakhs in Fiscal 2023;

(v) Legal and professional expenses increased by 40.49% from ₹114.83 Lakhs in Fiscal 2022 to ₹161.32 Lakhs in Fiscal 2023;

(vi) Payment to auditors decreased by 10.95% from ₹36.86 Lakhs in Fiscal 2022 to ₹32.82 Lakhs in Fiscal 2023;

(vii) Travelling and conveyance increased by 191.98% from ₹109.78 Lakhs in Fiscal 2022 to ₹320.54 Lakhs in Fiscal 2023;

(viii) Vehicle running and maintenance increased by 23.18% from ₹114.40 Lakhs in Fiscal 2022 to ₹140.92 Lakhs in Fiscal 2023;

(ix) Communication expenses increased by 39.15% from ₹21.80 Lakhs in Fiscal 2022 to ₹30.33 Lakhs in Fiscal 2023;

(x) Printing and stationery decreased by 13.73% from ₹19.93 Lakhs in Fiscal 2022 to ₹17.19 Lakhs in Fiscal 2023;

(xi) Training and recruitment decreased by 55.23% from ₹49.18 Lakhs in Fiscal 2022 to ₹22.02 Lakhs in Fiscal 2023;

(xii) Seminar, conferences and exhibitions decreased by 41.80% from ₹53.87 Lakhs in Fiscal 2022 to ₹31.35 Lakhs in Fiscal 2023;

(xiii) Financial instruments measured at fair value increased by 100% from ₹0.00 Lakhs in Fiscal 2022 to ₹156.37 Lakhs in Fiscal 2023;

(xiv) Freight and clearing expenses increased by 77.48% from ₹145.60 Lakhs in Fiscal 2022 to ₹258.42 Lakhs in Fiscal 2023;

(xv) Claim settlement expenses increased by 14.48% from ₹226.87 Lakhs in Fiscal 2022 to ₹259.71 Lakhs in Fiscal 2023;

(xvi) Late delivery charges increased by 100% from ₹0.00 Lakhs in Fiscal 2022 to ₹6.55 Lakhs in Fiscal 2023;

(xvii) Advertisement and promotion expenses increased by 23.29% from ₹6.40 Lakhs in Fiscal 2022 to ₹7.89 Lakhs in Fiscal 2023;

(xviii) Donation and charity expenses decreased by 87.25% from ₹0.40 Lakhs in Fiscal 2022 to ₹0.05 Lakhs in Fiscal 2023;

(xix) Computer expenses increased by 34.68% from ₹32.40 Lakhs in Fiscal 2022 to ₹43.64 Lakhs in Fiscal 2023;

(xx) CSR expenses increased by 9.41% from ₹23.88 Lakhs in Fiscal 2022 to ₹26.13 Lakhs in Fiscal 2023;

(xxi) Office upkeep and maintenance charges decreased by 17.08% from ₹37.93 Lakhs in Fiscal 2022 to ₹31.45 Lakhs in Fiscal 2023;

(xxii) Miscellaneous expenses increased by 23.66% from ₹10.38 Lakhs in Fiscal 2022 to ₹12.84 Lakhs in Fiscal 2023;

Depreciation and amortization expenses

Depreciation and amortization expenses increased by 13.94% from ₹1,462.99 Lakhs for Fiscal 2022 to ₹1,666.92 Lakhs for Fiscal 2023. The increase in depreciation and amortization expenses was primarily on account of the capitalization of new assets, including investments in plant and machinery.

Finance cost

Finance cost increased by 4.03% from ₹1,516.158 Lakhs for Fiscal 2022 to ₹1,577.74 Lakhs for Fiscal 2023. This increase in finance cost expenses was primarily due to decrease in decreased utilization of credit facilities, leading to lower interest expenses during the period.

Total Expenses

Total expenditure (including exceptional expenses) increased by 17.37% from ₹16,821.68 Lakhs in Fiscal 2022 to ₹19,307.62 Lakhs in Fiscal 2023. The increase is primarily attributable to higher raw material consumption with growth in sales volumes, increased employee-related expenses due to workforce expansion and salary increments, and higher depreciation expenses resulting from new capital investments. Additionally, operational costs rose due to increased production volumes and expansion activities. Total Expenses as a percentage of Total Revenues was 85.16% in Fiscal 2023 as against 90.81% in Fiscal 2022.

Profit before tax

Our profit before tax increased by 81.10% from ₹1,858.58 Lakhs in Fiscal 2022 to ₹3,365.86 Lakhs in Fiscal 2023 mainly on account of factors mentioned above.

Tax Expense

Tax expense increased to ₹784.35 Lakhs for Fiscal 2023 as against ₹420.64 Lakhs for Fiscal 2022, due to increase in profit before tax.

Profit after tax

Our profit after tax increased by 101.50% from ₹1,281.15 Lakhs in Fiscal 2022 to ₹2,581.51 Lakhs in Fiscal 2023. There has been an improvement in our profit after tax margins (PAT Margin= PAT/Total Income) from 6.92% in Fiscal 2022 to 11.39%in Fiscal 2023 mainly on account of revenue growth, cost management, and improved operational efficiency.

CASH FLOW

Our cash is generated by sales of our products that is used to fund investments and service loans and interest towards borrowings. The table below summarizes our cash flows for the Financial Years 2024, 2023 and 2022:

(₹ in Lakhs)

	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net Profit before Tax & Extra Ordinary items	5,414.79	3,365.86	1,701.78
Operating Profit before working capital changes	**7,747.87**	**6,565.10**	**4,362.20**
Cash Generated from operation before Tax & Extra-Ordinary item	(8593.49)	5,248.32	2,768.94
Net Cash Flow from Operating Activities - (A)	**(9627.94)**	**4,680.01**	**2,484.88**
Net Cash Flow from Investing Activities - (B)	**(6,044.51)**	**(11,564.56)**	**(2,849.45)**
Net Cash Flow From Financing Activities - (C)	**28,413.08**	**7,439.26**	**290.26**
Net increase/Decrease in cash & cash equivalent (A+B+C)	12740.63	554.71	(74.31)
Opening Cash and Cash Equivalent	689.47	134.76	209.07
Closing Cash and Cash Equivalent	**13430.10**	**689.47**	**134.76**

Cash flow from/ (used in) operating activities

Net cash from operating activities includes funds generated from our operating activities and net cash inflows or outflows from changes in operating assets and liabilities

Cash generated used in operating activities for Fiscal 2024 was ₹(9,627.94) lakhs while our net profit before taxation was ₹5,414.79 lakhs. We had an operating profit before working capital changes of ₹7,747.87 lakhs. The primary adjustments consisted of depreciation and amortisation expense of ₹ 1,662.93 lakhs, interest paid of ₹ 1,342.63 lakh, share based payment expenses of ₹133.95 lakhs, unrealised foreign exchange fluctuation (gain) of ₹ (38.96) lakhs and amortisation of deferred income- government grant of ₹ (66.67) lakhs.

Cash used in operations before tax was ₹ (8,593.49) lakhs in Fiscal 2024. The primary adjustments in Fiscal 2024 included changes in other financial assets of ₹ (1,0632.45) lakhs, changes in trade receivables of ₹ (4,478.41) lakhs, changes in other assets of ₹ (1,498.37) lakhs, changes in trade and other payables of ₹ (563.16) lakhs and changes in other liabilities of ₹ 757.95 lakhs.

Cash generated from operating activities for Fiscal 2023 was ₹4,680.01 Lakhs while our net profit before taxation was ₹3,365.86 Lakhs. We had an operating profit before working capital changes of ₹6,565.10 Lakhs. The primary adjustments consisted of depreciation and amortisation expense of ₹ 1,666.92 lakhs, interest paid of ₹ 1,410.97 lakh, ESOP expenses of ₹164.31 lakhs, unrealised foreign exchange fluctuation (gain) of ₹ (55.49) lakhs and amortisation of deferred income- government grant of ₹ (66.67) lakhs.

Cash generated from operations before tax was ₹ 5,248.32 lakhs in Fiscal 2023. The primary adjustments in Fiscal 2023 included changes in inventories of ₹ (1,291.45) lakhs, changes in trade receivables of ₹ (366.43) lakhs, changes in other assets of ₹ (396.68) lakhs, changes in other liabilities of ₹ 360.53 lakhs, changes in trade and other payables of ₹ 232.65 lakhs and changes in other financial assets of ₹ 148.12 lakhs.

Cash generated from operating activities for Fiscal 2022 was ₹2,768.94 Lakhs while our net profit before taxation was ₹1,701.78 Lakhs. We had an operating profit before working capital changes of ₹4,362.20 Lakhs. The primary adjustments consisted of depreciation and amortisation expense of ₹ 1,462.99 lakhs, interest paid of ₹ 1,368.98 lakh, ESOP expenses of ₹43.21 lakhs, unrealised foreign exchange fluctuation (gain) of ₹ (86.49) lakhs and amortisation of deferred income- government grant of ₹ (51.67) lakhs.

Cash generated from operations before tax was ₹ 2,768.94lakhs in Fiscal 2022. The primary adjustments in Fiscal 2022 included changes in inventories of ₹ (1,254.92) lakhs, changes in trade and other payables of ₹ (809.91) lakhs, changes in other assets of ₹ (525.45) lakhs, changes in other liabilities of ₹ (148.66) lakhs, changes in other financial liabilities of ₹ 524.48 lakhs changes in other financial assets of ₹ 312.12 lakhs and changes in trade receivables of ₹ 285.89 lakhs.

Cash flow from/ (used in) investing activities

Our net cash used in investing activities was ₹ (6,044.51) Lakhs for Fiscal 2024, reflecting cash flow used in purchase of property, plant and equipment and intangible assets including capital advances and creditors for capital goods of ₹ (11,652.52) lakhs, partially offset by term deposits with bank (net) of ₹5,165.50 lakhs and proceeds from interest received of ₹ 431.21 lakhs.

Our net cash used in investing activities was ₹(11,564.56) Lakhs for Fiscal 2023, reflecting cash flow used in purchase of property, plant and equipment and intangible assets including capital advances and creditors for capital goods of ₹ (9,622.30) lakhs and other bank balances not considered as cash and cash equivalents [net] of ₹ (2,061.33) lakhs and partially offset by proceeds from interest received of ₹ 71.69 lakhs and from the sale of property plant and equipment of ₹ 47.82 lakhs.

Our net cash used in investing activities was ₹ (2,849.45) Lakhs for Fiscal 2022, reflecting cash flow used in purchase of property, plant and equipment and intangible assets including capital advances and creditors for capital goods of ₹ (2,818.57) lakhs and other bank balances not considered as cash and cash equivalents [net] of ₹ (46.87) lakhs and partially offset by proceeds from interest received of ₹ 15.25 lakhs.

Cash flow from / (used in) financing activities

Net cash outflow from financing activities was ₹28,413.08 lakhs for Fiscal 2024 as a result of proceeds from preferential issue of equity shares (net of cost issuance expenses) of ₹ 29,564.53 lakhs, proceeds from long-term borrowings of ₹ 1,342.98 lakhs and proceeds from Short-term borrowings (net) of ₹ 1,342.98 lakhs which was partially offset by repayment of long-term borrowings of ₹ (1,264.60) lakhs, payment of finance cost of ₹ (1,342.63) lakhs.

Net cash outflow from financing activities was ₹7,439.26 lakhs for Fiscal 2023 as a result of proceeds from preferential issue of equity shares (net of cost issuance expenses) of ₹ 7,371.11 lakhs, proceeds from long-term borrowings of ₹ 4,836.15 lakhs and proceeds from share warrants of ₹ 3,705.40 lakhs which was partially offset by repayment of long-term borrowings of ₹ (5,745.22) lakhs, payment of finance cost of ₹ (1,678.80) lakhs and repayment of Short-term borrowings (net) of ₹ (1,049.38) lakhs.

Net cash outflow from financing activities was ₹290.26 lakhs for Fiscal 2022 as a result of proceeds from long-term borrowings of ₹ 2,248.79 lakhs, proceeds from short-term borrowings (net) ₹ 808.09 lakhs and proceeds from government grant of ₹ 300 lakhs which was offset by repayment of long-term borrowings of ₹ (1,538.62) lakhs and payment of finance cost of ₹ (1,528.00) lakhs.

Indebtedness

The total indebtedness as on March 31, 2024, are set as follows:

Contractual Obligations

The following table sets forth a summary of the maturity profile for our Company's outstanding long-term debt obligations including current maturity and short-term and long-term debt as of the periods indicated:

(₹ in Lakhs)

Particulars	Outstanding as of March 31, 2024
Current borrowing (A):	
Secured (loan on demand and current maturity)	9,224.55
Unsecured (bill discounted and lease liability)	864.46
Non-current borrowing (B):	
Secured	7,832.90
Unsecured	267.22
Total borrowing (A)+(B)=(C)	**18,189.13**

There are a number of covenants in our financing agreements that we have entered into with our lenders. Further, some of our financing agreements include conditions and covenants that require us to obtain their consent prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business

Interest coverage ratio

The interest coverage ratio for Fiscal 2024, Fiscal 2023 and Fiscal 2022 were as follows:

(₹ in Lakhs)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Profit before tax	5,414.79	3,365.86	1,701.78
Interest Expense*	1,342.62	1,410.97	1,368.98
Interest Coverage Ratio**	6.41	4.69	3.53

** Interest paid to Banks excluding Bank charges and commissions as per Profit & Loss Statement is considered Interest Expense and used for calculation of Interest Coverage Ratio.*

*** Interest Coverage Ratio = Profit before tax for the year plus Finance Cost plus depreciation and amortization divided by Interest Expense**

Contingent Liabilities and Capital Commitments

(₹ in Lakhs)

Particulars	As at March 31, 2024
A. Contingent Liabilities	
1. Other contingent liabilities:	
Disputed amounts for goods and service tax [gross of amount paid under protest amounting to ₹16.59 lakhs (previous year ₹16.59 lakh)]*	16.59
2. Guarantees excluding financial guarantees:	
Bank guarantees	2,699.27
B. Capital and Other Commitments	
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	13,725.06

**In respect of the GST cases pending at appellate authority represents the demands received under the respective demand / show cause notices / legal claims, wherever applicable. Based on management assessment, the Company believes that it has a good chance of success in all the above-mentioned cases.*

Except as disclosed above, there are no other off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Quantitative and Qualitative Disclosure of Market Risk

The Company's financial liabilities comprise loans, borrowings and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include loans, trade & other receivables and cash & cash equivalents.

In the course of its business, the Company is exposed to various risks in relation to financial instruments. The main types of risks are credit risk, liquidity risk and market risk. The Group is not engaged in speculative treasury activities but seeks to manage risk and optimise interest and commodity pricing through proven financial instruments.

The use of any derivative is approved by the management, which provide guidelines on the acceptable levels of interest rate risk, credit risk, foreign exchange risk and liquidity risk and the range of hedging requirement against these risks.

Market Risk: Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Board of Directors is responsible for setting up of policies and procedures to manage market risks of the Company. The Company exports finished goods which are denominated in a currency other than the functional currency of the Company which exposes it to foreign currency risk. In order to minimise the risk, the Company executes forward contracts w.r.t sale made in a currency other than its functional currency.

Credit Risk: Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to financial loss. The Group is exposed to credit risk from trade receivables, loans and advances and other financial instruments.

Trade receivables

We primarily sell cast metal components to selected customers comprising mainly in engineering industry in India and outside India. We extend credits to customers in normal course of the business. We consider the factors such as credit track record in the market of each customer and past dealings for extension of credit to the customer. We monitor the payment track record of each customer and outstanding customer receivables are regularly monitored. We evaluate the concentration of risk with respect to trade receivables as low, as its customers are located at several jurisdiction and industries and operate in large independent markets.

Allowances against doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position. We have a policy of accepting only credit-worthy counter parties and define credit limits for the customer which are reviewed periodically.

We do not hold any collateral or other credit enhancements over any of our trade receivables nor do we have a legal right of offset against any amounts owed by us to the counterparty.

Loans and advances

We provide loans to our employees and furnish security deposits to various parties for electricity, communication, etc. We consider that our loans have low credit risk or negligible risk of default as the parties are well established entities and have strong capacity to meet the obligations or our own employees from whom the risk of default is low.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date are:

The ageing analysis of trade receivables considered from the date of invoice as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2024

Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)	
Other non-current financial assets	186.75
Current loans	101.87
Other current financial assets	289.78
	578.40
Financial assets for which loss allowance is measured using lifetime Expected Credit Losses (ECL)	
Trade receivables	11,085.79
	11,085.79

Liquidity Risk: Liquidity risk reflects the risk that the Company will have insufficient resources to meet its financial liabilities as they fall due. The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, cash and cash equivalents and the cash flow that is generated from operations to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities so that it does not breach borrowing limits.

As at March 31, 2024, the Company had a working capital of ₹27,268.66 lakhs including cash and cash equivalents of ₹1,3430.10 lakhs. As at March 31, 2023, the Company had a working capital of ₹7,340.61 lakhs including cash and cash equivalents of ₹689.47 lakhs. As at 31 March 2022, the Company had a working capital of ₹1,567.96 lakh including cash and cash equivalents of ₹134.76 lakh.

For more information, see the sections titled "*Our Business"* and "*Risk Factors*" at page 227 and 45, respectively, of this Placement Document.

Summary of reservations or qualification or adverse remarks in the auditors' report in the last five Financial Years immediately preceding the year of filing this Placement Document and their impact on the financial statements and financial position of our Company, the correct steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remark

There are no reservations or qualifications or adverse remarks in the auditors' report in the last five Financial Years immediately preceding the year of filing the Placement Document.

Related Party Transactions

We enter into various transactions with related parties. For further information see "*Related Party Transactions*" beginning on page 44.

Seasonality

Seasonality does not have a material impact on our operations.

Unusual or infrequent events or transactions

Except as described in this Placement Document, no unusual or infrequent events or transactions has taken place that have in the past or may in the future affect our business operations or future financial performance.

Changes in accounting policy

There have been no changes in our Company's accounting policies during the last three financial years.

Significant economic changes

Other than as described above, to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

Known trends or uncertainties

Other than as described in the sections "*Risk Factors*" and "*Management's Discussion and Analysis of Factors affecting the Financial Condition, Results of Operations*", beginning on pages 45 and 97 respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenues or income from continuing operations.

Accounting pronouncements that became effective in the current year

There are no accounting pronouncements that became effective in the current year that have an impact on our operations.

Material Developments

In the opinion of our board of directors, other than as described in this Placement Document there has not arisen, since the date of the last financial statements included in this Placement Document, any circumstances that materially and adversely affect our profitability or the value of our assets or our ability to pay our liabilities within the next 12 months.

INDUSTRY OVERVIEW

Global Macroeconomic Scenario

The global economy, estimated at 3.1% in 2023, is expected to show resilience at 3.1% in 2024 before rising modestly to 3.2% in 2025. Between 2021 – 2022, global banks were carrying a historically high debt burden after COVID-19. Central banks took tight monetary measures to control inflation and spike in commodity prices. Russia's war with Ukraine further affected the global supply chains and inflated the prices of energy and other food items. These factors coupled with war-related economic sanctions impacted the economic activities in Europe. Any further escalation in the war may further affect the rebound of the economy in Europe.

While China, the largest manufacturing hub of world, was facing a crisis in the real estate sector and prices of properties were declining between 2020 - 2023, with the reopening of the economy, consumer demand is picking up again. The Chinese authorities have taken a variety of measures, including additional monetary easing, tax relief for corporates, and new vaccination targets for the elderly. The Chinese Government took several steps to help the real estate sector including cracking down on debt-ridden developers, announcing stimulus for the sector and measures to encourage the completion and delivery of unfinished real estate projects. The sector is now witnessing investments from developers and demand from buyers.

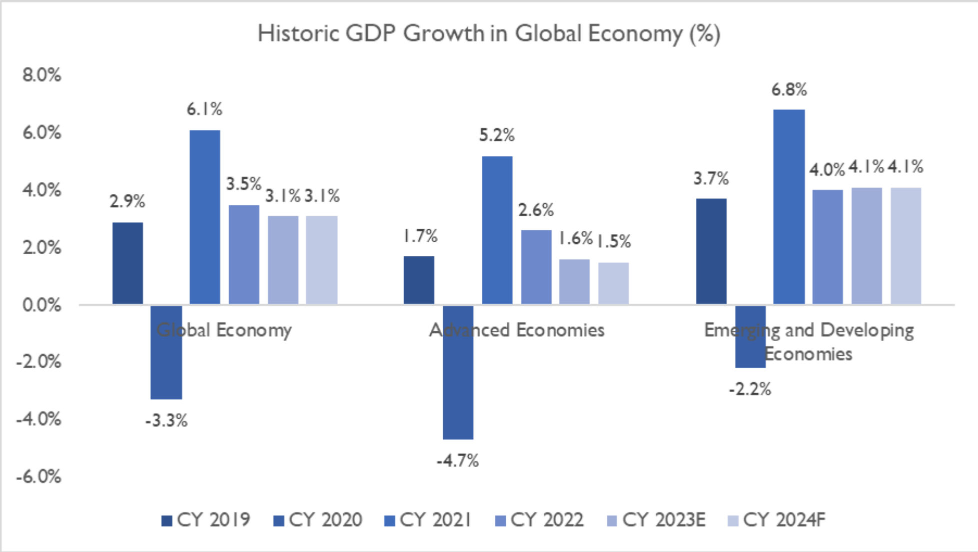
Global headline inflation is set to fall from an estimated 6.8% in CY 2023 to 5.8% in CY 2024 and to 4.4% in CY 2025. This fall is swifter than anticipated across various areas, amid the resolution of supply-related problems and tight monetary policies. Reduced inflation mirrors the diminishing impact of price shocks, particularly in energy, and their subsequent influence on core inflation. This decrease also stems from a relaxation in labour market pressure, characterized by fewer job openings, a slight uptick in unemployment, and increased labour availability, occasionally due to a significant influx of immigrants.

Global GDP Growth Scenario

The global economy started to rise from its lowest levels after countries started to lift the lockdown in 2020 and 2021. The pandemic lockdown was a key factor as it affected economic activities resulting in a recession in the year CY 2020, as the GDP growth touched -3.3%. In CY 2021 disruption in the supply chain affected most of the advanced economies as well as low-income developing economies. The rapid spread of Delta and the threat of new variants in mid of CY 2021 further increased uncertainty in the global economic environment.

Global economic activities experienced a sharper-than-expected slowdown in CY 2022. One of the highest inflations in decades, seen in 2022, forced most of the central banks to tighten their fiscal policies. Russia’s invasion of Ukraine affected the global food supply resulting in a further increment in the cost of living.

Further, despite initial resilience earlier in 2023, marked by a rebound in reopening and progress in curbing inflation from the previous year's highs, the situation remained precarious. Economic activity lagged behind its pre-pandemic trajectory, particularly in emerging markets and developing economies, leading to widening disparities among regions. Numerous factors are impeding the recovery, including the lasting impacts of the pandemic and geopolitical tensions, as well as cyclically driven factors such as tightening monetary policies to combat inflation, the reduction of fiscal support amidst high debt levels, and the occurrence of extreme weather events. As a result, global growth declined from 3.5% in CY 2022 to 3.1% in CY 2023.



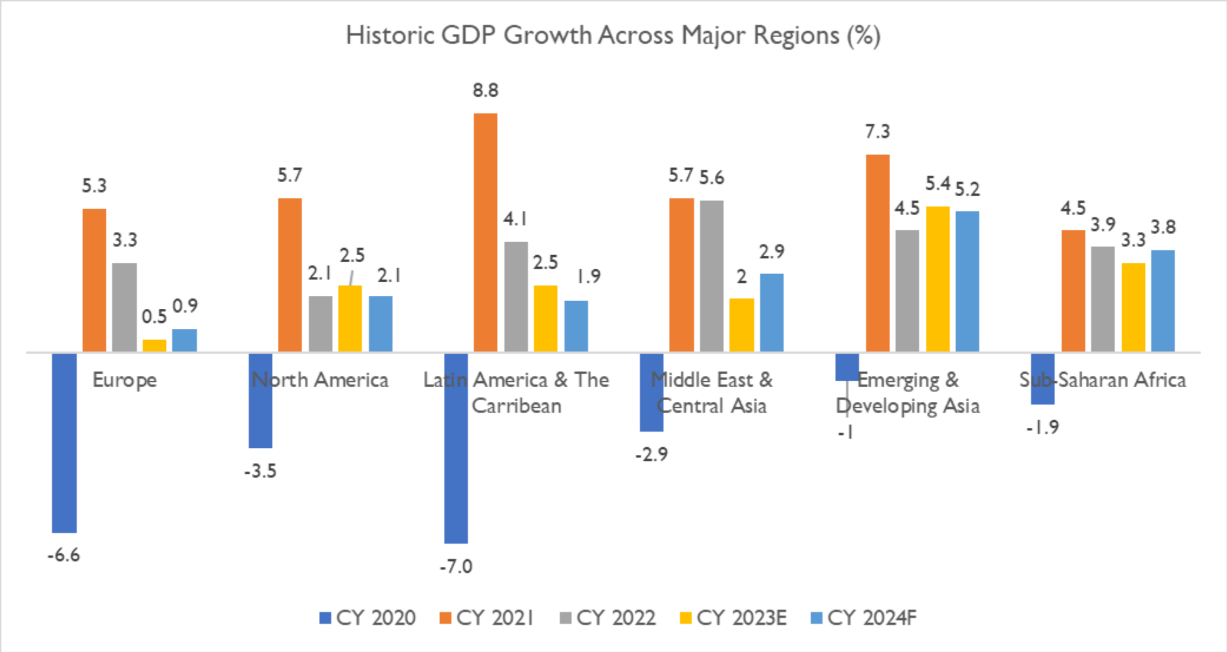
Source – IMF Global GDP Forecast Release 2024

Note: Advanced Economies and Emerging & Developing Economies are as per the classification of the World Economic Outlook (WEO). This classification is not based on strict criteria, economic or otherwise, and it has evolved over time. It comprises of 40 countries under the Advanced Economies including the G7 (the United States, Japan, Germany, France, Italy, the United Kingdom, and Canada) and selected countries from the Euro Zone (Germany, Italy, France etc.). The group of emerging market and developing economies (156) includes all those that are not classified as Advanced Economies (India, China, Brazil, Malaysia etc.)

In the current scenario, global GDP growth is estimated to have recorded a moderate growth of 3.1% in CY 2023 as compared to 3.5% growth in CY 2022. While high inflation and rising borrowing costs are affecting private consumption, on the other hand, fiscal consolidation is affecting government consumption.

Slowed growth in developed economies will affect the GDP growth in CY 2024 and global GDP is expected to record a flat growth of 3.1% in CY 2024. The crisis in the housing sector, bank lending, and industrial sectors are affecting the growth of global GDP. Inflation forced central banks to adopt tight monetary policies. After touching the peak in 2022, inflationary pressures slowly eased out in 2023. This environment weighs in for interest rate cuts by many monetary authorities.

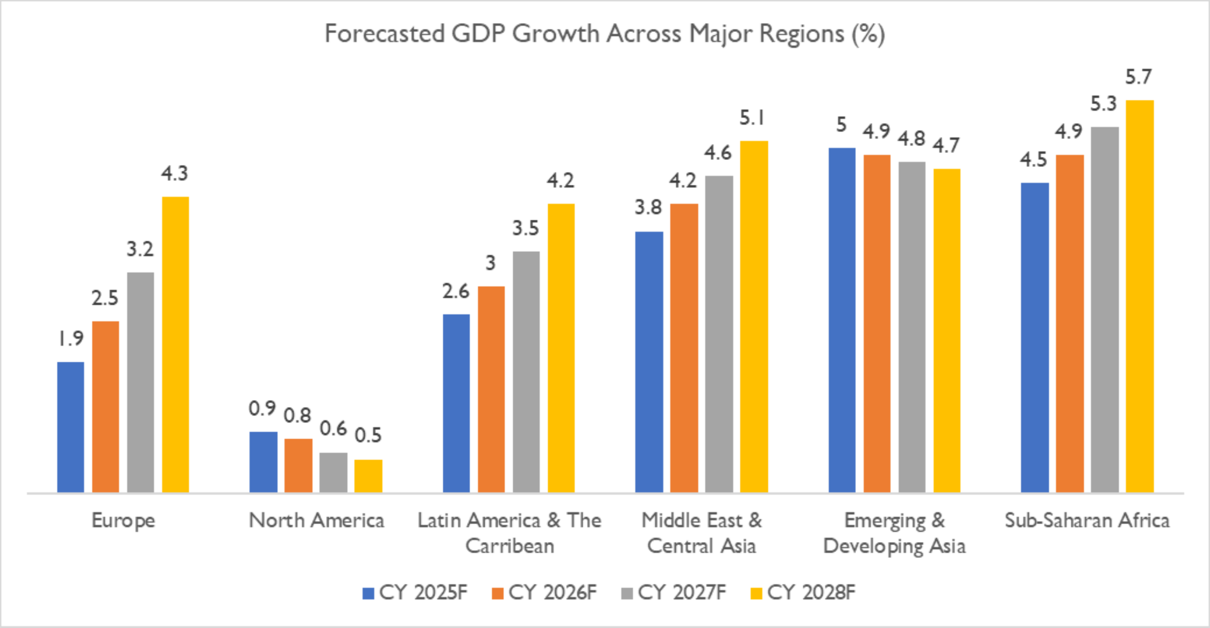
GDP growth of major regions including Europe, Latin America & The Caribbean, Middle East & Central Asia, and Sub-Saharan Africa, were showing signs of slow growth and recession between 2020 – 2023, but leaving Latin America & The Caribbean, 2024 is expected to show resilience and growth. Meanwhile, GDP growth in Emerging and Developing Asia (India, China, Indonesia, Malaysia etc.) is expected to decrease from 5.4% in CY 2023 to 5.2% in CY 2024, while in the United States, it is expected to decrease from 2.5% in CY 2023 to 2.1% in CY 2024.



Source-IMF World Economic Outlook January 2024 update.

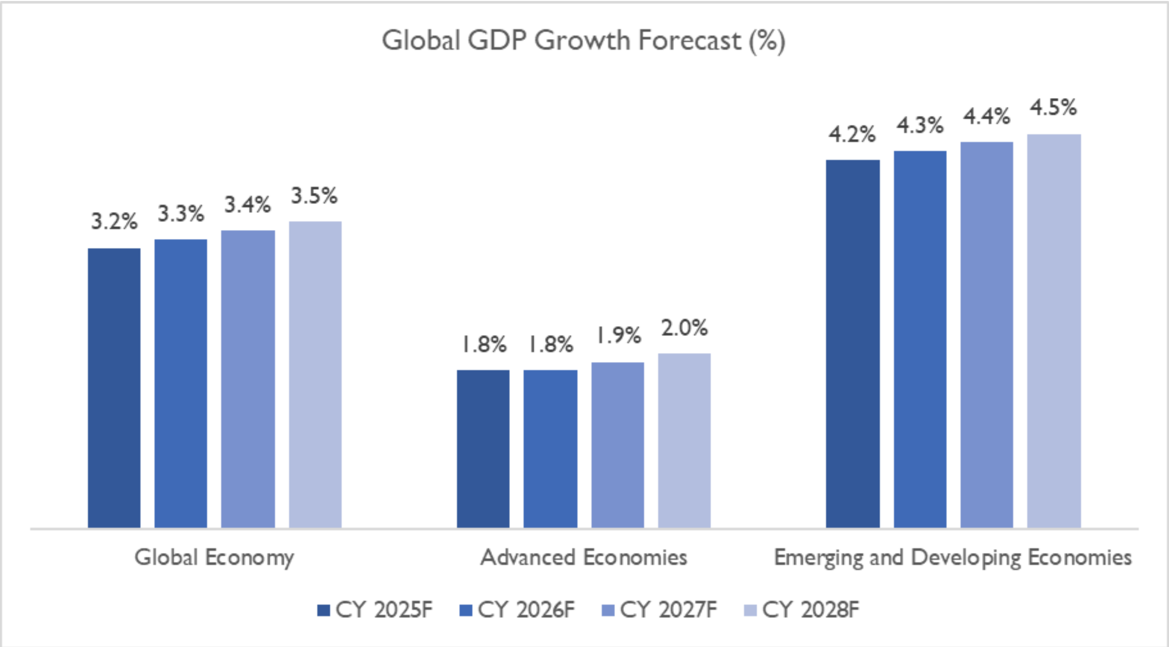
Except for Emerging and Developing Asia, Latin America & The Caribbean and the United States, all other regions are expected to record an increase in GDP growth rate in CY 2024 as compared to CY 2023. GDP growth in Latin America & The Caribbean is expected to decline due to negative growth in Argentina. Further, growth in the United States is expected to come down at 2.1% in CY 2024 due to lagged effects of monetary policy tightening, gradual fiscal tightening, and a softening in labour markets slowing aggregate demand.

Although Europe experienced a less robust performance in 2023, the recovery in 2024 is expected to be driven by increased household consumption as the impact of energy price shocks diminishes and inflation decreases, thereby bolstering real income growth. Meanwhile, India and China saw greater-than-anticipated growth in 2023 due to heightened government spending and robust domestic demand, respectively. Sub-Saharan Africa's expected growth in 2024 is attributed to the diminishing negative impacts of previous weather shocks and gradual improvements in supply issues.

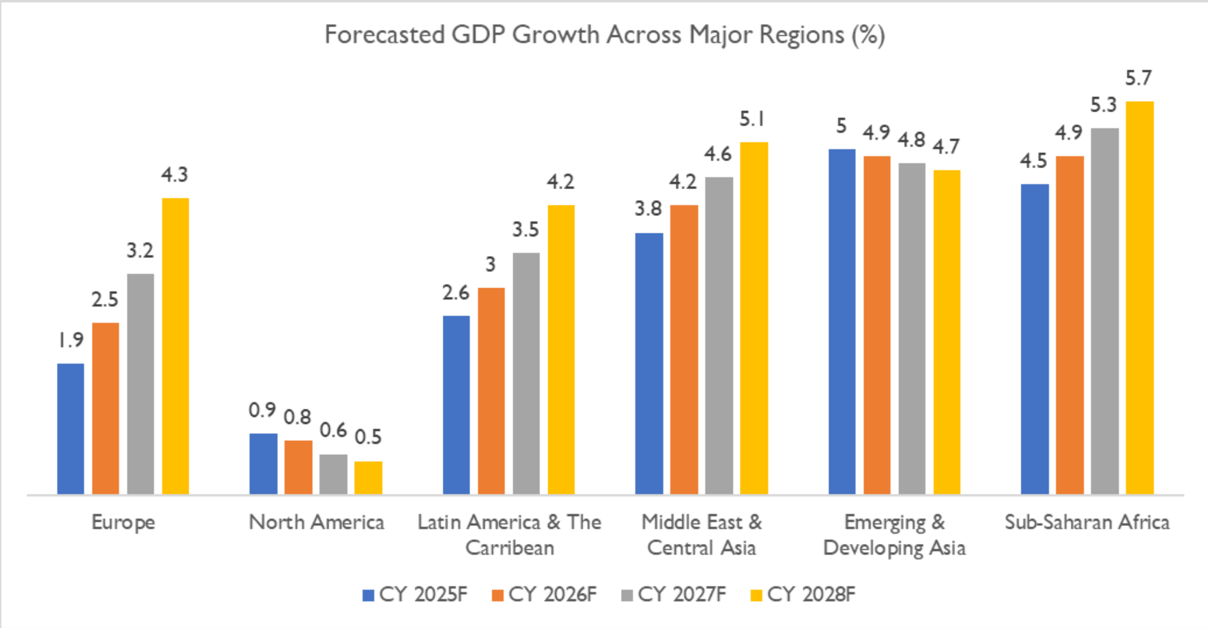


Source-IMF, OECD, and World Bank, D&B Estimates

Growth Outlook



Source – IMF Global GDP Forecast Release 2024, D&B Estimates



Source-IMF, OECD, and World Bank, D&B Estimates

We are more optimistic about the global economy's prospects than we were at the onset of last year – and for good reason. The global economy avoided a widely anticipated recession in 2023 and will likely not see one in 2024. Looking at the current inflation trajectory, no one is guessing how much higher interest rates will go from here, which is a good outcome for both businesses and policymakers. Instead, financial markets are now betting on the timing and magnitude of rate cuts – and this is where we recommend caution for businesses. There are a few things to consider; first, rate cuts will likely follow an evident deterioration in economic conditions, i.e., after the economic damage is visible in data, which usually comes with a lag. By that logic, rate cuts by themselves may not be a positive outcome but only a means to offer relief from economic pain. Second, for most central banks that have been grappling with high inflation, higher expectations of rate cuts from financial markets will make them harder and riskier to deliver. Loosening too soon risks reversing the inflation trajectory and if key central banks get their inflation projections wrong for a second time, it will only spell more trouble.

The violence that began in the Middle East on October 7 continues to escalate. Apart from Israel and the Palestinian territories, Yemen, Syria, Iraq, Jordan, Iran, and Pakistan have all become embroiled in some form of violence over the past four months, including cross-border fire. This can be largely attributed to the heavy presence of militias and terrorist groups in these countries. Consequently, security threat levels are elevated across the region and business operations are difficult. The most obvious impact on commercial activity has been on shipments passing through the Red Sea, which have been forced to re-route under attacks from Houthi rebel groups, elevating shipping costs and stretching delivery timelines. It has also added to volatility in the global energy markets. More importantly, the escalating conflict has reversed the gains made on global supply-side normalization and remains the biggest risk to hard-earned global disinflation – the two big economic accomplishments of 2023. Dun & Bradstreet's Global Supply Chain Continuity Index captured this dynamic as it fell 6.3% for Q1 2024, with suppliers' delivery time and delivery cost indices both deteriorating. In this context, for the global economy, a lot is riding on the ceasefire discussions that are currently underway between Israel and Hamas.

February marked the second anniversary of the start of the Russia-Ukraine conflict, which, at present, seems to be at a stalemate. From a business impact standpoint, events outside the zone of action, particularly in the EU, have gained more prominence than the conflict itself. These impacts range from immediate concerns about manufacturing performance, the cost of living, and energy security in the largest European economies, and go on to cover longer-term themes such as the bloc’s first serious attempt at expansion in years, which includes Ukraine’s bid for membership.

Geopolitical rumblings are also on the rise in the Asia-Pacific region, with North Korea issuing fresh threats, in words and in actions. Incessant sabre-rattling may not necessarily lead to a conflict, but such posturing is unhelpful for the business and investment climates. In summary, geopolitics remains the biggest risk to the global economy today, dampening investments, disrupting supplies, and weakening the fight against inflation. There is one silver lining in all of this. High geopolitical temperatures around the world seem to have raised the stakes of stability for the U.S. and Mainland China. This was evidenced in their willingness to diffuse the Middle East, in keeping North Korea in check, and in Beijing’s relatively muted reaction to a Democratic Progressive Party (DPP) victory in Taiwan Region’s January 2024 polls. Mainland China may be keen to hold on to this new equilibrium until its economy fully stabilizes. As for the U.S., the outcome of the nomination races and the presidential election in November 2024 will be the key determinant of its foreign policy direction.

Indian Economic Scenario

Overview

India's economy showed resilience with GDP growing at estimated 7.6% in FY 2024. The GDP growth in FY 2024 represents a return to pre pandemic era growth path. Even amidast geopolitical uncertainties, particularly those affecting global energy and commodity markets, India continues to remain one of the fastest growing economies in the world.

Country	Real GDP Growth (2023)	Projected GDP Growth 2024
India	7.8%	6.8%
China	5.2%	4.6%
Russia	3.6%	3.2%
Brazil	2.9%	2.2%
United States	2.5%	2.7%
Japan	1.9%	0.9%
Canada	1.1%	1.2%
Italy	0.9%	0.7%
France	0.7%[1]	0.7%
South Africa	0.6%	0.9%
United Kingdom	0.1%	0.5%
Germany	-0.3%	0.2%

Source: The International Monetary Fund

Countries considered include - Largest Developed Economies and BRICS (Brazil, Russia, India, China, and South)

Countries have been arranged in descending order of GDP growth in 2023).

There are few factors aiding India's economic recovery – notably its resilience to external shocks and rebound in private consumption. This rebound in private consumption is bringing back the focus on improvements in domestic demand, which together with revival in export demand is a precursor to higher industrial activity.

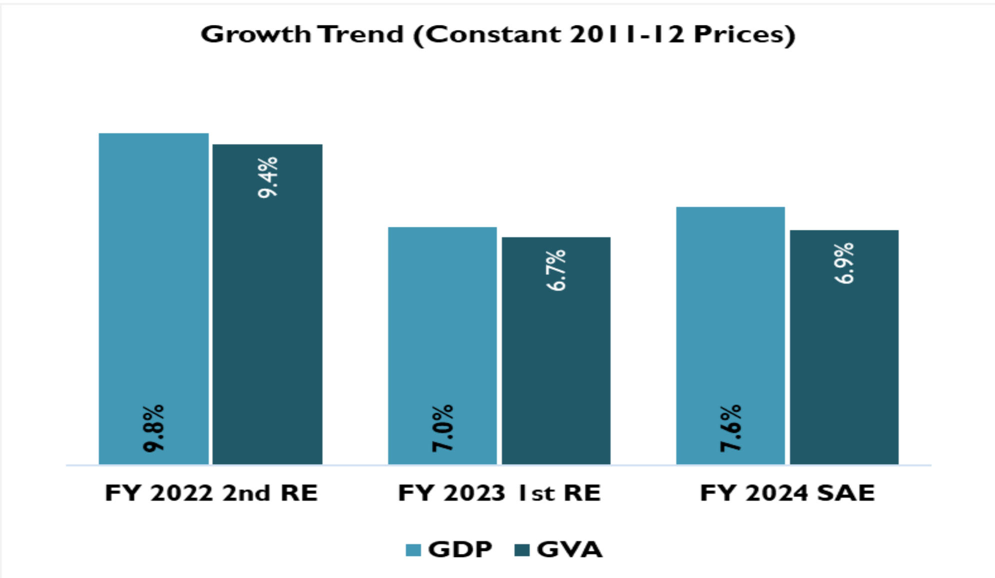
[1] European Commission

Already the capacity utilization rates in Indian manufacturing sector are recovering as industries have stepped up their production volumes. As this momentum sustains, the country may enter a new capex cycle. The universal vaccination program by the Government has played a big part in reinstating confidence among the population, in turn helped to revive private consumption.

Realizing the need to impart external stimuli, the Government stepped up its spending on infrastructure projects which in turn had a positive impact on economic growth. The capital expenditure of central government increased by 37.4% increase in capital expenditure (budget estimates), to the tune of Rs 10 trillion in the Union Budget 2023-2024. The announcement also included 30% increase in financial assistance to states at Rs 1.3 trillion for capex. The improvement was accentuated further as the Interim Budget 2024-2025 announced an 11.1% increase in the capital expenditure outlay at Rs 11.11trillion, constituting 3.4% of the GDP. This has provided the much-needed confidence to private sector, and in turn attracted private investment.

On the lending side, the financial health of major banks has witnessed an improvement which has helped in improving the credit supply. With capacity utilization improving, there would be demand for credit from corporate sector to fund the next round of expansion plans. Banking industry is well poised to address that demand. Underlining the improving credit scenario is the credit growth to micro, small and medium enterprise (MSME) sector as the credit outstanding to the MSME sector by scheduled commercial banks in the financial year FY 2023 grew by 12.3% to Rs 22.6 trillion compared to FY 2022. The extended Emergency Credit Linked Guarantee Scheme (ECLGS) by the Union Government has played a major role in improving this credit supply.

As per the second advance estimates 2023-24, India’s GDP in FY 2024 grew by 7.6% compared to 7.0% in the previous fiscal on the back of solid performances in manufacturing, mining, and construction sectors. The year-on-year increase in growth rate is also partly due to by a strong growth in investment demand led by public capital expenditure.

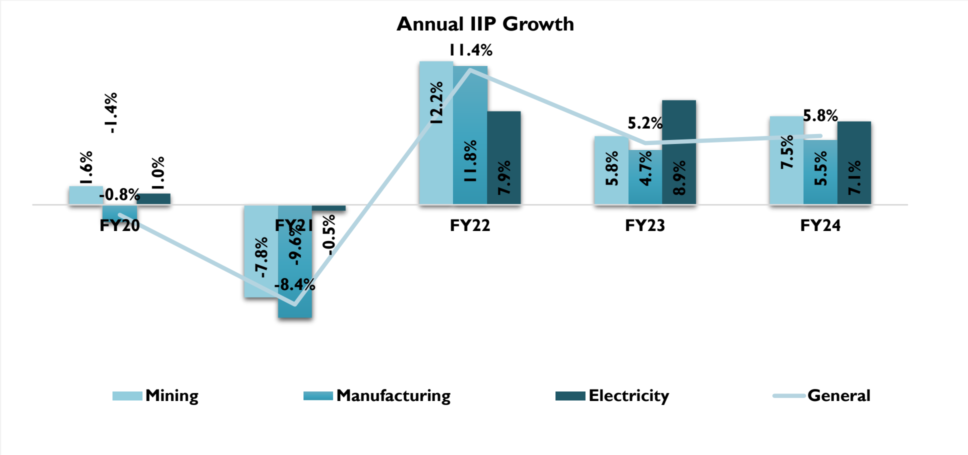


Source: Ministry of Statistics & Programme Implementation (MOSPI), National Account Statistics, 2023-24

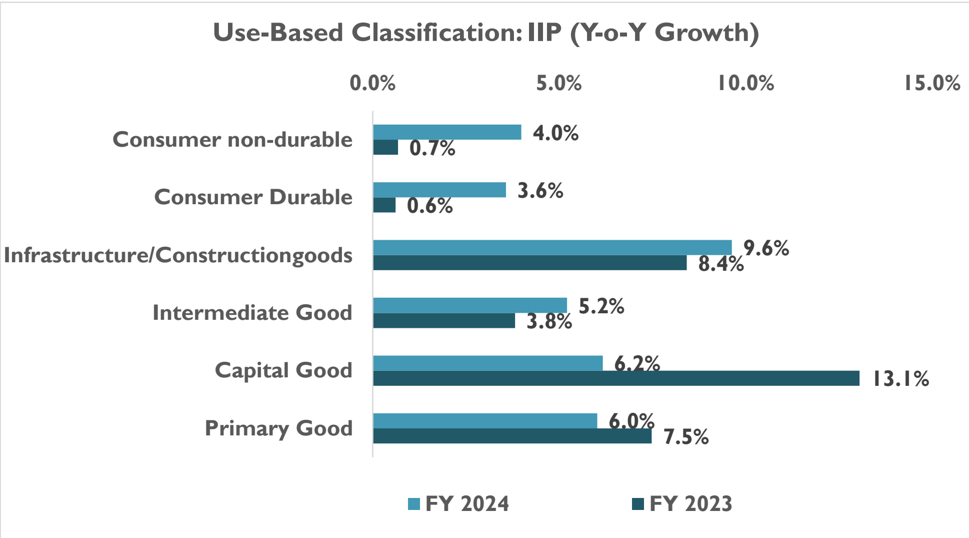
RE stands for Revised Estimates, SAE stands for Second Advance Estimates

Manufacturing Sector Performance

Industrial sector performance as measured by IIP index exhibited mild improvement in FY 2024 by growing at 5.8% (against 5.2% in FY 2023). Manufacturing index, with 77.6% weightage in overall index, grew by 5.5% in FY 2024 against 4.7% in FY 2023 while mining sector index too grew exhibited healthy improvement by growing at 7.5% against 5.8% in the previous years. Electricity sector Index witnessed improvement of 7.15% against 8.9% y-o-y growth in FY 2023.



Source: Ministry of Statistics & Programme Implementation (MOSPI)

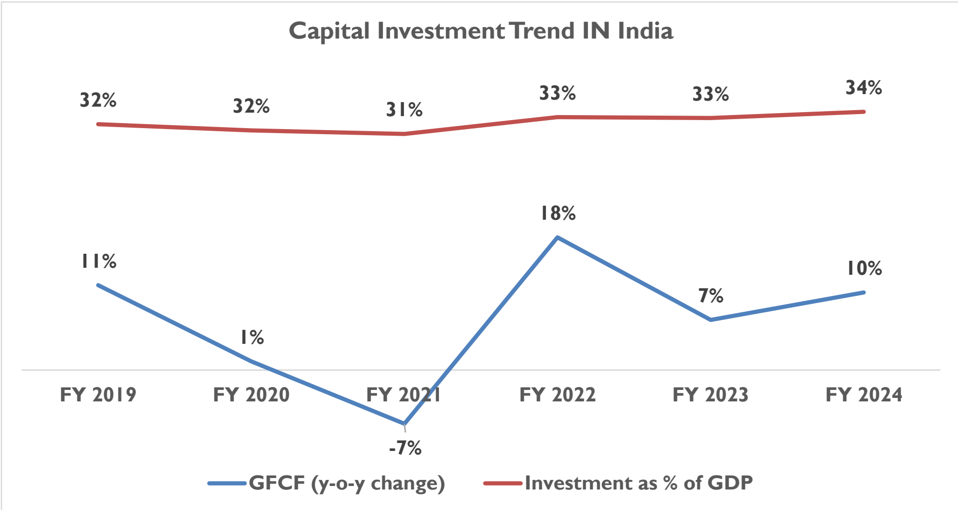


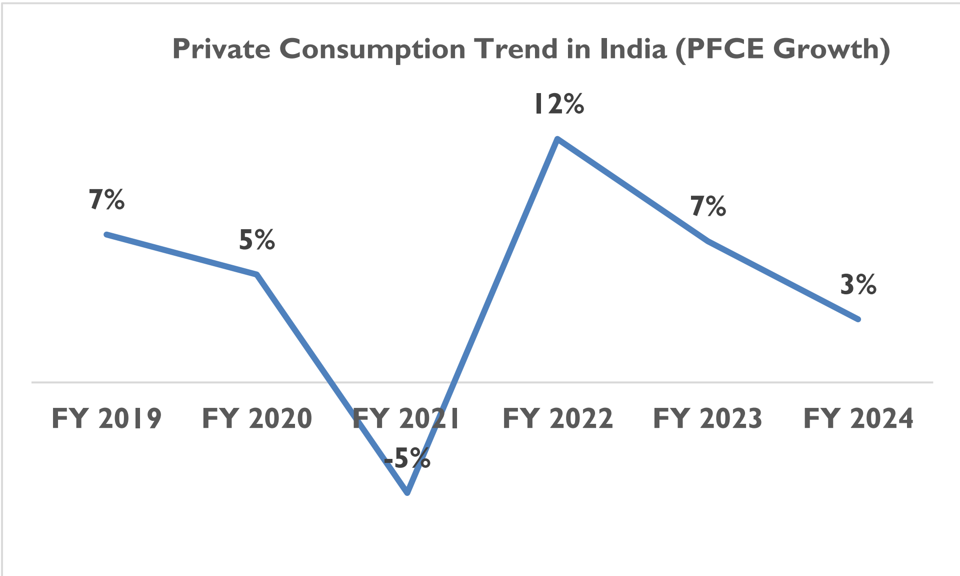
Sources: MOSPI

As per the use-based classification, excluding capital good and primary good, other segment observed healthy y-o-y growth against the previous year. Infrastructure / construction goods followed by intermediate goods were the bright spot while consumer non-durable and consumer durable both observed sharp growth over the previous year. However, the mild growth in IIP indicates towards challenging operating business climate as global headwinds, high inflation, and monetary tightening cumulatively impacted the broader industrial sector performance.

Investment & Consumption Scenario

Other major indicators such as Gross fixed capital formation (GFCF), a measure of investments, gained strength during FY 2024 as it grew by 10% on y-o-y basis against 7% yearly growth in the previous fiscal, while GFCF to GDP ratio measured all time high settled higher at 34%.



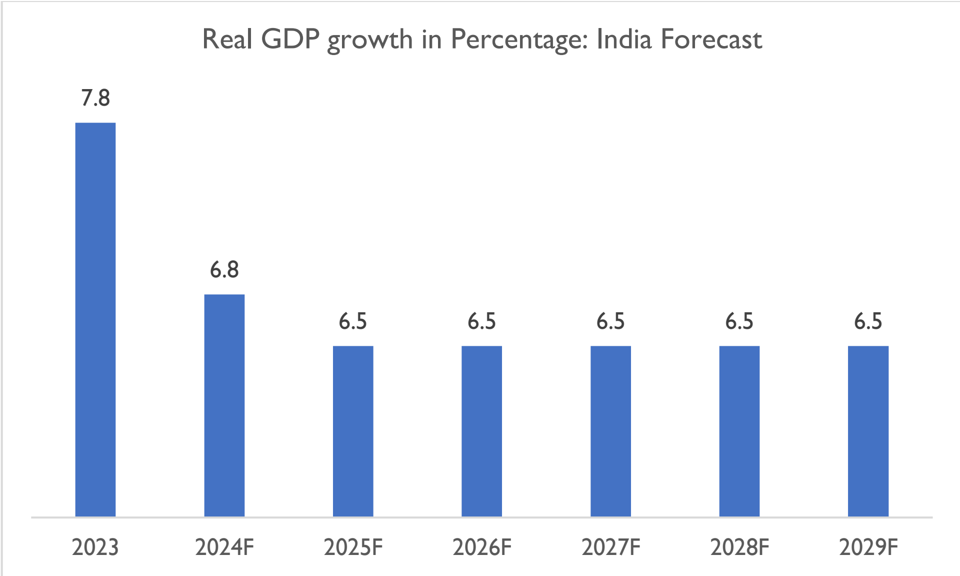


Sources: MOSPI

Private Final Expenditure (PFCE) a realistic proxy to gauge household spending, observed decelerated and registered 3.1% y-o-y growth in FY 2024 which is less than half of the previous year indicating sustained weakness in consumer spending.

Growth Outlook

Looking ahead to 2024, India's projected GDP growth of 6.8% in 2024 stands out as the fastest among major emerging markets, significantly outpacing China's 4.6% and Brazil's 2.2%. This robust growth trajectory is expected to sustain at 6.5% annually from 2025 to 2029, reflecting strong economic fundamentals and continued momentum.



Source: IMF

This decent growth momentum in near term (2024) is accompanied by a slowdown in inflation, as well as various other factors in the medium to long term that will support the economy. These include enhancements in physical infrastructure, advancements in digital and payment technology, improvements in the ease of doing business and a higher quality of fiscal expenditure to foster sustained growth.

On the demand side, improving employment conditions and moderating inflation are expected to stimulate household consumption. Further, the investment cycle is gaining traction, propelled by sustained government capital expenditure, increased capacity utilisation and rising credit flow. Additionally, there are positive signs of improvement in net external demand, as reflected in the narrowing merchandise trade deficit. Despite the supply disruptions, exports clocked positive y-o-y growth in December 2023 and January 2024.

From uplifting the underprivileged to energizing the nation's infrastructure development, the Government has outlined its vision to propel India's advancement and achieve a 'Viksit Bharat' by 2047 in the interim budget announced on1st Feb 2024. Noteworthy positives in the budget include achieving a lower-than-targeted fiscal deficit for FY24 and setting a lower-than expected fiscal deficit target for FY25, proposing dedicated commodity corridors and port connectivity corridors, providing long-term financing at low or nil interest rates to the private sector to step up R&D in the sunrise sectors.

Achieving a reduced fiscal deficit of 5.8% in FY24 and projecting a lower than-anticipated fiscal deficit of 5.1% are positive credit outcomes for India. This showcases the country's capability to pursue a high-growth trajectory while adhering to the fiscal glide path. There has been a significant boost to capital expenditure for two consecutive years; capital expenditure – which is budgeted at 3.4% of GDP (INR 11.1 trillion/USD 134 bn) for 2024/25 – is at a 21-year high (3.3% of GDP in 2023/24). The enhancement of port connectivity, coupled with the establishment of dedicated commodity corridors (energy, mineral and cement), is poised to enhance manufacturing competitiveness. This strategic move aims to fulfil India's export targets and reduce logistics costs.

However, headwinds to external demand emanate from recession in key exporting partners - the UK and Germany (which collectively account for over 5% of India's export portfolio) - and the spiralling effect it will have on other

European countries. Supply disruptions posed by the conflict in the Red Sea, leading to rerouting of shipments through Africa, are impacting sectors exposed to exports to Europe, running on thin margins, especially small businesses. Although headline inflation moderated to 5.1% in January 2024, a three-month low, volatility in crude prices and uncertainties about food inflation are likely to keep the central bank cautious in the near term.

India's optimistic economic outlook is underpinned by its demographic dividend, which brings a substantial workforce that boosts labor participation and productivity. The burgeoning middle class and urbanization contribute to increased domestic consumption, driven by rising incomes and purchasing power. Extensive investments in infrastructure, encompassing roads, railways, ports, and digital connectivity, are enhancing productivity and efficiency, with government initiatives like the Smart Cities Mission and PM Gati Shakti creating a conducive growth environment. This digital transformation, catalyzed by initiatives such as Digital India, is fostering a tech-driven economy marked by enhanced internet penetration, digital payments, and e-governance, thereby fueling growth in sectors like fintech, e-commerce, and digital services. The push to position India as a global manufacturing hub through Make in India and PLI schemes is further boosting industrial output, exports, and domestic production capabilities. Compared to other major emerging markets facing demographic and economic challenges, India's combination of demographic strengths, policy reforms, and strategic initiatives positions it as a standout performer and a significant driver of global economic growth in the foreseeable future.

Global Defence Industry

World defence expenditure increased for the ninth consecutive year in 2023, reaching a total of INR 202.7 trillion (USD 2,443 Bn). The 6.8% rise in 2023 marked the steepest YoY increase since 2009, pushing global spending to the highest level ever recorded by the Stockholm International Peace Research Institute (SIPRI). The global defence burden, defined as defence spending as a percentage of global GDP, increased to 2.3% in 2023. Average defence expenditure as a share of government expenditure rose by 0.4 percentage points to 6.9% in 2023. World defence spending per person was the highest since 1990, at USD 306.

Amid rising global tensions and ongoing conflicts in Ukraine and the Middle East, the world is rapidly changing, and the defence sector is experiencing significant demand increases. Global defence spending set a new record as many countries enhanced their deterrence capabilities. However, the defence industry is struggling to meet the increased production requirements, particularly in munitions.

As tensions between major powers continue to escalate, many nations are significantly increasing their investments in defence capabilities. The depletion of weapons stockpiles is heightening the need for new and advanced technologies, positioning the defence industry for substantial growth in the coming years.

- **Geopolitical Tensions and Increased Defence Spending:** Geopolitical tensions and weapons depletion are driving a surge in global defence spending. According to Markets and Markets, global defence spending reached INR 140 trillion (USD 1.7 trillion) in 2022. As a percentage of GDP, this spending grew from 2.3% in 2022 to 2.4% in 2023. The United States, China, Russia, India, and Saudi Arabia contribute 63% of this figure, underscoring the growing focus on national security amidst a complex geopolitical landscape.

- **European Defence Spending:** In Europe, Germany has announced a substantial injection of INR 8,990 billion (USD 108.32 billion) into its defence budget in response to the ongoing Ukraine-Russia conflict. This significant investment highlights the increasing emphasis on defence spending across the continent.

The growth in defence spending is already evident, with several key indicators pointing to a booming defence industry. One such indicator is the surging share prices of defence companies, reflecting investor confidence in the sector's future growth prospects.

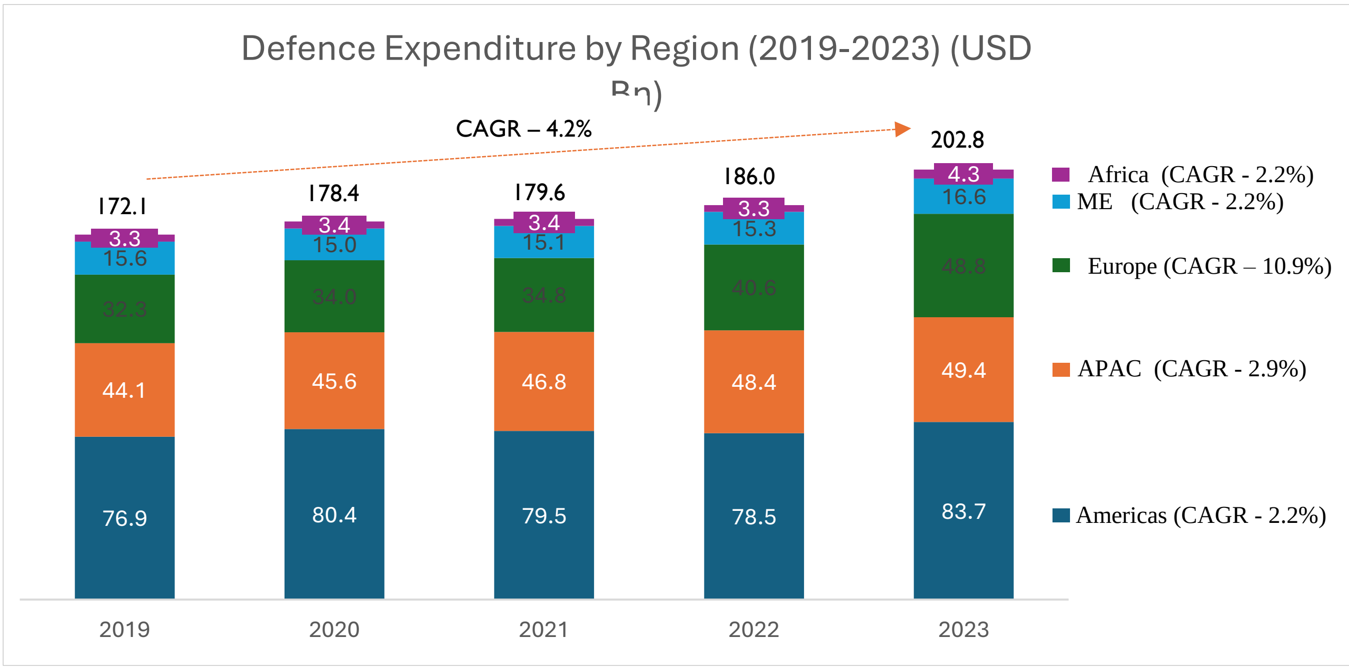
Performance of Major Defence Companies:

In recent months, several significant players in the industry have seen substantial growth in their stock prices:

- Rolls-Royce Holdings enjoyed a 190% return on equity in FY2023.
- Lockheed Martin, Airbus, and Northrop Grumman realized share price growth of 21%, 26%, and 19%, respectively, from January 2022 to February 2023.
- Rheinmetall, Saab, and Leonardo experienced share price growth of 367%, 244%, and 198%, respectively, during the same period.

Emerging Players: Beyond the established defence giants, emerging players in the industry are also showing promising growth, indicating a broad-based expansion across the sector. As global tensions continue to rise, nations are prioritizing defence investments, leading to significant growth in the defence industry. The increase in defence spending, coupled with the rising share prices of defence companies, points to a robust and expanding sector poised for continued growth in response to evolving geopolitical dynamics.

Global Defense Spending Pattern



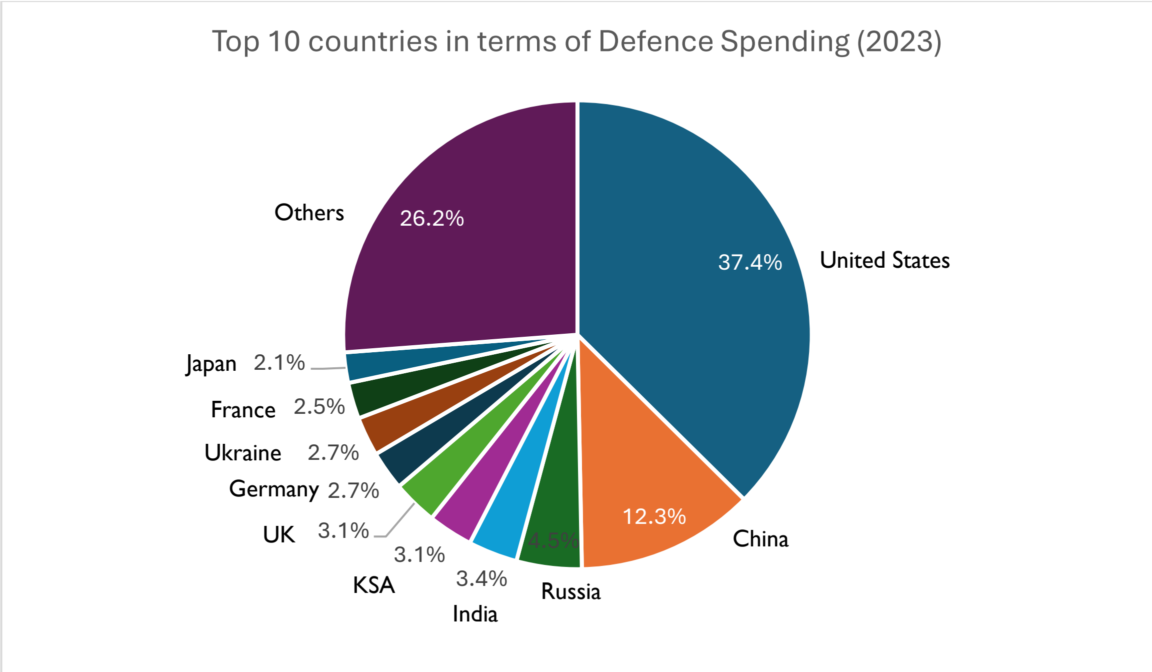
Source: SIPRI

During the last five years (2019 to 2023), defence expenditure in the Americas region (primarily North America) has increased by a CAGR of 2%. In the Asia & Oceania region (primarily China and India), defence expenditure has increased by a CAGR of 3%.

Top 5 Countries in Terms of defence spending

In 2023, the global military spending of top 10 countries reached INR 150 trillion (USD 1799 billion), accounting for 79% of the total. The United States and China were the two largest spenders, together accounting for about half of this total.

In 2023, the United States spent INR 76 billion (USD 916 billion) on military expenditures, marking a 2.3% increase from 2022 and a 9.9% rise from 2014. This substantial spending maintained the U.S. as the largest military spender globally, with an allocation that was 3.1 times greater than that of the second-largest spender, China.



Source: SIPRI

Among these top 10, Ukraine saw the most significant percentage increase in military spending, which surged by 51% to INR 5,380 billion (USD 64.8 billion). This dramatic rise allowed Ukraine to move from being the 11th largest military spender in 2022 to the 8th largest in 2023.[2]

World defence expenditure is highly concentrated among a relatively small group of states. The two largest spenders, the United States and China, accounted for around half of global defence spending in 2023. Together, the top 10 spenders in 2023 accounted for almost three-quarters (74%) of the world total, amounting to USD 1,799 Bn., which was USD105 Bn. more than the previous year.

US Defence Sector:

Overall Performance: US defines profits (2023) rose by 4% on revenue growth of 6%.

- Boeing Defence, Space, and Security: This segment accounted for most of the improvement, narrowing its operating loss to USD 1.8 Bn. from USD 3.5 Bn. the previous year. Boeing's losses are attributed to performance issues in certain fixed-price development programs, including VC-25B, KC-46A, MQ-25, T-7A Red Hawk, and Commercial Crew.
- Northrop Grumman: Reported a USD1.5 Bn. decline in profit, primarily due to a charge on the B-21 program.
- Raytheon: Profits in its Missiles and Defence and Intelligence and Space segments were down by 3%.
- Lockheed Martin: Reported a 2% profit improvement but a slight decline in operating margin.

[2] SIPRI

- L3Harris: The only company to report overall profit and operating margin improvement.

European Defence Sector:

In 2023, European defence companies performed notably better, reporting an overall 22% profit improvement on an 8% revenue increase.

- Airbus Defence and Space: Reported a profit of USD 466 Mn., up 85%.
- Leonardo: Profits increased by 38%.
- Rolls-Royce Defence Business: Profits rose by 31%.
- BAE Systems: Profits increased by 9%.

As a result, the European defence operating margin improved to 9.5%, surpassing their US peers, whose margin declined to 7.8%. Despite an 11% increase in revenue, higher volumes did not result in a higher margin due to the operating challenges described above.

Defence aid to Ukraine narrows spending gap with Russia.

Russia's defence spending increased by 24% to an estimated USD 109 Bn. in 2023, marking a 57% rise since 2014, the year that Russia annexed Crimea. In 2023 Russia's defence spending made up 16% of total government spending and its defence burden (defence spending as a share of gross domestic product, GDP) was 5.9%.

Ukraine was the eighth largest spender in 2023, after a spending surge of 51% to reach USD 64.8 Bn. This gave Ukraine a defence burden of 37% and represented 58% of total government spending. Ukraine's defence spending in 2023 was 59% the size of Russia's. However, Ukraine also received at least USD 35 Bn. in defence aid during the year, including USD 25.4 Bn. from the USA. Combined, this aid and Ukraine's defence spending were equivalent to about 91% of Russian spending.

China's rising defence expenditure drives up spending by neighbours.

China, the world's second-largest defence spender, allocated an estimated USD 296 Bn. to the defence in 2023, an increase of 6.0% from 2022. This was the 29th consecutive YoY rise in China's defence expenditure. China accounted for half of total defence spending across the Asia and Oceania region. Several of China's neighbours have linked their spending increases to China's rising defence expenditure.

'China is directing much of its growing defence budget to boost the combat readiness of the People's Liberation Army,' said Xiao Liang, Researcher with SIPRI's Defence Expenditure and Arms Production Programme. 'This has prompted the governments of Japan, Taiwan, and others to significantly build up their defence capabilities, a trend that will accelerate further in the coming years.'

Rest of the World

- Japan allocated USD 50.2 Bn. to its defence in 2023, which was 11% more than in 2022. Taiwan's defence expenditure also grew by 11% in 2023, reaching USD 16.6 Bn.

- Estimated defence expenditure in the Middle East increased by 9.0% to USD 200 Bn. in 2023. This was the highest annual growth rate in the region seen in the past decade. War and tensions in the Middle East fuel the biggest spending increase of the past decade
- Israel's defence spending—the second largest in the region after Saudi Arabia—grew by 24% to reach USD 27.5 Bn. in 2023. The spending increase was mainly driven by Israel's large-scale offensive in Gaza in response to the attack on southern Israel by Hamas in October 2023.
- 'The large increase in defence spending in the Middle East in 2023 reflected the rapidly shifting situation in the region—from the warming of diplomatic relations between Israel and several Arab countries in recent years to the outbreak of a major war in Gaza and fears of a region-wide conflict,' said Diego Lopes da Silva, Senior Researcher with SIPRI's Defence Expenditure and Arms Production Programme.
- India was the fourth largest defence spender globally in 2023. At USD 83.6 Bn., its defence expenditure was 4.2% higher than in 2022.
- The largest percentage increase in defence spending by any country in 2023 was seen in the Democratic Republic of the Congo (+105%), where there has been protracted conflict between the government and non-state armed groups. South Sudan recorded the second largest percentage increase (+78%) amid internal violence and spillover from the Sudanese civil war.
- Poland's defence spending, the 14th highest in the world, was USD 31.6 Bn. after growing by 75% between 2022 and 2023—by far the largest annual increase by any European country.
- In 2023 Brazil's defence spending increased by 3.1% to USD 22.9 Bn. Citing the NATO spending guideline, members of Brazil's Congress submitted a constitutional amendment to the Senate in 2023 that aims to increase Brazil's defence burden to an annual minimum of 2% of GDP (up from 1.1% in 2023).
- Algeria's defence spending grew by 76% to reach USD 18.3 Bn. This was the highest level of expenditure ever recorded by Algeria and was largely due to a sharp rise in revenue from gas exports to countries in Europe as they moved away from Russian supplies.
- Iran was the fourth largest defence spender in the Middle East in 2023 with USD 10.3 Bn. According to available data, the share of defence spending allocated to the Islamic Revolutionary Guard Corps grew from 27% to 37% between 2019 and 2023.

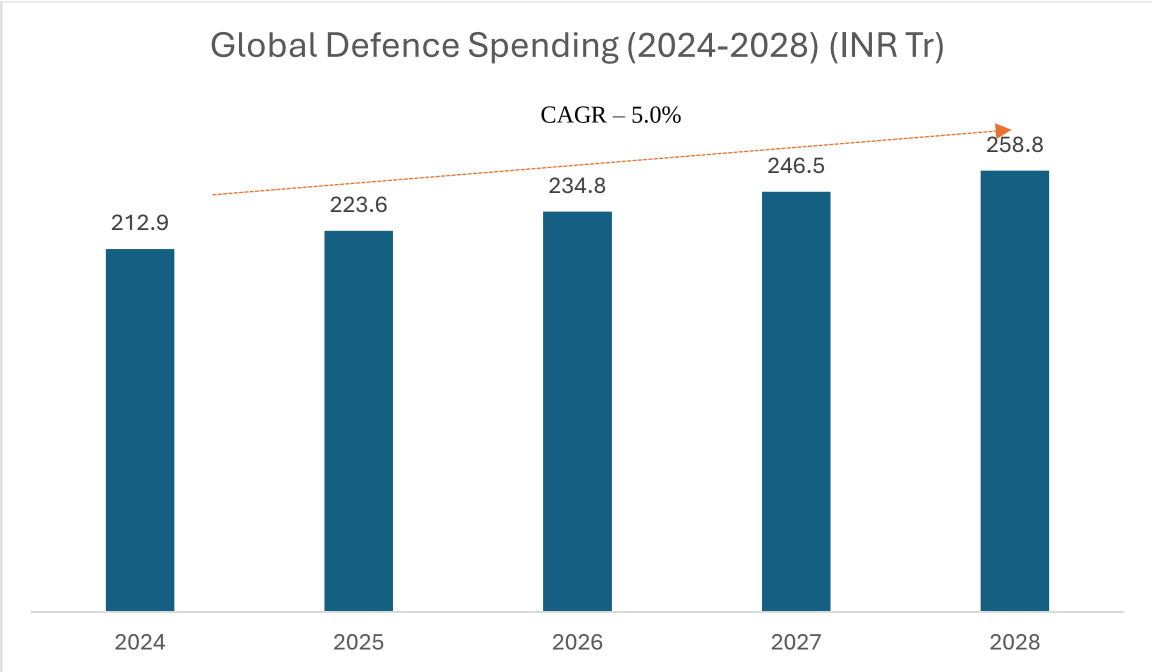
Expected Growth

As tensions between major powers continue to grow, many nations are increasing their investments in defence capabilities. Weapons stock depletion is heightening the need for new and advanced technologies, positioning the defence industry for significant growth in the coming years. In summary, the defence sector is poised for robust growth, driven by increased global tensions, higher defence spending, and significant investments in new technologies.

Governments worldwide are increasingly investing in advanced weaponry, modernizing their armed forces, and incorporating cutting-edge technologies such as artificial intelligence, unmanned systems, and cyber capabilities.

This trend is supported by economic growth in various regions, which has enhanced governments' financial ability to allocate more resources to defence. Rising defence budgets reflect a desire to maintain military readiness, support global military operations, and protect national interests.

Global defence spending is expected to grow at grow at a CAGR of 5% between 2023 and 2028 reaching USD 3118 billion (INR 258.8 Tn.)



Source: D&B Analysis

Heightened geopolitical tensions, regional conflicts, and emerging security threats are driving nations to boost their defence budgets and allocate substantial resources to national security measures. This strategy aims to safeguard national interests, maintain deterrence capabilities, and ensure the country's safety and sovereignty. Recent years have seen an increase in armed conflicts and disputes at both intrastate and interstate levels. Significant ongoing conflicts include:

- The Russia-Ukraine war
- The war against the Islamic State in Iraq
- The civil war in Syria
- The North Korean crisis
- The war against the Taliban in Afghanistan

These conflicts have had a notable impact on the global economy, prompting major economies like the US, the UK, and France to mobilize their military and law enforcement agencies. Despite these increases, challenges persist, including budget constraints, competing domestic priorities, and public scrutiny regarding defence spending.

Governments frequently face budget constraints and fiscal limitations that challenge their ability to allocate adequate funds to defence. Competing demands for limited resources, economic downturns, and financial crises can all constrain defence budget growth, necessitating careful prioritization and optimization of available funds.

A particular concern for European countries and NATO Plus countries (those expected to join NATO in the coming years) is meeting NATO's mandate to spend at least 2% of their GDP on defence. Balancing this requirement with other domestic priorities can be challenging, especially in times of economic strain or financial crisis.

Indian Defence Industry

India is one of the strongest defence forces in the world and holds a place of strategic importance for the Indian government. The top three largest market segments of the Indian defence sector are defence fixed wing, naval vessels and surface combatants, and missiles and missile defence systems. Defence rotorcraft, submarines, artillery, tactical communications, electronic warfare, and defence land vehicles are some of the other well-known segments. Some of the major defence manufacturing companies in India are Bharat Earth Movers Ltd. (BEML), Bharat Electronics Ltd. (BEL), and Hindustan Aeronautics Ltd. (HAL).

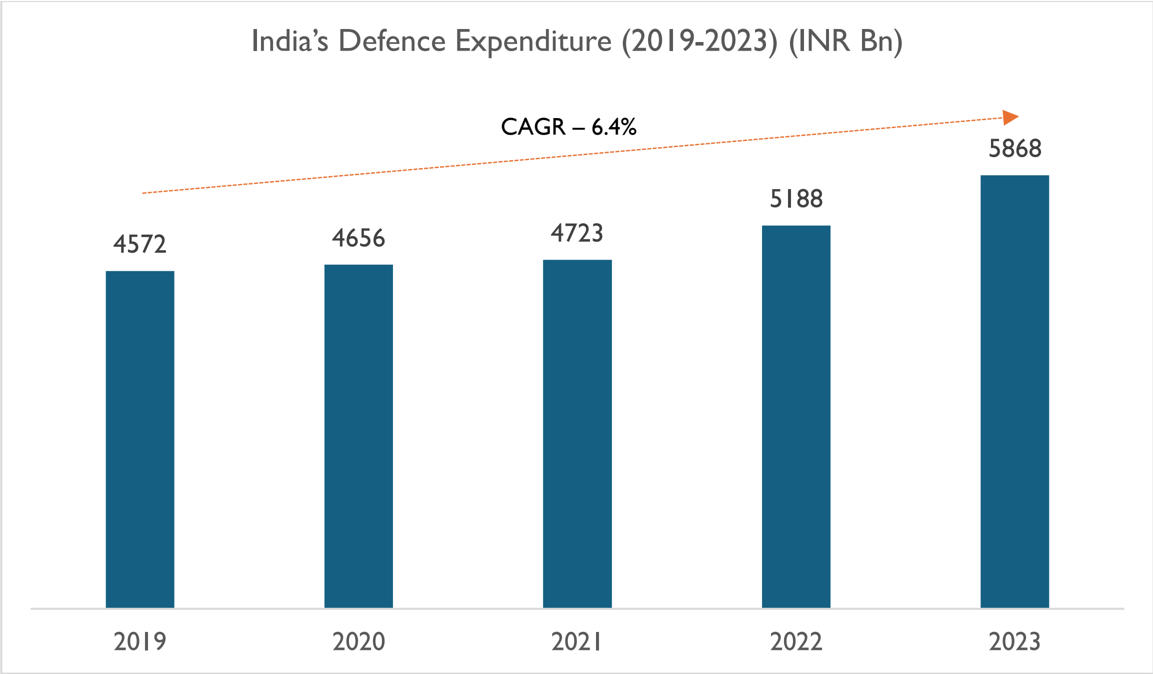
India has the world's fourth largest defence expenditure, as of 2022, and has set a target of INR 500 billion (USD 6.02 billion) worth of annual defence exports by 2028-29. In the Interim Budget 2024-25, INR 239 billion (USD 2.9 billion) was allocated to DRDO, while a corpus of INR 1,000 billion (USD 12.0 billion) was earmarked for Deep Tech, offering long-term loans to tech-savvy companies to foster innovation in defence technologies within India.

To modernize its armed forces and reduce dependency on external dependence for defence procurement, several initiatives have been taken by the government to encourage 'Make in India' activities via policy support initiatives. India's defence budget of INR 6,200 billion (USD 74.7 billion) ranked fourth highest globally in 2024. As per the Union Budget 2022-23, 25% of the defence R&D budget has been earmarked for private industry and start-ups which will pave the way for the innovation of new defence technologies in India.

Till April 2023, a total of 606 industrial licenses were issued to 369 companies operating in the defence sector. Defence exports rose 240% over five years in FY23, to INR 160 billion (USD 1.9 billion). India now exports to over 85 countries due to collaborative efforts. Defence exports INR 218 billion (USD 2.63 billion) in FY23-24 up by 32.5% from last year. Till October 2022, a total of 595 Industrial Licenses have been issued to 366 companies operating in Defence Sector. Defence exports grew by 334% in the last five years; India now exports to over 75 countries due to collaborative efforts.

Defense Spending Pattern

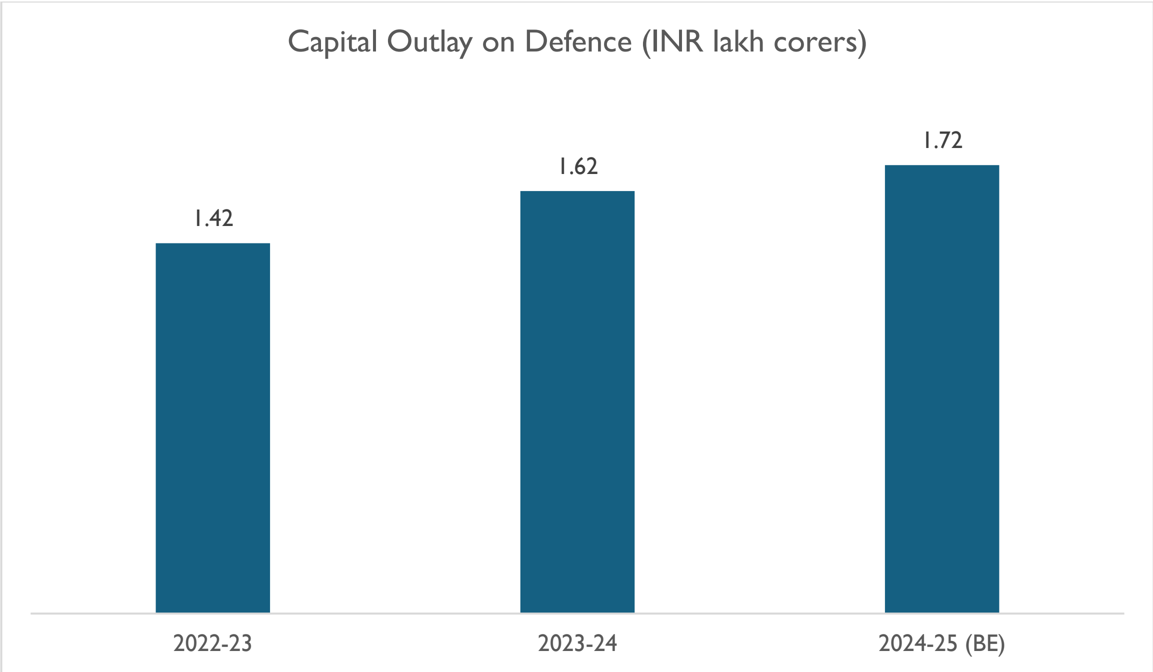
India's defence budget from 2020 to 2024 reflects strategic recalibrations, geopolitical shifts, and economic challenges. This period has witnessed significant fluctuations in spending patterns, driven by modernization imperatives, border tensions, and initiatives aimed at enhancing self-reliance in defence manufacturing. India's defence budget has steadily increased over the past four years, underscoring its commitment to bolstering defence capabilities amidst growing security challenges.



Source: Government of India

Capital Spending Pattern

Capital outlay on defence services saw an increase of 5.78% from INR 162,600 crores in FY2023-24 to INR 172,000 crores in FY 2024-25 (BE). The allocation aligns with the Long-Term Integrated Perspective Plan (LTIPP) of the three Services, focusing on addressing critical capability gaps through the modernization of the Armed Forces by enabling several major acquisitions in FY 2024-25. The increased budgetary allocation will support equipping the Armed Forces with cutting-edge technology, including advanced lethal weapons, fighter aircraft, ships, platforms, unmanned aerial vehicles, drones, specialist vehicles, and more.



Source: Ministry of Defence[3], Government of India

The MoD notes that the Budget Estimates (BE) allocations are over 20% higher than the actual expenditure in 2022-23, which was INR 142,940.01 crore. The capital outlay budget has increased by CAGR of 9.8% since 2014-15, while the Defence Services Estimates (Revenue) budget has seen a CAGR of 7.9%. As a result, capital outlay expenditure has grown more significantly than revenue expenditure over this period. From 2014 to 2024 (RE), the average share of capital outlay for the Army, Navy, and Air Force has been 25.5%, 27.9%, and 39%, respectively.

The budget will fund the modernization of the Su-30 fleet[4], procurement of new aircraft, advanced engines for the MiG-29, C-295 transport aircraft, and missile systems. Additionally, to support the 'Make in India' initiative, funding will be provided for the LCA MK-I in IOC/FOC configuration to ensure modern technology in domestic production. Indian Navy projects, such as acquiring deck-based fighter aircraft, submarines, and next-generation survey vessels, will also be covered.

A significant portion of the budget is dedicated to promoting 'Atmanirbhar' in defence, focusing on procuring next-generation weapon systems made in India. This will boost GDP, create jobs, and stimulate the domestic economy.

Starting this year, the Indian government has decided to consolidate the budget for similar items across the three services, such as land, aircraft, and heavy vehicles. This will allow the Ministry of Defence (MoD) to reallocate funds based on inter-service priorities, speeding up decision-making and improving budget utilization.

As part of ongoing defence reforms, the 15-year Long Term Integrated Perspective Plan (LTIPP) is being replaced by a 10-year Integrated Capability Development Plan (ICDP). The ICDP focuses on a holistic military strategy, prioritizing joint procurements and linking military capabilities with budgetary commitments. If this trend continues, it indicates a shift towards budgeting that meets the long-term needs of all armed forces, leading to better financial resource optimization.

Defense Spending by Verticals

In 2024-25, revenue expenditure on the army is estimated to increase by 1% over the revised estimate of 2023-24 while for the air force and navy, it is seen to be decreasing by 14% and 4% respectively. Note that revenue expenditure on pension of the armed forces is higher by around INR 80 billion (USD 963 million) in 2024-25.

Defence Budget Allocation (INR Mn.)

Major Head	Actuals 2021-22	Revised Estimates (RE) 2022-23	Budget Estimates (BE) 2023-24	% changes 2022-23 RE to 2023-24 BE
Army	28,52,780	34,12,210	34,10,900	0%

[3] chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.indiabudget.gov.in/doc/eb/sbe21.pdf

[4] https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2001375

Navy	8,07,400	9,32,440	9,90,620	6%
Air Force	9,80,240	11,20,710	11,47,230	2%
Other	3,66,380	3,82,560	3,86,630	1%
Total	**50,06,800**	**58,47,920**	**59,35,380**	**1%**

Source: Government of India

Army: Substantial expenditure on salaries and pension leaves little room for spending on modernization.

The Army is the largest of the three forces, both in terms of its budget as well as the number of personnel. As of July 2022, the Army has an authorized strength of 13.03 lakh personnel (including officers and soldiers). In 2023-24, INR 3,411 billion (USD 41.1 billion) has been allocated for the Army out of which almost 70% is budgeted to be spent on salaries and pension. Note that the salary does not include the expenditure on salary for Rashtriya Rifles, NCC, Agnipath scheme, and Jammu and Kashmir Light Infantry as the detailed breakup of their allocation is not available. If the salary expenditure on these forces is included, the Army's total spending on salaries will be even higher.

Modernization involves the acquisition of state-of-the-art technologies and weapons systems to upgrade and augment the defence capabilities of the forces. Substantial expenditure on salaries and pensions reduces the funds available for the modernization of the Army. In 2023-24, 9% of the Army's budget will be spent on its modernization. After 2016-17, there has been a decrease in the modernization funds allocated to the Army as a share of the total modernization funds of the three forces. In 2023-24, the Army has been provided 23% of modernization funds among the defence services.

The Standing Committee on Defence (2018) noted that modern armed forces should have one-third of their equipment in the vintage category, one-third in the current category, and one-third in the state-of-the-art category. However, the Indian Army had 68% of its equipment in the vintage category, 24% in the current category, and 8% in the state-of-the-art category. The Committee also noted that over the years, the Army has accumulated a substantial deficiency of weapons, stores, and ammunition. It found that adequate attention has been lacking concerning both policy and budget for modernizing the ageing armoury.

Navy: Significant increase in funds allocated for modernization over the last decade

The Navy has been allocated INR 988 billion (USD 11.9 billion.) in the budget for 2023-24 (including the expenditure on pension and coast guard). Almost half of the budget has been allocated for modernization of the Navy. Within modernization, INR 242 billion (USD 2.91 billion) has been allocated for the naval fleet and INR 6,723 million (USD 810 million) has been budgeted to be spent on naval dockyard/projects. The expenditure on naval dockyard/projects is estimated to increase by 49% in 2023-24 over the revised estimates of 2022-23.

Modernisation expenditure of the Navy has increased at an annual rate of 10% between 2013-14 and 2023-24. This has been driven by a sharp increase in the expenditure on modernization in 2019-20 (29% YoY increase) and 2020-21 (58%). In July 2021, the Ministry of Defence issued a request for proposal for acquiring six conventional submarines under Project 75 (India). The project is estimated to cost over INR 400 billion (USD 4.8 Bn.) This led to the Navy's share in the total modernization expenditure of the defence services increasing to 38% in 2021-22. In 2023-24, this share is estimated to be 36% of the overall modernization budget.

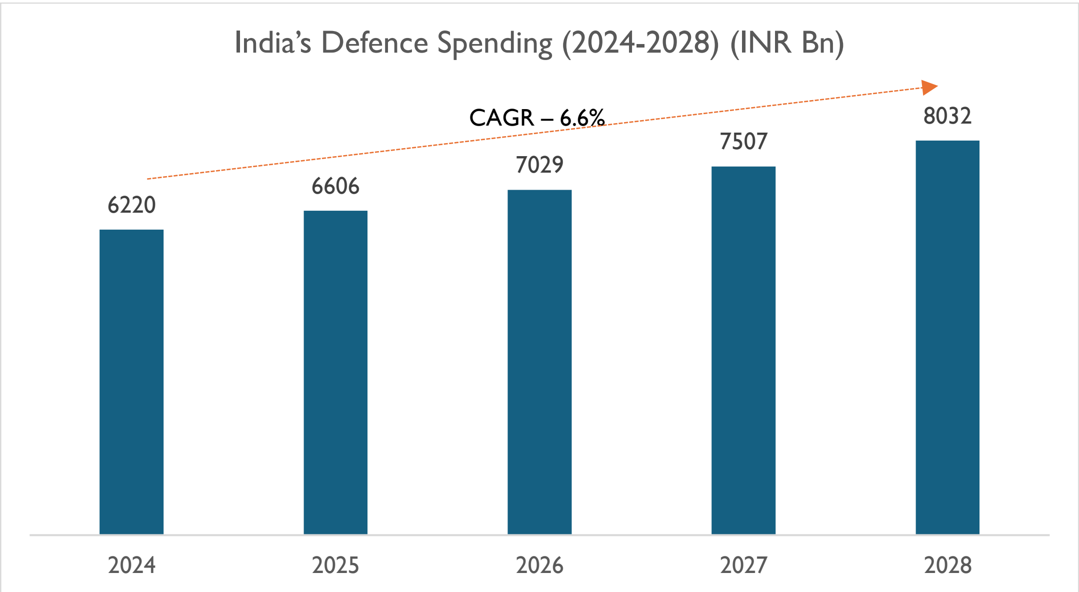
Air Force: Lowest growth in modernization expenditure among the three forces

The Air Force has been allocated INR 1,145 billion (USD 13.8 Bn.) in 2023-24 (including pension for retired personnel). This is an increase of 2% over the revised estimate of 2022-23. Allocation for modernization accounts for 48% of the Air Force's budget in 2023-24. The annual growth rate of expenditure for modernization of the Air Force was the lowest among the three forces. Between 2013-14 and 2023-24, the modernization expenditure of the Air Force is expected to increase annually at 4%. However, the modernization expenditure of the Air Force has consistently been the largest among the three forces. Between 2013-14 and 2023-24, more than 41% of the modernization budget was allocated to the Air Force.

In the past, the CAG has raised issues about the capital acquisition process of the IAF. In its report (2019), the CAG examined 11 contracts of capital acquisition signed between 2012-13 and 2017-18, with a total value of approximately INR 945 billion (USD 11.4 billion) It found that the current acquisition system was unlikely to support the operational preparedness of the IAF and recommended that the Ministry of Defence undertake structural reforms of the entire acquisition process. The Estimates Committee (2018) noted that there should be 70% serviceability of aircraft since aircraft have to undergo standard maintenance checks. However, as of November 2015, the serviceability of aircraft was 60%.

Expected growth

India's defence sector is projected to grow at a Compound Annual Growth Rate (CAGR) of 13% from FY23 to FY30, with an estimated domestic defence opportunity ranging between INR 8,300 to INR 9,960 billion (USD 100 to 120 billion) over the next 5-6 years. Although India is among the top three global defence spenders, its defence expenditure in Calendar Year 2022 (CY22) was only 10% of that of the United States and 27% of China's. Despite this, India's coastline and land area are nearly comparable to those of the US and China, indicating significant potential for growth and investment in its defence sector.



The focus on indigenization is expected to be a major driver, fostering double-digit growth in domestic defence spending. Additionally, export opportunities are projected to witness a 21% CAGR from FY23 to FY30, with India’s defence exports increasing 16-fold from FY17 to FY24E, reaching INR 250 billion (USD 3 billion). Projections suggest this figure could rise to USD 7 billion by FY30E, aligning with the government’s target of INR 500 billion (USD 6 billion) by FY29E.

Data Patterns is emerging as a frontrunner in the sector, with in-house technology and an anticipated 30% Earnings Per Share (EPS) CAGR. The company is poised to see a nearly fivefold increase in revenues from FY24E to FY30E, driven by indigenization initiatives and a robust export pipeline.

Similarly, HAL, known for its blend of steady service income and OEM (Original Equipment Manufacturer) manufacturing growth, anticipates a medium-term EPS CAGR of 22% from FY24E to FY30E. Bharat Electronics (BEL), a market leader in domestic defence electronics, is well-positioned to capitalize on the steady defence spending trajectory. With 70-75% of its revenues coming from the navy and army and the balance from the air force, BEL stands to benefit significantly from the defence opportunity. The company’s zero debt and comfortable working capital position further strengthen its market position. This surge in spending is expected to catalyse stock upticks across the industry.

In the fiscal year 2023-24, India’s defence exports surged to a record INR 21,083 crore (USD 2.54 billion), marking a 32.5% increase compared to the previous fiscal's figure of INR 15,920 crore. This robust performance can be attributed to concerted efforts from both the private sector and defence public sector undertakings (DPSUs). Notably, the private sector contributed approximately 60% of total exports, while DPSUs contributed the remaining 40%.

Additionally, the number of export authorizations issued to defence exporters increased significantly in 2023-24, rising from 1,414 in the preceding fiscal year to 1,507 during the reported period, according to the ministry’s data.

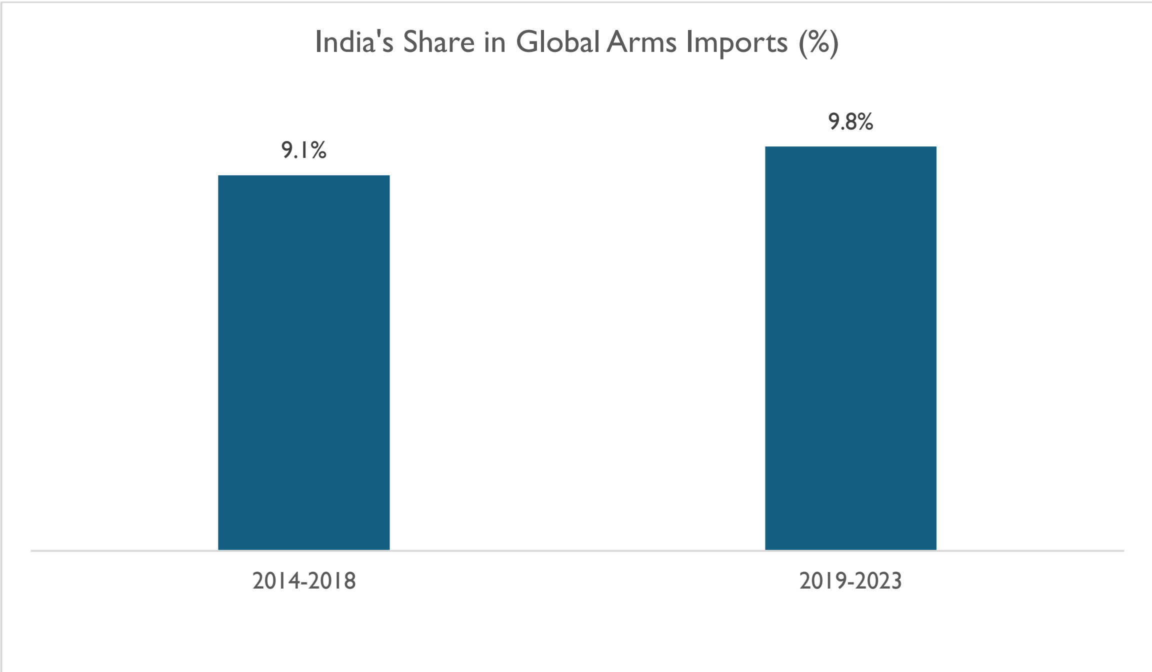
Escalating global geopolitical tensions and India’s focus on achieving self-reliance have paved the way for substantial increases in order flow and revenue growth for domestic defence companies. The Indian government’s efforts to strengthen country-to-country relations to promote exports further enhance the sector’s prospects.

Despite these optimistic projections, the sector faces risks such as technology obsolescence and management bandwidth constraints. However, with prudent strategies and robust government support, India’s defence sector appears poised for exponential growth, driving both economic and strategic advancements in the foreseeable future.

Defense Imports to India

India stood as the largest arms importer between 2019-2023 accounting for 9.8% of the global arms imports, followed by Saudi Arabia and Qatar. India's tensions with Pakistan and China significantly drive its arms imports. Between 2014-18 and 2019-23, India's arms imports increased by 4.7%, making it the world's largest arms importer in 2019-23, accounting for 9.8% of all arms imports. Although Russia remained India's primary supplier, its share of Indian arms imports has decreased from 76% in 2009-13 to 58% in 2014-18, and further to 36% in 2019-23.

India has increasingly turned to Western suppliers, particularly France and the USA, as well as its own arms industry, to meet its demand for major arms. This shift is evident in India's new orders, many of which are placed with Western suppliers, and in its arms procurement plans, which seemingly exclude Russian options.



Source: SIPRI

However, the Indian Government is promoting defence manufacturing by various schemes such as Make in India and Atmanirbhar Bharat. Under the 'Atmanirbhar Bharat' campaign, the Indian Aerospace and Defence sector has been highlighted as a key focus area. Various policy changes aim to end import dependence and position India as the most preferred global manufacturing destination for foreign OEMs and Tier-1 vendors.

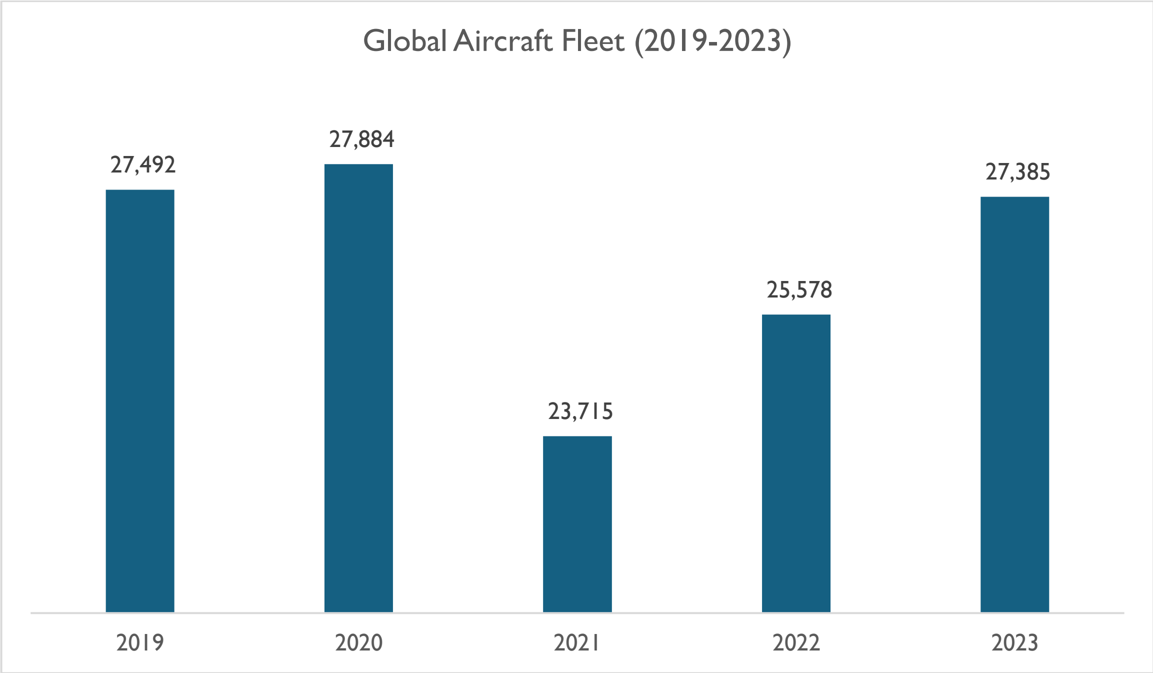
The government has set a target of achieving defence manufacturing worth Rs. 1,75,000 crore (USD 21.14 billion), including defence exports of Rs. 35,000 crore (USD 4.22 billion), by 2024-25. To reach this goal, the primary strategies will be indigenization and self-reliance in defence manufacturing.

Import Embargo on Defence Items:

In February 2024, Defense Ministry announced that 75% of the capital acquisition budget will be allocated to procurement from domestic companies. The Defense Ministry plans to impose an import embargo on 4,666 defence items (including replacement units, sub-systems, spares, and components) between December 2023 and December 2029, aiming to enhance India's self-reliance and bolster the country's indigenous manufacturing capacity. India has released five Positive Indigenization Lists, encompassing 509 defence items such as complex systems, sensors, weapons, and ammunition, which will now be manufactured domestically to substitute imports.

Global Commercial Aircraft Fleet

Overall, the global commercial aircraft fleet industry is set for continued growth, driven by advancements in technology, increased demand for air travel, and evolving industry dynamics. However, it will need to navigate challenges such as environmental concerns and economic fluctuations to sustain its trajectory.



Over the past five years, the global commercial aircraft fleet has experienced notable growth and shifts. In 2019, the fleet stood at 27,492 aircraft, reflecting steady expansion driven by rising air travel demand and technological advancements. However, the onset of the COVID-19 pandemic in early 2020 caused substantial disruptions. Airlines around the world faced plummeting travel demand, leading to a temporary reduction in fleet size as many aircraft were grounded and older models were retired prematurely.

As global travel began to recover in late 2021 and into 2022, the fleet size started rebounding. Airlines began reactivating grounded aircraft and focused on modernizing their fleets with newer, more fuel-efficient models. This period marked a resurgence in fleet expansion, with airlines keen on capitalizing on the rebound in air travel and meeting rising passenger demand.

By 2023, the fleet had almost reached 2019 numbers, reflecting the industry's recovery and expansion efforts. The ongoing focus has been on replacing older aircraft with newer ones that offer better fuel efficiency and lower operating costs. Additionally, emerging markets, particularly in Asia-Pacific and the Middle East, have driven much of the fleet growth as airlines in these regions expanded to accommodate increasing passenger volumes.

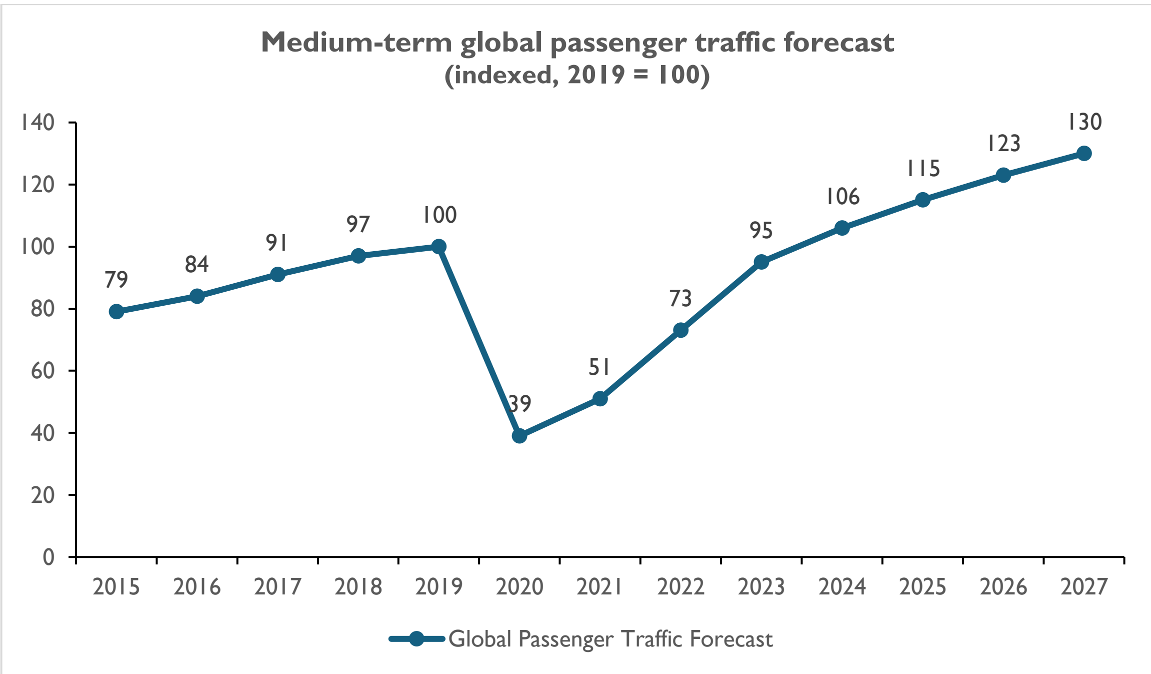
Expected Growth: Passenger Traffic

As commercial aviation moves into the latter half of 2024, it is seeing passenger and air cargo traffic surpassing pre-pandemic levels from 2019, a testament to the industry's resilience over recent decades. Both market segments are expected to continue growing at a rate that outpaces overall economic growth, driven by increasing consumer travel priorities in an interconnected world and the acceleration of aviation development in emerging markets. Additionally, the expansion of supply chains and e-commerce is fuelling strong demand for air cargo.

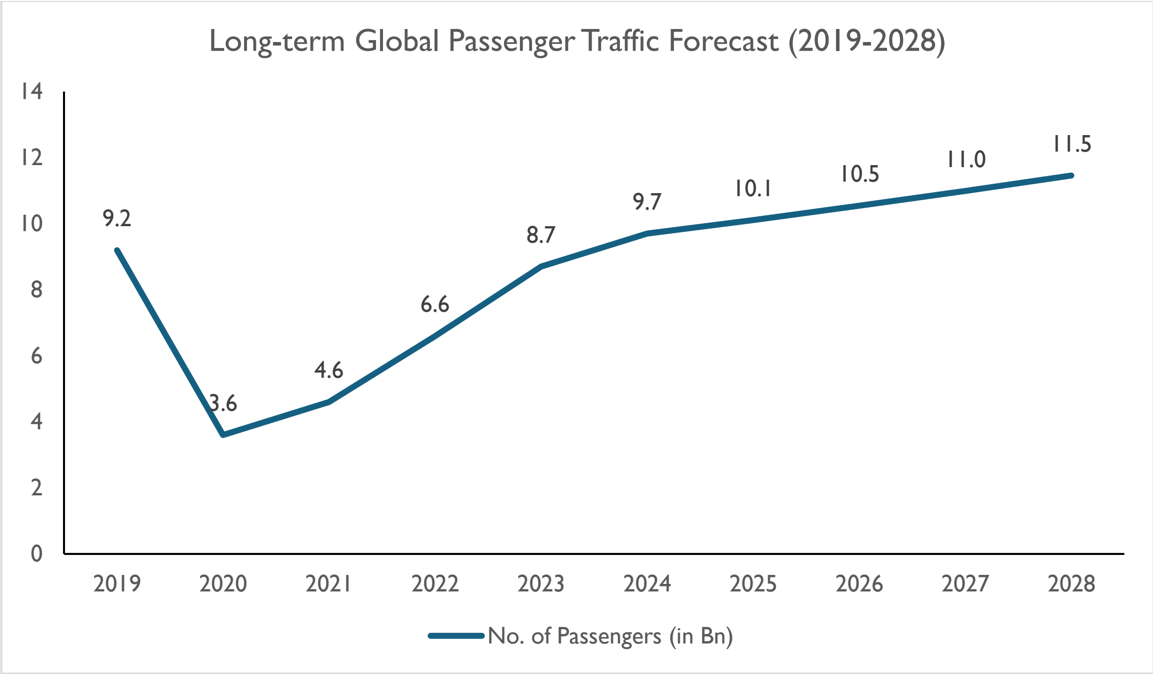
Airlines have similarly demonstrated resilience, with the global network returning to 2019 levels and adapting to new market trends. Route competition remains fierce, and airlines are focusing on fleet management and productivity enhancements to stay profitable in a dynamic global environment.

The 2024 Commercial Market Outlook shows steady fleet and delivery forecasts, aligning with Boeing's expectations from 2020. There is significant pent-up demand for replacing aging fleets due to delayed retirements. Fleet growth is being driven by innovation and expanding markets, while an emphasis on sustainability is improving efficiency throughout airline operations.

Before the COVID-19 pandemic, global passenger volume was estimated to reach 10.5 billion passengers in 2023, or 119% of the 2019 level. The current projection of global passenger volume in 2023 is approximately 8.7 billion passengers, which is 95% of the 2019 level, or 31% YoY growth from the 2022 volume.



Source: ACI World Airport Traffic Forecasts



Source: ACI World Airport Traffic Forecasts 2023–2052

From 2023 to 2028, global passenger traffic is projected to grow at a compound annual growth rate (CAGR) of 4.25%. This period will be marked by a sharp recovery in the early years, reflecting a significant rebound from the disruptions experienced during the COVID-19 pandemic.

In the initial three years of this period, from 2023 to 2026, the growth rate is expected to be notably high, driven by the industry's rapid recovery and the resurgence in travel demand. This accelerated growth reflects a robust recovery as travel restrictions ease, consumer confidence returns, and pent-up travel demand is unleashed.

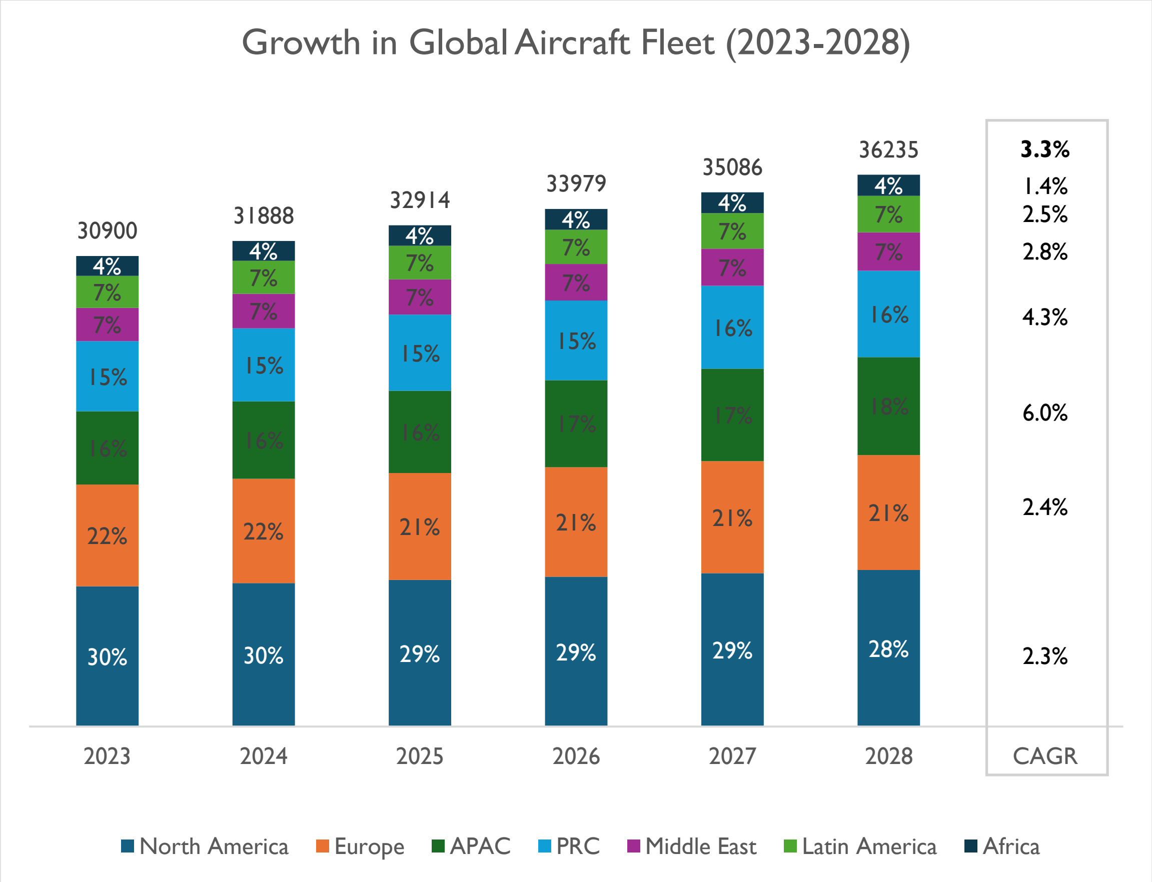
The increase to 11.5 billion passengers highlights a strong resurgence in global air travel, driven by several factors:

- Economic Recovery: As economies recover from the pandemic's impacts, increased economic activity and consumer spending are likely to boost travel demand.
- Increased Mobility: With the easing of travel restrictions and the resumption of international travel, more people are expected to take trips, both for leisure and business.
- Expansion of Air Travel Markets: Emerging markets and developing regions are anticipated to contribute significantly to the growth in passenger numbers, driven by rising incomes and expanding middle classes.
- Advancements in Aviation Technology: Improvements in aircraft efficiency, airport infrastructure, and air traffic management are expected to facilitate higher passenger volumes and more frequent flights.
- Resurgence of Tourism: A rebound in global tourism, as countries open up and people resume travel for leisure, will also play a key role in driving up passenger numbers.

Overall, the projected growth to nearly 11.5 billion passengers by 2028 underscores the strong recovery and expansion potential of the global air travel industry, reflecting a significant rebound from the pandemic's low points and a return to robust growth in passenger traffic.

Expected Growth: Aircraft Fleet

The global commercial aircraft fleet is projected to grow at a compound annual growth rate (CAGR) of 3.3% from 2023 to 2028, increasing from 30,900 to 3,5995 aircraft. Regionally, the Asia-Pacific (APAC) region is expected to experience the highest growth rate, approximately 6% annually, while other regions will see more modest increases, ranging from 2% to 3% per year.



Source: Alton Aviation Consultancy – IATA Conference

This growth is largely fuelled by the expanding middle class in emerging markets, particularly in Asia-Pacific, which is seeing rapid economic development and increased air travel needs. Additionally, the replacement of older aircraft with newer, more fuel-efficient models contributes to the overall fleet expansion, aligning with global efforts to reduce carbon emissions and enhance operational efficiency.

Regional variations in growth rates highlight the diverse nature of the aviation market. While Asia-Pacific is poised for the most rapid fleet growth due to its burgeoning economies and higher travel demand, mature markets like North America and Europe are expected to see more moderate increases. The focus on incorporating advanced, environmentally friendly aircraft such as the Boeing 787 and Airbus A350 underscores a broader industry trend towards sustainability and modernization. As airlines continue to invest in fleet upgrades and new technologies, the global aircraft fleet will not only expand in size but also in efficiency, paving the way for a more connected and sustainable aviation future.

Indian Aerospace Industry

India is the ninth-largest civil aviation market globally and is projected to experience rapid growth in the coming years. With a market value of INR 75,600 million (USD 900 million)[5], India's civil aviation sector is among the nation's fastest-growing industries, showcasing a dynamic and accelerating development trajectory.

Domestic traffic in India constitutes over 65% of the total traffic in the South Asian region. Major city airports currently manage more than 60% of the total traffic, which exceeds 340 million passengers.

The Airports Authority of India (AAI) manages 137 airports, including 24 international, 80 domestic, 23 domestic defence airfields, and 10 customs airports. While India has a total of 450 airstrips, only 100 are fully operational. Major metropolitan airports such as Delhi, Mumbai, Kolkata, Chennai, Hyderabad, and Bangalore lead the aviation sector, representing 62% of the country's total aviation market.

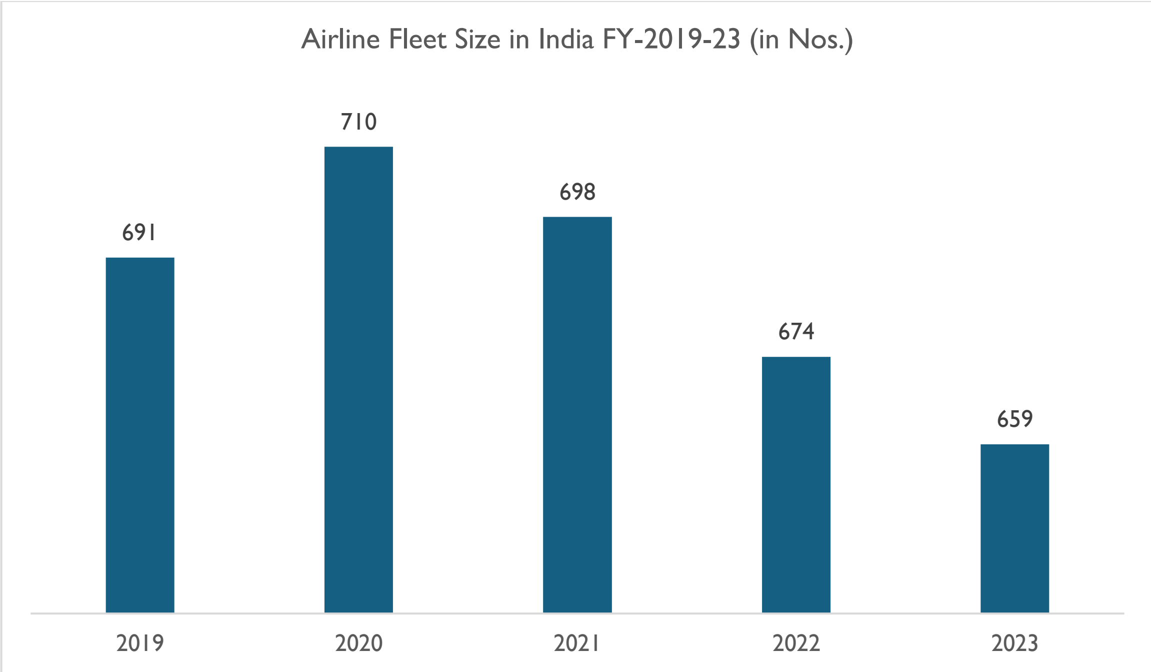
Airline Fleet in India

From FY2019 to FY2023, the aircraft fleet in India has undergone notable changes, reflecting both growth and adjustment in response to various factors impacting the aviation industry.

In FY 2019, the total fleet size of Indian airlines was approximately 691 aircraft, as of 31 March 2019, driven by the expanding demand for air travel. During this period, airlines actively added new aircraft to their fleets, focusing on modern, fuel-efficient models such as the Airbus A320neo and Boeing 737 MAX. The industry was experiencing a growth phase, with airlines expanding their route networks and increasing capacity to meet rising passenger numbers.

FY2020 saw the onset of the COVID-19 pandemic, which significantly impacted the aviation sector. The total fleet size remained around 710 aircraft, but growth slowed as airlines faced operational disruptions and financial challenges. Many airlines deferred aircraft deliveries and grounded parts of their fleets due to reduced travel demand and economic uncertainty caused by the pandemic.

[5] IBEF



Source: DGCA

In 2023, there was an induction of 112 aircraft by the airline operators. As of December 31, 2023, the total number of aircraft listed on the Air Operator Certificate (AOC) for scheduled airline operators is 771[6].

Number of aircraft endorsed on AOC (Air Operator Certificate) with different airlines as of 31.12.2023:

Sr. No.	Name of Airlines	Fleet Size
Scheduled Operators		
1	AIX Connect Pvt. Ltd. (Formerly known as AirAsia (India) Pvt. Ltd.)	24
2	Air India Ltd. (Air India)	124
3	Air India Express Ltd. (Air India Express)	34
4	Alliance Air Aviation Ltd. (Alliance Air)	21
5	Blue dart Aviation Ltd. (Blue Dart)	8
6	GO Airlines (India) Ltd. (Go First)*	54
7	Interglobe Aviation Ltd. (Indigo)	342
8	Quikjet Cargo Airlines Pvt. Ltd. (Quikjet)	2

[6] Ministry of Civil Aviation

9	SNV Aviation Pvt. Ltd. (Akasa Air)	20
10	Spice Jet Ltd. (Spice Jet)	57
11	Tata SIA Airlines Ltd. (Vistara)	66
12	Zexus Air Services Private Limited (Zooom)	2
Scheduled Commuter Operators		
13	Big Charter Pvt. Ltd. (Fly Big)	2
14	GSEC Monarch and Deccan Aviation Pvt. Ltd. (IndiaOne Air)	3
15	Ghodawat Enterprises Pvt. Ltd. (STAR AIR)	8
16	Pawan Hans Ltd. (SCO)	4
Total Fleet Size (as of 31 December 2023)		**771**

*Note: * GO Airlines (India) Ltd. (Go First) is currently undergoing the Corporate Insolvency Resolution Process as per Section 10 of the Insolvency & Bankruptcy Code.*

Source: Press Information Bureau

Defense & Aerospace Component Industry

In 2023, the aerospace and defence (A&D) industry experienced a resurgence in product demand. In the aerospace sector, domestic commercial aviation revenue passenger kilometres exceeded pre-pandemic levels in many countries, driving a surge in demand for new aircraft and aftermarket products and services. In the US defence sector, new geopolitical challenges and a focus on military modernization led to strong demand, particularly for weapons and next-generation capabilities.

This upward trend in demand for A&D products and services is expected to persist into 2024. Commercial travel is anticipated to keep growing, while defence product demand is likely to rise with increasing geopolitical instability. Additionally, companies in emerging markets, such as advanced air mobility, are expected to progress in testing and certification as they prepare for commercialization.

Key Trends

Increasing Demand for the Commercial Aircraft Segment

- Rising Air Travel Rates: Increased air travel, particularly in emerging economies in North America and Latin America, is driving global growth in commercial aircraft.
- Higher Disposable Incomes: Growing disposable incomes around the world contribute to the increased demand for commercial aircraft.
- Focus on Efficiency: Manufacturers are concentrating on solutions to reduce aircraft weight and enhance fuel efficiency. Materials used include aluminium alloys, steel alloys, titanium alloys, and composite materials.
- Regional Growth: The demand for commercial aircraft is expected to rise significantly in the Middle Eastern and Asia-Pacific regions due to strong passenger travel demand.
- Future Deliveries: Boeing projects a need for more than 41,000 new aircraft deliveries, valued at over USD 6 trillion, to accommodate growth in air travel and replace old aircraft over the next 20 years.
- Airbus Orders and Deliveries: In the first three quarters of 2020, Airbus secured 300 net commercial aircraft orders compared to 127 net orders in the same period in 2019. Airbus delivered a total of 566 commercial aircraft in 2020 and currently has orders for 383 commercial aircraft.
- ASEAN Air Traffic: Rising air traffic in ASEAN countries, driven by tourism, travel, and low airfares, is likely to further stimulate demand for commercial aircraft.
- Market Impact: The increase in air traffic and expansion of commercial aircraft production by global manufacturers is expected to boost the demand for aerospace and defence materials during the forecast period.

While these trends are expected to boost both domestic and international spending, the increased demand may also present new challenges for A&D companies, compounding existing issues such as supply chain disruptions, longer lead times, and talent shortages.

To tackle these challenges, A&D companies might increasingly adopt digitalization and advanced technologies. By addressing cost issues and developing new revenue streams, these technologies could help companies enhance supply chain resilience, mitigate logistical problems, attract new talent, and accelerate product development.

Even with improvements in supply chain performance, it is struggling to keep pace with the rapidly growing demand.

Airlines have sustained a surge in new aircraft orders, totalling 3,670, nearly three times the number of deliveries in 2023. This surge has pushed the backlog to over 14,000 units, highlighting the industry's ongoing challenge in scaling up production. This trend is expected to continue for several years. As a result, many airlines may need to adjust or delay their plans for expanding, renewing, or making their fleets more environmentally friendly.

Defence sector is seeing a substantial rise in demand due to heightened global tensions and conflicts in Ukraine and the Middle East. Record levels of global defence spending have been reported as countries seek to bolster their deterrence capabilities. The defence industry is currently facing challenges in meeting the heightened production demands, especially for munitions.

The space sector is witnessing a surge in demand, driven by the rise of small satellite networks and the shift towards a space-based economy. Where there were only a few launches annually a decade ago, now multiple launches occur weekly, with the pace quickening. The space industry is projected to triple in value over the next decade, reaching INR 125 trillion (USD 1.5 trillion) annually.

Rebound in 2023

Mergers and acquisitions in the aerospace and defence sector saw a rebound in 2023, reaching INR 3,486 billion (USD 42 billion) in value. This is a positive sign for the sector, especially considering that global M&A activity declined by 17% year-over-year in 2023, hitting a ten-year low. The A&D sector's recovery follows a low point in 2022, when deal value was only INR 1,909 billion (USD 23 billion). In contrast, 2021 had set a record with over INR 8,300 billion (USD 100 billion) in deal value, driven by a surge in SPACs and IPOs, particularly in the space and green aviation sectors.

Key Transactions

- BAE Systems acquired Ball Aerospace for INR 456 billion (USD 5.5 billion), with the deal closing on February 16, 2024.
- In November 2023, Amentum announced a merger with Jacobs' Critical Mission Solutions and Cyber & Intelligence businesses, creating a publicly traded entity with INR 1080 billion (USD 13 billion) in revenue upon completion.
- In August 2023, OHB Technology planned to sell a minority stake to KKR and delist as a public company in a deal valued at INR 69 billion (USD 830 million).
- L3Harris completed its acquisitions of Aerojet Rocketdyne and Viasat's Technical Data Link.
- In late 2023, Jeff Bezos's Blue Origin and a private equity firm proposed acquiring United Launch Alliance (ULA), which is jointly owned by Lockheed Martin and Boeing and builds launch vehicles for Amazon's Kuiper satellite network.

Threats & Challenges

The threats & challenges faced by a company that manufactures and supplies metal components to defence & aerospace industry

- **Regulatory Compliance**: Companies must adhere to strict regulations such as the International Traffic in Arms Regulations (ITAR) and standards like AS9100. These regulations ensure the security, reliability, and quality of products supplied to the defense and aerospace sectors.

Compliance involves extensive documentation, audits, and adherence to specific production processes. Non-compliance can result in heavy fines, legal actions, and loss of business opportunities.

- **Supply Chain Disruptions**: The supply chain for metal components is global, involving numerous suppliers and logistics providers. Disruptions can occur due to geopolitical tensions, natural disasters, pandemics, or logistical issues.

Delays in the supply chain can halt production, increase costs, and lead to missed deadlines. Companies must develop resilient supply chains and contingency plans to mitigate these risks.

- **Technological Advancements**: The defense and aerospace sectors continuously innovate, requiring manufacturers to adopt new technologies and manufacturing processes.

Keeping up with technological advancements necessitates significant investment in research and development (R&D), new equipment, and training for employees. Failure to innovate can result in obsolescence and loss of competitive edge.

- **Cybersecurity Threats**: Cyber-attacks targeting the defense and aerospace industries can compromise sensitive data and intellectual property.

Companies must implement robust cybersecurity measures to protect against data breaches, espionage, and sabotage. This involves continuous monitoring, updating security protocols, and educating employees on cyber hygiene.

- **Economic Fluctuations**: Economic downturns can lead to reduced government budgets for defense and fluctuating demand in the aerospace sector.

Companies must navigate financial uncertainty, manage costs, and adjust to changing market conditions. Diversifying their customer base and maintaining financial health is crucial for stability.

- **Market Competition**: The defense and aerospace industries are highly competitive, with numerous domestic and international players vying for contracts.

Companies need to maintain cost-efficiency, high quality, and innovation to stay competitive. Building strong relationships with clients and continuously improving their offerings are key to gaining a competitive advantage.

- **Workforce Challenges**: Skilled labor shortages and the need for continuous training to keep up with technological advancements are ongoing issues.

Attracting, retaining, and training skilled workers is essential. Companies must invest in workforce development programs, offer competitive salaries, and create a positive work environment to address these challenges.

Trends and Innovations in Aerospace and Defense Manufacturing:

The aerospace and defense manufacturing sector is continuously evolving due to dynamic technological and geopolitical shifts. Major advancements have emerged in areas such as artificial intelligence, robotics, material science, and additive manufacturing. This post highlights the emerging trends and innovations set to reshape national security, global transportation, and space exploration.

Advanced Materials Revolutionize Structures

Advanced materials are redefining aerospace and defense manufacturing. Traditional metals like aluminum and titanium are increasingly being replaced by lightweight composites and alloys. Materials such as carbon fiber composites, titanium alloys, and ceramic matrix composites are enhancing strength, stiffness, and thermal properties while reducing weight. This shift is improving aircraft performance, fuel efficiency, and sustainability. Companies like BFS Manufacturing are leading the way with these innovations. Additionally, advancements in nanomaterials and metamaterials are paving the way for next-generation aircraft and defense systems.

Additive Manufacturing Transforms Production

Additive manufacturing, or 3D printing, is becoming integral in creating aircraft and spacecraft components. NASA, for example, is exploring 3D printing for constructing spacecraft and planetary habitats using in-situ resources. As the technology evolves, additive manufacturing will become essential for rapid prototyping, producing low-volume parts, and designing complex components that traditional methods cannot achieve.

Automation and Robotics Enhance Efficiency

Automation and advanced robotics are increasingly being utilized on the factory floor. While human workers remain crucial for specialized tasks, collaborative robots are automating dangerous, repetitive jobs safely. This technology is enhancing precision and efficiency in manufacturing. Major defense companies are also expanding their use of intelligent robotics for tasks such as cutting, welding, painting, material handling, and quality control.

Connected Factories Enable Data-Driven Decisions

Connected manufacturing leverages the Industrial Internet of Things (IIoT), big data analytics, and artificial intelligence (AI) to provide comprehensive system-wide data. Networked sensors offer real-time insights into equipment health, inventory levels, and supply chain flows. AI supports decision-making by identifying production issues early and optimizing processes based on continuous data. The goal is to create autonomic factories that adjust workflows dynamically to maximize efficiency and output quality.

NewSpace Disrupts Aerospace Markets

The New Space Age, marked by private sector involvement, is disrupting traditional space exploration. Companies like SpaceX, with innovations such as reusable first-stage boosters, are challenging established space launch services. This NewSpace approach, driven by commercial goals, could transform military access to space capabilities by adopting practices that enhance agility, cost-efficiency, and rapid testing.

Sustainability Becomes Essential

Sustainable manufacturing practices are gaining prominence as the defense industry is a major consumer of energy and materials. Processes such as forging, casting, and painting demand significant carbon-based energy inputs. By transitioning to renewable energy, optimizing material usage, reducing waste, and recycling, defense and aerospace manufacturers can improve sustainability and resilience against energy supply disruptions.

Emerging Innovations Shape Future Potential

Emerging technologies hold potential for future defense production. Quantum computing may accelerate optimization tasks, blockchain could enhance supply chain transparency, and hypersonic flight might open new operational possibilities. Advances in nanotechnology, energetic chemistry, and cognitive science could lead to new materials, propellants, and autonomous systems, driving future capabilities.

Adaptability and Partnerships

In a rapidly evolving R&D environment, agility and adaptability are crucial. Companies must stay updated on technological advancements and market needs to leverage innovation. Collaborations with research institutions, startups, and technology firms can broaden technological horizons. Visionary leadership will be key in achieving breakthroughs such as defect-free digital manufacturing and comprehensive data analytics.

Manufacturing Excellence as a Strategic Advantage

Investing in digital technologies and forming strategic partnerships will enable aerospace and defense manufacturers to boost efficiency, resilience, and competitiveness. Upcoming innovations are set to shape the next generation of aircraft, missile defense systems, space technologies, and multifunction platforms, providing a strategic edge. Manufacturers and military leaders must strategically plan to maintain technological leadership through manufacturing excellence.

<u>Industrial & Precision Casting Industry</u>

Overview View

Precision Casting

Precision casting, also known as investment casting or lost-wax casting, is a manufacturing process renowned for its ability to produce highly detailed and accurate metal parts. The process begins with creating a wax pattern, which serves as an exact replica of the final product. This pattern is then coated with multiple layers of ceramic slurry, forming a durable shell around it. Once the shell is hardened, the wax is melted and removed, leaving a precise cavity that will be filled with molten metal. The metal solidifies within the ceramic mold, and after cooling, the ceramic shell is removed to reveal the final metal casting. This process is known for its capability to produce complex shapes with high dimensional accuracy and a smooth surface finish.

Precision casting is highly valued across various industries due to its ability to create intricate and complex components that meet stringent specifications. In the aerospace sector, it is used to manufacture critical components such as turbine blades and structural parts, which must withstand extreme conditions. The automotive industry relies on precision casting for high-performance engine components, transmission parts, and other critical systems that demand both strength and precision. Additionally, the medical industry uses this technique to produce surgical instruments and implants, where accuracy and biocompatibility are crucial. The defence sector also benefits from precision casting, utilizing it to produce reliable and durable components for military applications.

Overall, precision casting is an indispensable process across industries where performance, safety, and precision are paramount. Its ability to deliver detailed and accurate components, coupled with material versatility, makes it a preferred method for manufacturing high-quality parts in aerospace, automotive, medical, and defence applications. The process's high precision and capability to produce complex shapes ensure that it remains a critical manufacturing technique for producing parts that meet the rigorous demands of these sectors.

Industrial Casting

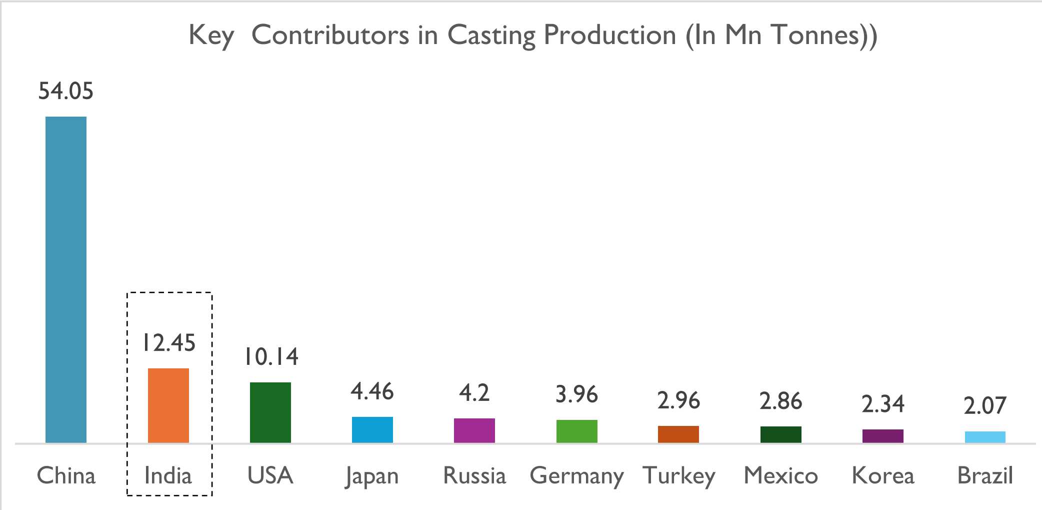
Industrial casting is a manufacturing process that produces metal parts by pouring molten metal into molds, enabling the creation of complex shapes and sizes essential for various industries. The process begins with pattern creation, where a model of the final part is made from materials like wax, plastic, or metal. This pattern serves as a template for the mold, which is then prepared using materials such as sand or ceramic. After the mold is ready, the chosen metal is melted and poured into the mold cavity, where it cools and solidifies into the desired shape. Once solidified, the mold is removed, and the cast part undergoes finishing processes to meet the required specifications.

Key features of industrial casting include its versatility in producing a wide range of part sizes and shapes, its flexibility in material choice, and its cost-effectiveness in large-scale production. Different casting methods, such as sand casting, die casting, and investment casting, offer varying levels of precision and surface finish, making it adaptable to diverse manufacturing needs. The process supports a high production rate, particularly beneficial for industries requiring mass production, such as automotive and construction.

Industrial casting is utilized across several sectors, including automotive, construction, machinery, and energy. In the automotive industry, it is used to produce essential components like engine blocks and transmission cases. In construction, casting creates structural components and fittings, while in machinery, it produces parts like gearboxes and pump housings. In the energy sector, casting is vital for manufacturing turbine components and valve bodies, highlighting its role in enabling the production of durable and complex parts across various industries.

Global Scenario

According to the 56th World Casting Census published by Modern Castings USA, global casting production experienced a significant rebound in Calendar Year (CY) 2021, rising by 6.6% to reach 112.5 Mn metric tonnes. This increase follows a period of subdued performance in 2020 due to the COVID-19 pandemic. The leading positions in global casting production remain dominated by China, India, and the United States. China continues to lead with an impressive 54.05 Mn metric tonnes of castings, while India holds the second spot with 12.49 Mn metric tonnes.

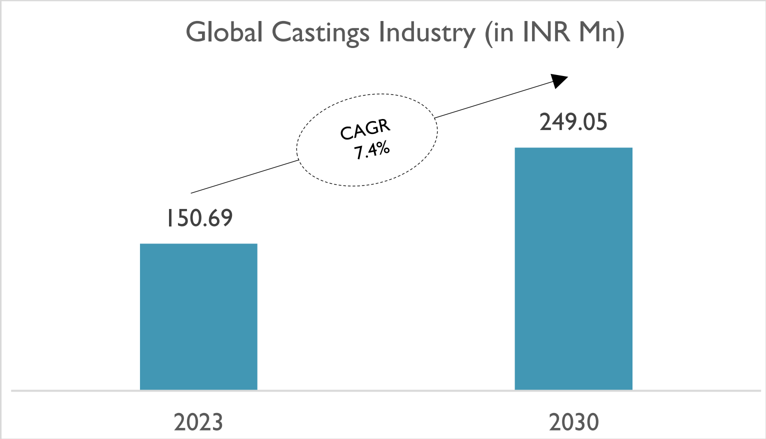


Source: World Casting Census

The global metal casting market saw substantial valuation in 2021 and is expected to experience significant growth in the coming years. Projections indicate that the market will expand at a strong annual growth rate, reflecting increasing demand and technological advancements. By the end of the forecast period, the market is anticipated to reach a considerably higher valuation, driven by various factors including industry developments and evolving applications.

The global casting industry is poised for significant growth over the next several years, according to recent market projections. In 2023, the industry was valued at approximately USD 150.69 Bn. By 2030, it is expected to reach a substantial USD 249.05 Bn, marking a considerable expansion in the sector.

This growth trajectory translates to a CAGR of 7.44% between 2023 and 2030. Such a robust CAGR indicates strong and consistent year-over-year growth, suggesting a bullish outlook for the casting industry. This steady increase reflects the industry's resilience and its ability to capitalize on emerging opportunities across various end-use sectors.

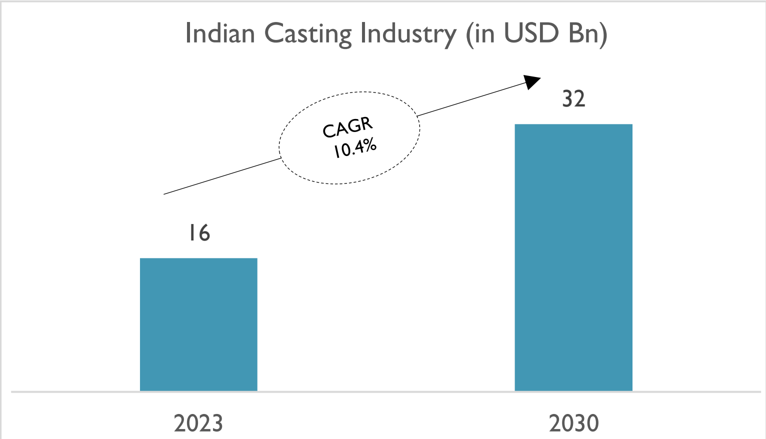


Source: D&B Desk Research

The projected growth from USD 150.69 Bn to USD 249.05 Bn represents an increase of nearly USD 98.36 Bn over the seven-year period. This substantial rise in market value underscores the casting industry's vital role in supporting manufacturing processes across multiple industries, including automotive, aerospace, construction, and industrial machinery.

Indian Scenario

India has emerged as the second-largest producer of castings globally, with over 4,500 foundry units operating across small, medium, and large-scale sectors. Notably, around 90% of these units are classified as MSMEs, with approximately 1,700 units holding international quality accreditation. Several large foundries in India are modern and globally competitive. The Indian foundry industry is on a growth trajectory, aiming to double its market size to USD 32 Bn and increase its annual production capacity to 21 Mn tonnes over the next 5-7 years. Currently, the industry has a market size of USD 16 Bn with a production capacity of 10.5 Mn tonnes per annum, where grey iron castings account for about 68% of total production. The industry employs around 5 lakh people directly and 15 lakhs indirectly. Significant investments, estimated at INR 5 Bn, are expected as both domestic and international players look to expand capacities in India.



Source: Foundry Informatics centre

Despite its growth, the Indian foundry industry faces challenges, particularly due to the rising prices of raw materials, which have led to a 50% increase in production costs. Foundries in Gujarat have reduced production by at least 50%, and 10% of these units have ceased operations entirely. In West Bengal, many foundries remain idle, unable to sell finished products after absorbing increased input costs. To address these challenges, the finance ministry revised import duties on key raw materials like coking coal, anthracite, and ferronickel to zero, and raised export duties on certain steel intermediates to stabilize prices and support the industry.

The Indian foundry industry is a significant contributor to the global casting market, with a production output of 14.16 Mn metric tonnes annually, reflecting a notable increase from the previous year. The industry generates a revenue of USD 20 Bn, with exports totalling USD 3.94 Bn in 2022-23. Key end-users of castings include the automotive sector (32%), industrial machinery (7%), pipes and fittings (9%), agriculture machinery (8%), and railways (6%). The sector's economic impact is substantial, as it supports India's broader manufacturing goals to boost the share of manufacturing in GDP to 25% and create 100 Mn additional jobs over the next decade.

Key Drivers & Challenges

Challenges in the Casting Industry

- Raw Material Costs: The casting industry is highly dependent on raw materials like metals and alloys. Fluctuations in the prices of these materials can significantly impact production costs and profitability. The industry must manage these fluctuations while maintaining competitive pricing.
- Environmental Regulations: Stringent environmental regulations regarding emissions, waste management, and energy consumption pose significant challenges. Compliance with these regulations often requires substantial investment in technology and processes, increasing operational costs.
- Skilled Labor Shortage: The casting process requires skilled labour to operate machinery, handle molten metals, and ensure quality control. A shortage of skilled workers, combined with the aging workforce in some regions, presents a challenge to maintaining production efficiency and quality.
- Technological Advancements: While advancements in technology, such as automation and 3D printing, offer potential benefits, they also pose challenges. The industry must invest in new technologies to stay competitive, which can be costly and require a steep learning curve for the workforce.
- Energy Consumption: Casting processes are energy-intensive, leading to high operational costs. Managing energy consumption and finding ways to improve energy efficiency are ongoing challenges, especially with rising energy prices and environmental concerns.

Growth Drivers for the Casting Industry

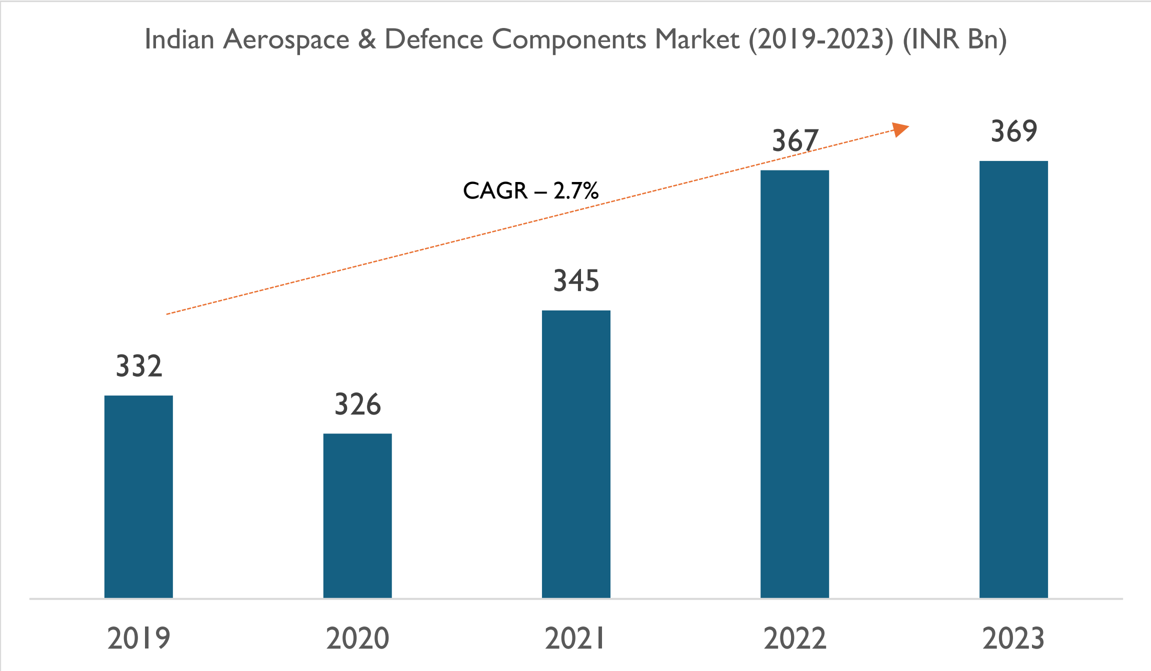
- Rising Demand in Automotive and Construction Sectors: The automotive and construction industries are major consumers of cast products. As these sectors continue to grow, particularly in emerging markets, the demand for casting services is expected to rise, driving growth in the industry.
- Technological Innovations: Advances in casting technologies, such as improved molding techniques, automation, and the integration of 3D printing, are enhancing production efficiency and quality. These innovations are making casting more cost-effective and expanding its application across various industries.

- Industrialization and Urbanization: The ongoing industrialization and urbanization in developing countries are leading to increased demand for machinery, infrastructure, and transportation. This, in turn, is driving the need for cast components in sectors like construction, energy, and transportation.
- Customization and Complex Designs: The growing demand for customized and complex designs in industries such as aerospace, defence, and medical devices is propelling the need for advanced casting processes. The ability to produce intricate and precise components is a significant growth driver for the industry.
- Sustainability Initiatives: As industries focus on sustainability and reducing their environmental footprint, the casting industry is increasingly adopting eco-friendly practices and materials. These initiatives are not only helping companies comply with regulations but also attracting clients who prioritize sustainability, thereby driving growth.

Indian Defence & Aerospace component industry

Market Scenario

The Indian Aerospace and Defence (A&D) Industry is primarily dominated by the defence sector. Key players in the Indian A&D sector are the Defence Public Sector Undertakings (DPSUs), making government defence projects, policies, and funding crucial to the industry's development. The Indian Aerospace and Defence Industry grew at a CAGR of 2.7% between 2019 and 2023, reaching INR 367 billion 2023.



Industry Sources, D&B Analysis

Competitive Landscape

While, historically dominated by government entities like HAL and ISRO, the aerospace sector in India has recently seen significant growth from private companies such as Tata, Mahindra, and L&T, leveraging their engineering skills. Many private firms have positioned India as a preferred destination for aero structures and components. Global OEMs have established joint ventures for manufacturing aerospace parts used in commercial and defence aircraft. However, India still needs to expand its facilities to provide complete aerospace solutions.

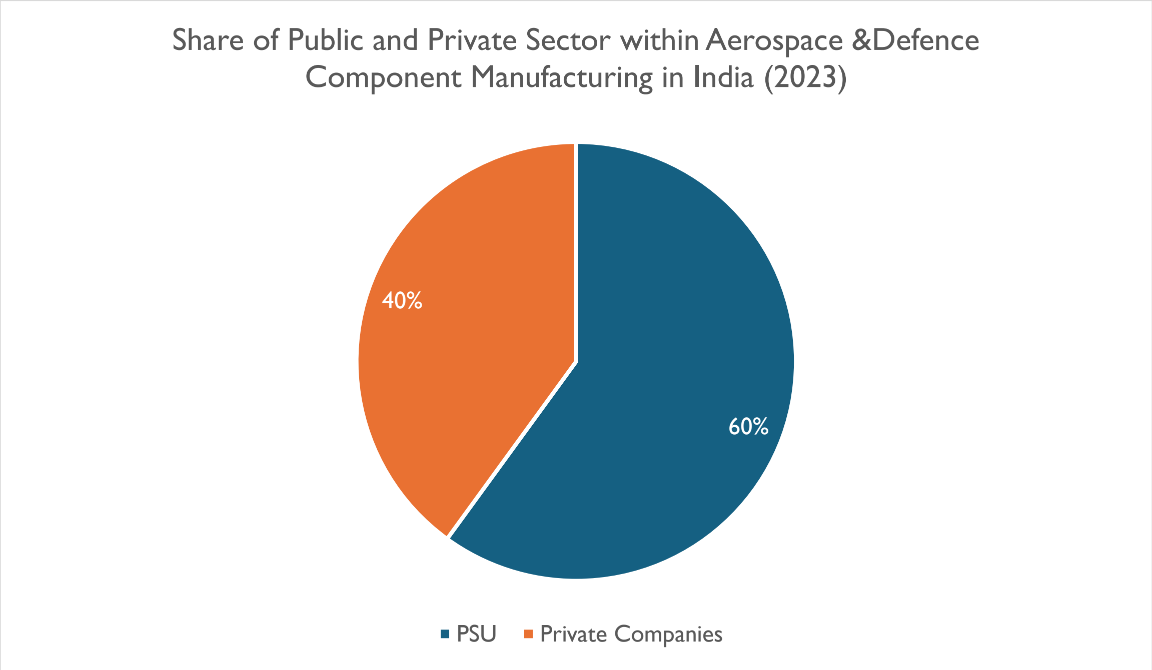
Airbus currently procures aircraft components valued at INR 62 billion (USD 750 million) from India, with plans to double this to INR 124 billion (USD 1.5 billion). The company works with over 40 suppliers in India, both public and private, who supply engineering, manufacturing, digital, innovation, and customer service solutions for all commercial platforms, as well as various helicopter and defence platforms.

Boeing currently sources over INR 83 billion (USD 1 billion) annually from India through its extensive and expanding network of more than 300 supplier partners, with over 25% being Micro, Small, and Medium Enterprises (MSMEs). The company has also established a joint venture with Tata Advanced Systems Ltd. (TASL) called Tata Boeing Aerospace Limited (TBAL) in Hyderabad, supporting the Make in India and Aatmanirbhar Bharat initiatives.

Global aerospace OEMs like GE Aviation and Rolls-Royce have significant operations in India, underscoring the country's growing role in the sector. GE Aerospace plans to invest over Rs 240 crore (around USD 30 million) to upgrade its Pune facility, which produces components for commercial jet engines such as the G90, GEnx, GE 9X, and LEAP engines.

Rolls-Royce has an engineering centre in Bengaluru with over 1,000 engineers working on various aerospace projects. It also operates a supply chain unit in India, sourcing components from over 40 domestic suppliers, including Tata Advanced Materials, Hindustan Aeronautics Limited (HAL), and TCS for engineering services.

In the Defence sector, of the total value of production (VoP) for 2023-24, approximately 79.2% was contributed by Defence Public Sector Undertakings (DPSUs) and other Public Sector Undertakings (PSUs), while the private sector accounted for 20.8%. This data highlights a notable contribution from both public and private sectors in the defence production landscape.



Industry Sources, D&B Research

The substantial share of DPSUs/PSUs reflects their significant role and established presence in the defence manufacturing sector. These public entities have a long history of contributing to the nation's defence capabilities, often focusing on large-scale projects and high-value equipment.

Meanwhile, the private sector's contribution of 20.8% signifies its growing involvement and increasing capability in defence production. Over recent years, private companies have progressively enhanced their expertise, infrastructure, and technological capabilities, allowing them to play a more prominent role in this traditionally public-dominated field.

Both sectors have recorded steady growth in absolute terms. The DPSUs/PSUs have continued to expand their production capacities and capabilities, benefiting from government policies, investments, and a steady stream of contracts. Simultaneously, the private sector has experienced growth driven by liberalized policies, government incentives, and the emphasis on initiatives like 'Make in India' and 'Aatmanirbhar Bharat,' which encourage private participation and indigenous production. This balanced growth across both public and private sectors is crucial for diversifying and strengthening the defence industrial base in India, ensuring a robust and self-reliant defence manufacturing ecosystem.

Key Demand Drivers

There are multiple factors that drive the defence and aerospace component industry in India. These factors collectively drive the growth and development of India's defence and aerospace component industry, positioning it as a significant player on the global stage.

Key Drivers	**Description**
Government Policies and Initiatives	The Indian government has rolled out various policies to boost domestic defence and aerospace capabilities. These policies aim to increase local manufacturing, enhance technology transfer, and reduce reliance on imports. Defence Budget 2024: The Indian Union Budget for FY 2024 allocated INR 5,940 billion (approximately $72 billion) for defence, a 10% increase from FY 2023. This rise in budget reflects the government's commitment to strengthening defence capabilities and investing in indigenous production. "Make in India" Initiative: Launched in 2014, this initiative has led to a 25% increase in domestic defence production. It focuses on encouraging local manufacturing and reducing imports, driving growth in the defence and aerospace sectors.
Growing Defence Budget	The consistent increase in defence spending demonstrates India's focus on modernizing its military and expanding its defence capabilities, which in turn boosts demand for domestic aerospace components and technology. Annual Defence Budget increased by 10% YoY and is aimed at enhancing defence infrastructure and expanding indigenous production capabilities.
Private Sector Participation	The involvement of private companies in the defence sector has led to significant improvements in production capabilities and technological advancements. Private players bring expertise from other industries and invest heavily in aerospace manufacturing. Growth in Production: Private sector contributions have led to a 40% increase in domestic defence production over the past five years. Companies such as Tata Advanced Systems and Mahindra Aerospace have been key players in this growth, contributing to a more diversified and capable defence manufacturing base.
Technological Advancements	Advances in aerospace technology and manufacturing processes are crucial for producing high-quality components. Continuous improvements in technology drive innovation and enhance the competitiveness of Indian aerospace products.

	R&D Investment: In 2023, investment in aerospace R&D in India was approximately INR 40 billion (USD 480 million). This investment supports the development of advanced technologies, including next-generation materials and manufacturing techniques.
Strategic Partnerships and Joint Ventures	Collaborations between Indian companies and global OEMs help transfer technology, enhance production capabilities, and ensure adherence to international standards. These partnerships are vital for integrating India into the global aerospace supply chain. Joint Ventures: India has established over 40 joint ventures with global OEMs such as Lockheed Martin, Boeing, and Airbus. These partnerships have led to the production of aerospace components valued at around INR 200 billion (USD 2.4 billion) annually, showcasing the scale and impact of these collaborations.
Infrastructure Development	Investment in dedicated aerospace infrastructure, including parks and research facilities, is essential for supporting industry growth. These developments provide the necessary resources and reduce operational costs for aerospace manufacturers. Aerospace Parks: The Indian government has developed seven dedicated aerospace parks, such as the Aerospace SEZ in Bengaluru and the Aerospace Park in Hyderabad. These parks have attracted over INR 100 billion (USD1.2 billion) in investments, enhancing the industry's infrastructure and capabilities.
Skilled Workforce	A skilled workforce is crucial for the aerospace sector, providing the necessary expertise for designing, manufacturing, and maintaining high-tech components. India’s growing pool of trained professionals supports the industry’s development. Employment: The aerospace and defence sector in India employs over 150,000 professionals. There are more than 50,000 engineers specializing in aerospace technology. Over the past three years, the number of trained engineers has increased by 15%, reflecting the sector’s growing educational and training infrastructure.
Global Supply Chain Integration	Integration into the global aerospace supply chain provides access to international markets and investment opportunities. India’s role in this chain is expanding, enhancing its position as a key player in global aerospace manufacturing. Exports: In 2023, India’s aerospace and defence exports reached INR 360 billion (USD 4.3 billion). This growth indicates the increasing role of India in the global supply chain and its success in accessing international markets.
Increased R&D Investment	Investment in research and development is critical for fostering innovation and advancing technology in the aerospace sector. Both government and private sector investments play a key role in driving progress.

	Total R&D Investment: Investment in aerospace and defence R&D in India was approximately INR 7.5 billion (USD 900 million) in 2023. This substantial investment supports the development of cutting-edge technologies and enhances the sector’s global competitiveness.
Strategic Geopolitical Position	India’s strategic location and growing regional influence make it a significant player in the global defence and aerospace markets. Its geopolitical position attracts international collaborations and investments, further boosting the industry. Collaborative Projects: Strategic initiatives like the Indo-US Defence Technology and Trade Initiative (DTTI) have resulted in collaborative projects valued at over 150 billion (USD 1.8 billion) in recent years. These projects highlight India’s geopolitical importance and its role in international defence collaborations.

Regulatory Landscape

India is reducing its dependence on foreign suppliers through a combination of policy initiatives that leverage the design and manufacturing capabilities of public enterprises, large business conglomerates, and startups. Two significant policy measures are the notification of positive indigenisation lists and allocating 75% of the capital acquisition budget for procurement from local companies.

The government has approved nearly 45 companies and joint ventures operating in the defence sector with foreign original equipment manufacturers (OEMs). Additionally, the Innovations for Defence Excellence (iDEX) scheme has been launched to create an ecosystem that fosters innovation and encourages technology development in defence by engaging R&D institutes, academia, industries, startups, and individual innovators.

Of the 4,666 defence items listed for indigenisation, including assemblies, sub-assemblies, raw materials, critical spares, and components, 2,920 items have already been indigenised. Each year, 40 to 50 licences are issued for defence production.

Among the major defence items being exported, besides the high-profile BrahMos missile systems, are Dornier-228 aircraft, ALH helicopters, SU avionics, artillery guns, radars, armoured vehicles, rockets and launchers, monocular and binocular devices, lightweight torpedoes and fire-control systems, weapons-locating radars, HF radios, Kavach MOD, drones, artillery systems, explosives, and coastal surveillance radars.

Government Policies/Schemes	**Description**
Production-Linked Incentive (PLI)	In 2020, the Indian government unveiled the Production-Linked Incentive (PLI) scheme for the aerospace and drone industries. This scheme, part of the broader "Make in India" campaign, offers financial incentives to companies that establish manufacturing facilities in India. The primary aim is to create a robust ecosystem for aerospace manufacturing and reduce the country's reliance on

	imports. By providing financial support, the scheme encourages both domestic and international companies to invest in India, fostering innovation, enhancing manufacturing capabilities, and strengthening the overall aerospace and defence sector.
Foreign Direct Investment (FDI)	The Indian government has significantly streamlined foreign direct investment (FDI) norms in the aerospace sector by permitting 100% FDI under the automatic route. This policy shift eliminates the need for prior government approval, making it substantially easier for global aerospace companies to invest in India. By reducing bureaucratic hurdles, this move aims to attract international expertise, technology, and capital, fostering the development of a competitive and self-reliant aerospace industry. This reform is a crucial step in enhancing India's aerospace manufacturing capabilities, promoting innovation, and boosting the sector's growth.
Uniform Taxation	India has set a unified 5% tax on all imports of aircraft components and engine parts, standardizing the previously varied rates of 5% to 28%. Effective from February 26, 2024, this uniform rate was recommended by the GST Council in June and applies to imports of parts, components, testing equipment, tools, and tool-kits for aircraft.

Export of Aerospace & Defence Components from India

Leading aircraft OEMs, such as Boeing and Airbus, view India as a crucial market for both exports and manufacturing. This is driven by the country's high demand for aircraft, parts, and equipment, its strategic geographic position, engineering prowess, and cost-effective labor. Foreign OEMs are increasingly partnering with Indian suppliers and small- and medium-sized enterprises to meet Tier-1 supplier requirements and to build a robust aerospace industry ecosystem within India.

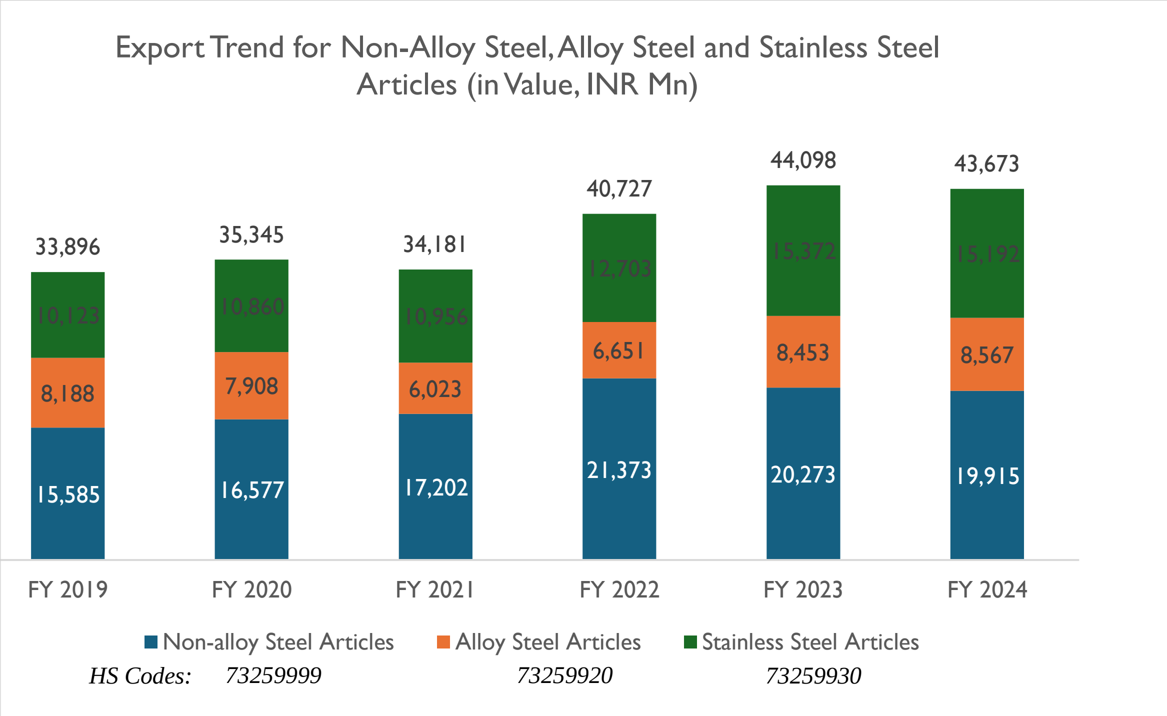
The Indian Ministry of Defence aims to reach a turnover of INR 2075 million (USD 25 million) in aerospace and defence manufacturing by 2025, with INR 415 billion (USD 5 billion) of that coming from exports. Additionally, the government has set a goal for defence manufacturing to reach INR 1,750,000 million (USD 21.14 billion) by 2024-25, which includes INR 3,50,000 million (USD 4.22 billion) in defence exports[7].

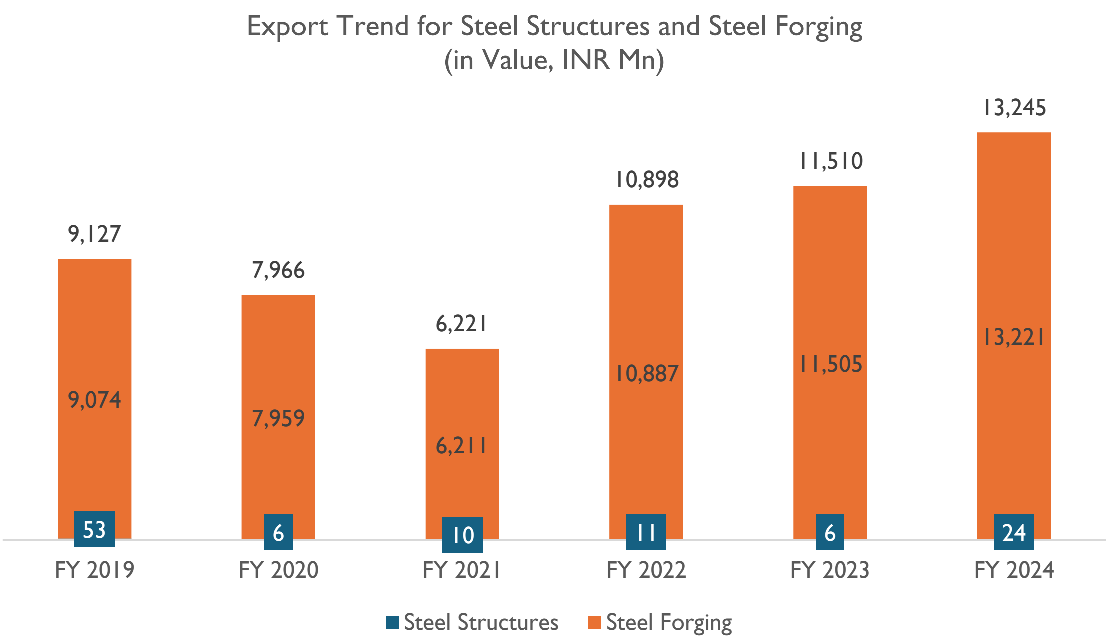
Annual Export Trend

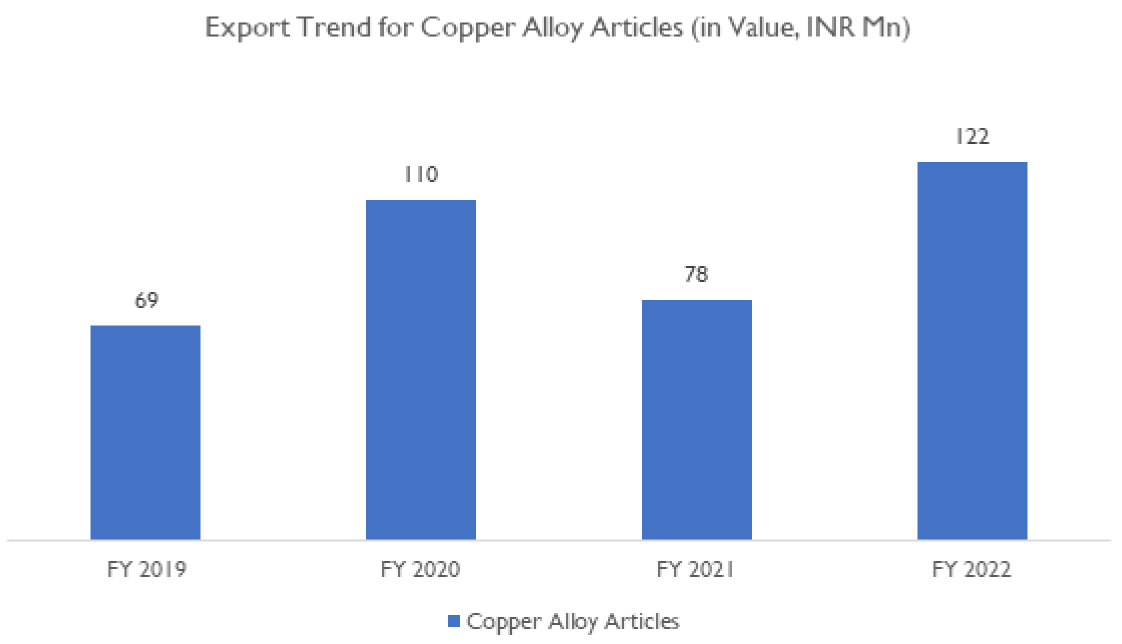
Within Non-Alloy Steel, Alloy Steel and Stainless-Steel Articles exports, Stainless Steel Articles is the fastest growing raw material used in aerospace and defence components from India. Exports for this commodity has

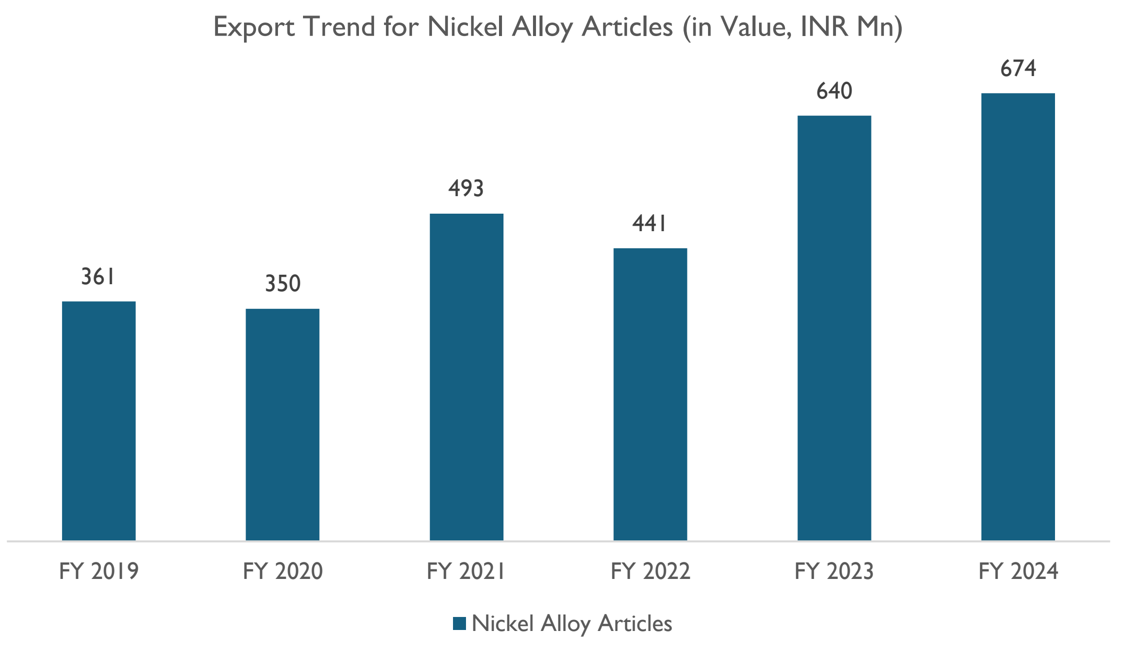
[7] IBEF

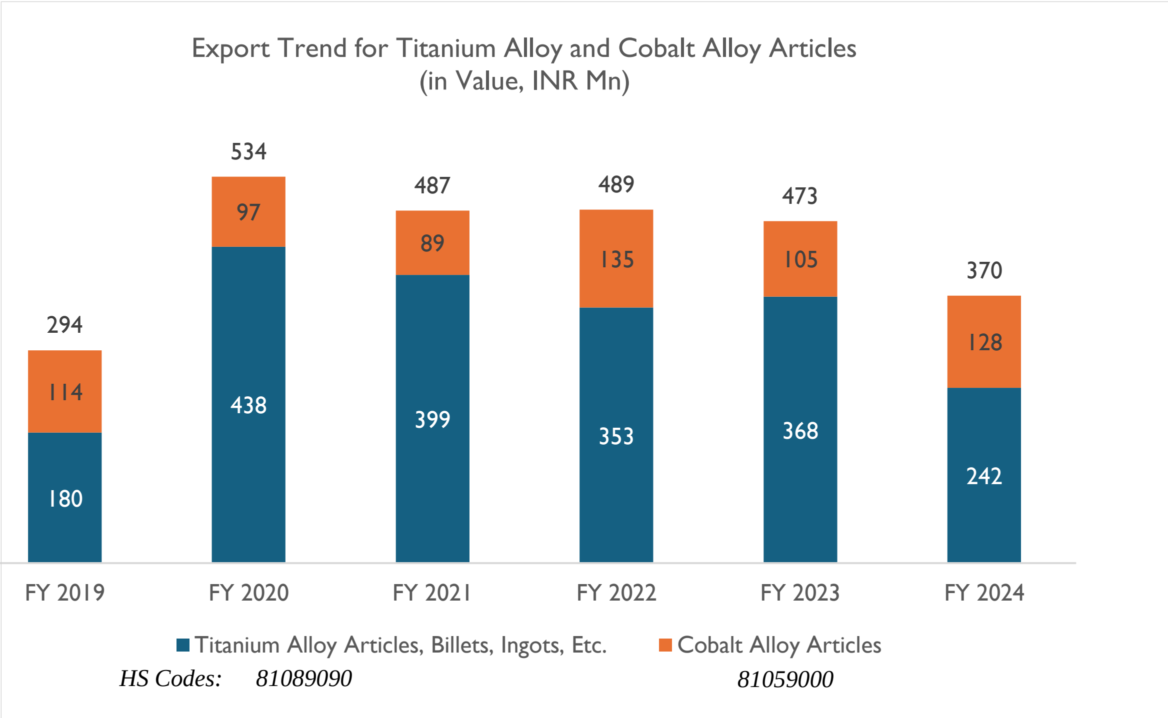
increased at a CAGR of 8.5% between FY2019 and FY2024, followed by Non-Alloy Steel Articles, growing at 5% CAGR during the same period.






Export Trend for Copper Alloy Articles (in Value, INR Mn)
69
110
78
122
FY 2019
FY 2020
FY 2021
FY 2022
Copper Alloy Articles


Export Trend for Nickel Alloy Articles (in Value, INR Mn)
361
350
493
441
640
674
FY 2019
FY 2020
FY 2021
FY 2022
FY 2023
FY 2024
Nickel Alloy Articles


Export Trend for Titanium Alloy and Cobalt Alloy Articles
(in Value, INR Mn)
294
114
180
534
97
438
487
89
399
489
135
353
473
105
368
370
128
242
FY 2019
FY 2020
FY 2021
FY 2022
FY 2023
FY 2024
Titanium Alloy Articles, Billets, Ingots, Etc.
Cobalt Alloy Articles
HS Codes: 81089090
81059000

Defense Manufacturing Scenario in India

In pursuance of the policy of Government of India for "Make in India" and the mandate given in "Atmanirbhar Bharat Abhiyan" for indigenization and promotion of Indian industry, the proposals which were accorded Acceptance of Necessity (AoN) under Buy (Global) category of Capital Acquisition in the past have been reviewed as per DAP-2020 and the Defence Acquisition Council (DAC) has approved cancellation/closure of AoN for 09 such proposals worth INR 466.95 billion. The details of service-wise platforms cannot be shared in the interest of national security.

Key Developments / Regulatory Changes[8]

The Government has taken several policy initiatives in the past few years under 'Make in India' program and brought in reforms to encourage Indigenous design, development, and manufacture of defence equipment in the country, including the design and development of projects like Kamov 31. These initiatives, inter-alia, include:

- Priority to procurement of capital items from domestic sources under Defence Acquisition Procedure (DAP)-2020
- Announcement of 18 major defence platforms for industry led design & development.
- Notification of two 'Positive Indigenisation Lists' of total 209 items of Services and one 'Positive Indigenisation List' of total 2,851 items of Defence Public Sector Undertakings (DPSUs), for which there would be an embargo on the import beyond the timelines indicated against them; Simplification of Industrial licensing process with longer validity period.
- Liberalisation of Foreign Direct Investment (FDI) policy allowing 74% FDI under automatic route; Simplification of Make Procedure.
- Launch of Innovations for Defence Excellence (iDEX) scheme involving startups & Micro, Small and Medium Enterprises (MSMEs).
- Implementation of Public Procurement (Preference to Make in India) Order 2017.
- Launch of an indigenization portal namely SRIJAN to facilitate indigenisation by Indian Industry including MSMEs.
- Reforms in Offset policy with thrust on attracting investment and Transfer of Technology for Defence manufacturing by assigning higher multipliers.
- Establishment of two Defence Industrial Corridors, one each in Uttar Pradesh and Tamil Nadu.

A Draft 'Defence Production & Export Promotion Policy (DPEPP) 2020' was placed in the public domain by the Department of Defence Production, Ministry of Defence, and is the Ministry of Defence's overarching guiding

[8] Ministry of Defence, Invest India

document to provide a focused, structured and significant thrust to defence production capabilities of the country for self-reliance and exports in Defence sector, including Aerospace and Naval Shipbuilding sectors.

In the Interim Union Budget 2024-25, the Capital Allocations for modernization and infrastructure development of the Defence Services have been increased to INR 1,660 billion (USD 20 billion) representing a rise of 9.4% over FY 2023-24. The industry gets INR 6.22 Lakh Cr (USD 74.93 Bn.) in Union Budget 2024-25, a jump of 4.79% YoY.

Ministry of Defence has set a target of achieving a turnover of INR 1,660 billion (USD 20 billion) in aerospace and defence Manufacturing by 2025, which includes exports of INR 350 billion (USD 4.21 billion). Till April 2023, a total of 606 Industrial Licenses have been issued to 369 companies operating in Defence Sector.

To support the domestic defence industry the government aims to ensure transparency, predictability, and ease of doing business by creating a robust eco-system and supportive government policies. Towards this end, the government has taken steps to bring about de-licensing, de-regulation, export promotion, and foreign investment liberalization. The Department of Defence Affairs (DMA) has promulgated five Positive Indigenisation Lists comprising 5,012 items. Additionally, to promote export and liberalize foreign investments FDI in Defence Sector has been enhanced up to 74% through the Automatic Route and 100% by Government Route.

The government has also announced 2 dedicated Defence Industrial Corridors in the States of Tamil Nadu and Uttar Pradesh to act as clusters of defence manufacturing that leverage existing infrastructure, and human capital. Further, to enable innovation within the Defence & Aerospace eco-system there are supportive government schemes such as iDEX ((Innovations for Defence Excellence) and DTIS (Defence Testing Infrastructure Scheme).

Key Achievements

In the financial year 2023-24, India’s defence exports reached a record INR 218 billion (USD 2.63 billion), marking a 32.5% increase from the previous fiscal year, when the figure was INR 159 billion (USD 1.91 billion). Over the past decade, the growth has been even more dramatic, with defence exports increasing twenty-onefold from INR 43 billion (USD 519 million) during 2004-05 to 2013-14 to INR 883 billion (USD 10.64 billion) from 2014-15 to 2023-24. This surge is driven by the government’s robust indigenization efforts aimed at achieving self-reliance in defence, as India seeks a more prominent strategic role globally while striving to become the world’s third-largest economy.

The rapid expansion in defence manufacturing and exports has propelled many PSU defence stocks to new heights. While the private sector has spearheaded this growth, defence PSUs have also made significant contributions, with the private sector and PSUs accounting for approximately 60% and 40%, respectively. Additionally, there has been an increase in the number of export authorizations issued to defence exporters, rising from 1,414 in 2022-23 to 1,507 in 2023-24.

India is constructing a vast defence-industrial complex, incorporating major corporates like L&T, Godrej, and Adani, alongside PSUs, startups, research bodies, and manufacturers of everything from ballistic missiles such as BrahMos and fighter jets to artillery shells and night-vision devices. The country is reducing its reliance on foreign suppliers through policy initiatives that leverage the design and manufacturing capabilities of public enterprises, large business conglomerates, and startups. Key initiatives include the notification of positive indigenization lists and allocating 75% of the capital acquisition budget for local procurement.

The government has approved nearly 45 companies and joint ventures in the defence sector with foreign OEMs and launched the Innovations for Defence Excellence (iDEX) scheme, which aims to cultivate an ecosystem for innovation and technology development in defence, engaging R&D institutes, academia, industries, startups, and individual innovators.

Out of 4,666 defence items listed for indigenization, including assemblies, sub-assemblies, raw materials, critical spares, and components, 2,920 have already been indigenized. Between 40 to 50 licenses are issued annually for defence production. Major defence exports, alongside the prominent BrahMos missile systems, include Dornier-228 aircraft, ALH helicopters, SU avionics, artillery guns, radars, armoured vehicles, rockets and launchers, torpedo loading mechanisms, alarm monitoring and control systems, night-vision monocular and binoculars, lightweight torpedoes, fire-control systems, weapons-locating radar, HF radios, Kavach MOD, drones, artillery systems, explosives, and coastal surveillance radars.

Global Aerospace Industry

The global aerospace industry, particularly the commercial aviation sector, is a critical component of the global economy, facilitating international trade, tourism, and connectivity. This sector is primarily concerned with the manufacturing and operation of passenger and cargo aircraft, providing essential services that support global mobility and economic integration.

Commercial aviation is a vast industry encompassing the production of aircraft, operation of airlines, and associated services such as maintenance, repair, and overhaul (MRO). Leading manufacturers like Boeing and Airbus dominate the market, supplying aircraft to airlines worldwide.

The demand for air travel has seen steady growth over the past decades, driven by rising disposable incomes, globalization, and the expansion of low-cost carriers. Despite the setbacks caused by the COVID-19 pandemic, the industry is on a recovery trajectory, with forecasts indicating a return to pre-pandemic passenger levels by mid-2020s.

Innovation is at the heart of commercial aviation, with significant investments in new aircraft technologies aimed at improving fuel efficiency, reducing emissions, and enhancing passenger comfort. Developments in electric and hybrid propulsion systems, advanced aerodynamics, and lightweight materials are set to shape the future of aviation.

Growth Forecast

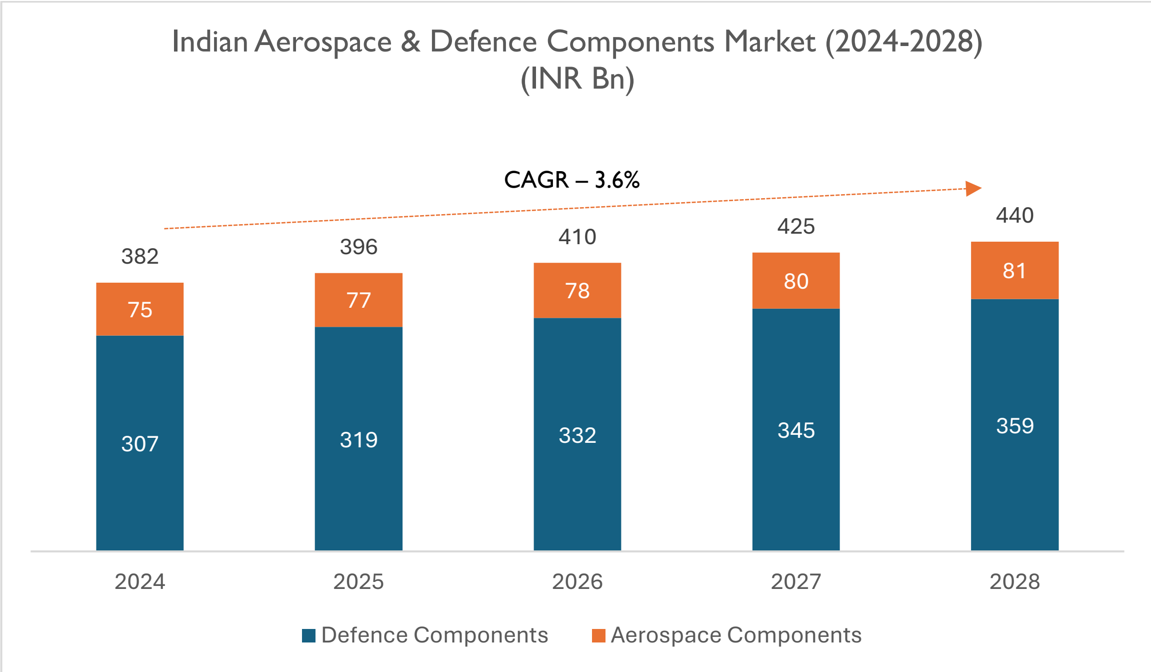
Expected Growth in the Indian Defence & Aerospace Industry

The Government has identified the Defence and Aerospace sector as a key focus for the 'Aatmanirbhar Bharat' or Self-Reliant India initiative, emphasizing the establishment of indigenous manufacturing infrastructure supported by a robust research and development ecosystem.

In the Interim Union Budget 2024-25, capital allocations for the modernization and infrastructure development of the Defence Services have been increased to INR 1,720 thousand million, marking a 9.4% rise over FY 2023-24. The industry receives INR 6,220 thousand million in the Union Budget 2024-25, reflecting a 4.79% increase over the previous year.

To support the domestic defence industry, the government aims to ensure transparency, predictability, and ease of doing business by creating a robust ecosystem and supportive government policies. To this end, the government has implemented measures for de-licensing, deregulation, export promotion, and liberalization of foreign investment. The Department of Military Affairs (DMA) has issued five Positive Indigenisation Lists comprising 5,012 items. Additionally, to promote exports and liberalize foreign investments, FDI in the Defence sector has been increased to 74% through the automatic route and 100% through the government route.

The government has also announced two dedicated Defence Industrial Corridors in Tamil Nadu and Uttar Pradesh to serve as clusters for defence manufacturing, leveraging existing infrastructure and human capital. Furthermore, to foster innovation within the Defence and Aerospace ecosystem, there are supportive government schemes such as iDEX (Innovations for Defence Excellence) and DTIS (Defence Testing Infrastructure Scheme).



Industry Sources D&B Analysis

To support the burgeoning aerospace industry, India has heavily invested in specialized infrastructure and workforce upskilling. The country has established aerospace-focused industrial parks, special economic zones, and dedicated skill development centres. The government has partnered with leading aerospace companies to set up training programs and centres of excellence, ensuring a steady supply of skilled engineers and technicians.

Airbus has collaborated with the Indian Institute of Management in Mumbai to offer aviation education through Airbus Beyond programs. Boeing has partnered with Air India Engineering Services Ltd and the Ministry of Civil Aviation to provide an Accelerated Apprenticeship Programme for aircraft maintenance engineers, enhancing their employability through training and hands-on experience.

By 2028, the Indian A&D Industry is expected grow at a CAGR of 3.6% and reach INR 440 billion. The Ministry of Defence has set a target to achieve a turnover of INR 1,750 thousand million in aerospace and defence manufacturing by 2025, including exports worth INR 3,50,000 million. As of April 2023, a total of 606 industrial licenses have been issued to 369 companies operating in the defence sector.

Emerging Trends / Developments: India Scenario

The Indian Aerospace and Defence (A&D) Industry is crucial to both India's economy and national security. Recent years have seen India emerge as a major defence equipment importer, but the government is driving a push for greater indigenization. In response, the sector has intensified its focus on research and development, advanced systems, and technology, while fostering international collaborations and investments. Initiatives such as Indian Defence Offset and Make in India are further encouraging global engagement and boosting the domestic A&D industry.

India's defence sector is undergoing a significant transformation under the 'Make in India' initiative, focusing on enhancing indigenous production and technology upgrades. The recent policy changes, including simplified Defence Procurement Procedures and incentives for defence exports, aim to establish India as a prominent defence hub. Efforts to modernize the military through digital technologies and comprehensive border management systems are complemented by a push for innovation from defence start-ups and MSMEs. However, challenges remain, such as addressing the risks posed by counterfeit components from China and ensuring the reliability of global supply chains.

Indigenous Defence Manufacturing

The core of India's 'Make in India' program is boosting indigenous defence production. Over the past three and a half years, the Indian government has implemented various policy initiatives to enhance local defence manufacturing, technology upgrades, and export capabilities. Recent reforms, including amendments to the Defence Procurement Procedures and the introduction of new policies like Strategic Partnership and Simplified 'Make II,' have encouraged both domestic and international players to explore opportunities in India. These efforts represent a significant opportunity for global defence companies to innovate and capitalize on India's growing defence sector.

India as an Export Hub

DefExpo 2023, held in Gandhinagar, Gujarat, underscored India's growing role as a defence manufacturing and export hub. The event showcased cutting-edge technologies in aerospace, naval, and land defence systems, highlighting the country's advancements and capabilities. Key features included the promotion of strategic partnerships between Indian and international defence manufacturers, and the spotlight on the Indian government's initiatives to boost indigenous production and exports under the 'Make in India' and 'Make with India' programs. The expo also emphasized the contributions of defence MSMEs and attracted global participants, fostering international collaboration and reinforcing India's position in the global defence industry.

Digital Army

The concept of a Digital Army extends beyond technology to include seamless coordination and real-time information. Global initiatives like the U.S. Joint Information Environment and Israel's Digital Army Program highlight the shift towards network-centric operations. In India, the Digital Army program, launched by former Defence Minister Manohar Parrikar in 2015, includes systems like IAF-HAL ePortal and Army Cloud. These initiatives aim to transform the Indian Army into a network-centric force, supported by both public and private sector collaboration through the Army Design Bureau.

Smart Border Management

India's extensive borders pose significant security challenges. Recent initiatives include Operation Chakravyuh and the Comprehensive Integrated Border Management System (CIBMS), which utilize advanced technologies like satellite imagery, automated guns, and radars. The goal is to enhance border security and facilitate trade, addressing issues such as infiltration and smuggling. The Indian government's efforts aim to create a defensible border with robust surveillance and deterrence capabilities.

Startups and MSMEs Push

Encouraging startups and MSMEs in defence manufacturing is a priority. The revised "Make II" procedure, launched by the Defence Acquisition Council, includes special provisions for MSMEs. Platforms like the Society for Indian Defence Start-ups (SIDS) and measures in the Union Budget 2018-19, such as linking MSMEs with the Trade Receivable Discounting System (TReDS), aim to support and accelerate the growth of Indian defence startups and MSMEs.

Balancing the Global Supply Chain

China's dominance in manufacturing and counterfeiting poses risks to global defence supply chains. Reports highlight China as a major source of counterfeit electronic parts, threatening military hardware reliability. India's reliance on Chinese electronics raises concerns about security and quality. Strengthening local electronics manufacturing through initiatives like 'Make in India' is essential for mitigating these risks and ensuring reliable defence and critical infrastructure.

Technology Trends

Leading Aerospace and Defence OEMs are increasingly adopting modern technologies to stay competitive and enhance their product capabilities. Key innovations like Additive Manufacturing, Artificial Intelligence (AI) and Machine Learning (ML), Augmented Reality, and Digital Twins are driving this evolution.

Stealth Technology is a prime example of cutting-edge advancements. This technology reduces an aircraft's visibility to radar, infrared, acoustic, and visual detection. It includes techniques like camouflage, infrared reduction through engine and surface modifications, noise reduction strategies, and radar-absorbing materials. While complete invisibility isn't achievable, stealth technology makes detection significantly more difficult. Countries worldwide are investing heavily in enhancing these capabilities for military platforms, with a focus on advanced airframes, radar-absorbing materials, and innovative sensors. India's Advanced Medium Combat Aircraft (AMCA) program exemplifies these advancements, aiming to produce a fifth-generation stealth aircraft with state-of-the-art technologies.

Artificial Intelligence and Machine Learning are revolutionizing the Indian Aerospace and Defence sector. These technologies facilitate improved data analysis, autonomous systems, and enhanced decision-making. AI and ML applications range from surveillance and reconnaissance to autonomous operations of military robots and unmanned vehicles. Indian projects include AI-driven drones and underwater threat detection systems, reflecting a significant push towards leveraging AI and ML to bolster defence capabilities.

Robotics and Unmanned Systems are also gaining prominence. These systems, including drones, unmanned ground vehicles (UGVs), and unmanned underwater vehicles (UUVs), offer significant advantages in operational efficiency and cost reduction. By performing high-risk tasks and extending operational hours, they mitigate risks associated with human operators and enhance overall mission effectiveness.

These trends highlight a transformative shift in the Indian Aerospace and Defence industry, driven by technological innovation and strategic investment.

Threats & challenges to the industry: India Scenario

The Aerospace and Defence (A&D) market faces numerous challenges and constraints that can impact its growth and development. It is crucial for industry stakeholders to thoroughly understand these factors to effectively navigate potential obstacles. Below is a list of significant challenges that the aerospace and defence market encounters:

Defence Components Industry in India

- Procedural Requirements and Red Tape: Despite efforts to improve the ease of doing business in India, the process for establishing a defence manufacturing unit remains cumbersome. The time required and the number of clearances needed fall short of global standards, creating delays and inefficiencies.
- Lack of Technology Transfer: Many defence imports do not include technology transfer, leading to continued reliance on foreign goods and hindering the growth of domestic manufacturing capabilities. This reliance affects the sector's ability to develop advanced, home-grown technologies.
- Quality Issues: Some domestically produced defence goods do not meet international standards due to quality compromises made in the interest of cost reduction. This not only limits export potential but also damages the reputation of Indian defence products on the global stage.
- Poor Implementation: Budget allocations for defence development are often underutilized due to delays in disbursal and lack of enthusiasm among bureaucrats. This hinders the effective use of funds and the development of the defence industry.

Aerospace Components Industry in India

- Indigenous Engine Development in the aviation sector: There is a lack of domestically produced turbojet, turbofan, turboprop, Wankel, and other aero-engines for both manned and unmanned aircraft.
- High Altitude Testing Facilities: India needs dedicated facilities for high-altitude testing to advance aero-engine and aeronautics technology.

- Testing Sites for Private Sector: Dedicated testing sites are required to boost private sector involvement in the design, development, and manufacturing of manned and unmanned aircraft.
- Domestic Electronics Manufacturing: There is a need for domestic production of critical electronics, sensors, payloads, and components to reduce vulnerabilities.
- Commercial Aircraft Manufacturing: India's commercial aircraft manufacturing is still in its early stages. Leveraging large aircraft procurements to boost local manufacturing and establish maintenance, repair, and overhaul (MRO) facilities can enhance self-reliance and civil-military integration.
- Civil Drone R&D: There is a need for research and development programs for civil drones to facilitate their integration into the national airspace.
- Space Launch Vehicles: Developing a launch vehicle capable of carrying 6 to 8 tons to geostationary orbit is a challenge. The current GSLV Mk III can carry only 4 tons.
- Space Startup Ecosystem: The Indian space startup ecosystem is evolving and will need substantial financial investments and technological support in areas such as new materials, AI, additive manufacturing, and quantum technologies.

Recommendations for Improvement

- Expand Indigenization Support: The government should gradually increase the positive indigenization list to provide greater support to domestic manufacturers, encouraging local production and innovation.
- Establish SPV for Private Sector Participation: The proposed Special Purpose Vehicle (SPV) from the 2022-23 budget should be established to enhance private sector involvement in defence manufacturing, fostering competition and technological advancement.
- Rigorous Testing and Certification: To ensure the success of the "Made in India" brand, Indian defence products should undergo rigorous testing and trials according to international standards. An independent body should be established to handle the comprehensive requirements for trial, testing, and certification.
- Monitor Budget Allocation: A dedicated monitoring mechanism under the Director General of Acquisition (DG-Acquisition) should be created to oversee budget allocations specifically for private industry and start-ups. This mechanism should include representatives from all three-armed services.
- Reform Quality Assurance Processes: Quality assurance procedures should be reformed to be non-intrusive and prevention-based, eliminating the traditional inspector-centric approach. This would streamline the process and improve product quality.
- Encourage Technology Transfer: Joint projects with a commitment to technology transfer, similar to the BrahMos missile collaboration with Russia, should be promoted. This approach will enhance domestic production capabilities and foster independent innovation in the future.

Competitive Landscape

Profiing of Key players

Profile of Precision Castparts Corporation:

Section	**Details**
Overview	
Name	Precision Castparts Corporation
Industry	Aerospace, Power, and General Industrial
Headquarters	Portland, Oregon, USA
Manufacturing Locations & Production	• **Portland, Oregon**: Aerospace Component Manufacturing (High capacity for aerospace components) • **Cleveland, Ohio:** Forging and Casting (Significant capacity for large-scale forgings and castings) • **Los Angeles, California:** Fastener Manufacturing (High-volume production for aerospace fasteners)
Products (Industry-wise)	• **Aerospace**: Airfoil castings, structural castings, fasteners, aerostructures, seamless pipe, and tube • **Power Generation**: Large castings and forgings for turbines, structural castings, fasteners, seamless pipe, and tube • **Industri**: Industrial gas turbine components, seamless pipe and tube, fasteners, general industrial castings and forgings
Market Position	
Market Share	22.7% in 2023
Competitive Advantage	Advanced manufacturing capabilities, strategic acquisitions, strong customer relationships
Key Competitors	
Alcoa	A leading producer of primary aluminum, fabricated aluminum, and alumina
Arconic	Specializes in lightweight metals engineering and manufacturing
TimkenSteel	Produces carbon and alloy steel

Allegheny Technologies	Specializes in advanced specialty materials and complex components

Competitive Analysis

Strengths	Advanced manufacturing processes, broad product portfolio, strong industry reputation
Weaknesses	Dependence on the aerospace sector, exposure to raw material price volatility
Opportunities	Growing demand in aerospace and power sectors, potential for expansion in emerging markets
Threats	Supply chain disruptions, increased competition, regulatory challenges

Product Comparison

Precision Castparts' Products	High-quality castings and forgings, fasteners, and aerostructures
Competitors' Products	Similar products with variations in material, design, and application focus
Analysis	PCC excels in precision and advanced material applications, competitive pricing, and innovation

Technological Advancement

Innovations	Advanced casting and forging technologies, additive manufacturing
R&D Investment	Significant, with continuous focus on enhancing manufacturing efficiency and material science

Financial Performance

Revenue	2023: USD10.7 billion; 2022: USD 8.7 billion; 2021: USD 7.2 billion
Key Financial Metrics	Strong profitability, ROI improvements, robust cash flow

Customer Base and Market Segments

Key Customers (Industry-wise)	• **Aerospace**: Boeing, Airbus, Lockheed Martin • **Power Generation**:General Electric, Siemens

	• **Industrial**: Caterpillar, John Deere
Market Segments	Aerospace, power generation, industrial applications
Strategic Initiatives	
Recent Investments	Expansion of manufacturing capabilities, acquisition of specialized companies
Partnerships and Collaborations	Collaborations with aerospace giants and power sector leaders
Geographical Presence	
Global Footprint	Manufacturing and operational presence across North America, Europe, and Asia
Market Penetration	Strong in North America and Europe, expanding in Asia
Regulatory and Compliance	
Compliance	Adherence to industry standards, rigorous quality control
Challenges	Navigating complex global regulations, maintaining compliance amidst expansion

Profile of Howmet Aerospace Inc.:

Section	**Details**
Overview	
Name	Howmet Aerospace Inc.
Industry	Aerospace, Automotive, Industrial
Headquarters	Pittsburgh, Pennsylvania, USA
Manufacturing Locations & Production	• **Pittsburgh, Pennsylvania**: Aerospace Components (High capacity for aerospace components)

	• **Whitehall, Michigan**: Forging and Casting (Significant capacity for aerospace and industrial forgings) • **Hamtramck, Michigan**: Automotive Parts (High-volume production for automotive components
Products (Industry-wise)	• **Aerospace**: Aerospace fasteners, high-temperature castings, structural components, turbine blades • **Automotive**: Engine components, transmission parts, suspension systems • **Industrial**: Industrial gas turbine parts, precision castings, high-strength components
Market Position	
Market Share	15.5% in 2023
Competitive Advantage	Advanced aerospace technology, strong focus on innovation, diversified product portfolio
Key Competitors	
Precision Castparts Corporation	Specializes in aerospace, power, and industrial castings and forgings
Arconic	Focuses on lightweight metals and engineered products
Rolls-Royce	Leading manufacturer of aircraft engines and power systems
Safran	Aerospace and defense company with a strong presence in propulsion and equipment
Competitive Analysis	
Strengths	Cutting-edge technology, robust R&D capabilities, strong global presence
Weaknesses	High dependence on the aerospace sector, potential for supply chain disruptions
Opportunities	Expansion into new aerospace technologies, growth in emerging markets
Threats	Intense competition, fluctuations in raw material costs, regulatory challenges
Product Comparison	

Howmet's Products	Aerospace fasteners, castings, and forgings, industrial components, automotive parts
Competitors' Products	Similar products with different technological approaches and applications
Analysis	Howmet excels in technological innovation, high-performance materials, and customer-specific solutions
Technological Advancements	
Innovations	Advanced casting and forging techniques, high-temperature materials, and additive manufacturing
R&D Investment	Significant investment in developing next-generation aerospace and automotive technologies
Financial Performance	
Revenue	2023: USD 9.2 billion; 2022: USD 8.1 billion; 2021: USD 7.5 billion
Key Financial Metrics	Strong revenue growth, improving profit margins, solid financial stability
Customer Base and Market Segments	
Key Customers (Industry-wise)	• Aerospace — Boeing, Airbus, Lockheed Martin • Automotive — Ford Motor Company, General Motors • Industrial — Caterpillar, Siemens
Market Segments	Aerospace, automotive, industrial
Strategic Initiatives	
Recent Investments	Expansion into advanced aerospace technologies, acquisitions of complementary technology firms
Partnerships and Collaborations	Partnerships with leading aerospace and automotive manufacturers, joint ventures in new markets
Geographical Presence	
Global Footprint	Operations across North America, Europe, and Asia

Market Penetration	Strong presence in North America and Europe, expanding footprint in Asia
Regulatory and Compliance	
Compliance	Strict adherence to industry standards, robust quality control measures
Challenges	Managing regulatory compliance across different regions, adapting to evolving industry standards

Profile of Consolidated Precision Products:

Section	**Details**
Overview	
Name	Consolidated Precision Products (CPP)
Industry	Aerospace, Defense, Industrial
Headquarters	Los Angeles, California, USA
Manufacturing Locations & Production	**Los Angeles, California**: Aerospace and Defense Casting (High capacity for precision aerospace and defense components) **Houston, Texas**: Industrial Casting (Significant capacity for industrial applications) **Detroit, Michigan**: Forging and Machining (High-volume production for various industrial components)
Products (Industry-wise)	• **Aerospace:** Precision castings, turbine blades, structural components, aerospace forgings • **Defense:** Military aircraft components, missile parts, defense-related castings, and forgings • **Industrial:** Industrial gas turbine parts, heavy machinery components, precision industrial castings
Market Position	
Market Share	8.0% in 2023
Competitive Advantage	Expertise in precision castings, diverse industrial applications, strong quality control

Key Competitors

Precision Castparts Corporation	Specializes in aerospace, power, and industrial castings and forgings
Howmet Aerospace Inc.	Focuses on aerospace fasteners, high-performance materials, and automotive components
Arconic	Known for lightweight metals and engineered products
General Electric	A major player in aerospace and power systems

Competitive Analysis

Strengths	High-quality precision castings, robust engineering capabilities, extensive industry experience
Weaknesses	Limited diversification beyond aerospace and defense, potential exposure to sector-specific downturns
Opportunities	Growth in defense contracts, expansion into new industrial applications
Threats	Volatility in defense budgets, competitive pressures, and raw material cost fluctuations

Product Comparison

CPP's Products	Precision castings and forgings, aerospace components, defense parts
Competitors' Products	Similar high-precision products with varying technological features and applications
Analysis	CPP stands out for its precision and quality control in casting, with a strong focus on defense applications

Technological Advancements

Innovations	Advanced casting techniques, precision engineering, and material science
R&D Investment	Targeted investments in improving casting precision and expanding defense-related technologies

Financial Performance

Revenue	2023: USD 4.5 billion;

	2022: USD 4.0 billion; 2021: USD3.7 billion
Key Financial Metrics	Stable revenue growth, solid profit margins, and strong operational efficiency
Customer Base and Market Segments	
Key Customers (Industry-wise)	• **Aerospace**: Lockheed Martin, Northrop Grumman, Boeing • **Defence**: Raytheon Technologies, BAE Systems • **Industrial**: Caterpillar, General Electric
Market Segments	Aerospace, defense, industrial
Strategic Initiatives	
Recent Investments	Expansion into advanced casting technologies, new defense contracts
Partnerships and Collaborations	Collaborations with defense contractors and aerospace manufacturers
Geographical Presence	
Global Footprint	Operations primarily in North America, with some international presence
Market Penetration	Strong in North America, with emerging opportunities in international defense sectors
Regulatory and Compliance	
Compliance	Adherence to aerospace and defense industry standards, rigorous quality control
Challenges	Navigating defense contract regulations, managing global supply chain complexities

Titanium & Super Alloy Components

High concentration of manufacturing in Russia & China

Super alloys are indispensable in aerospace due to their ability to withstand extreme temperatures and stress. They are used in turbine engines, where materials must endure high heat and mechanical loads, ensuring reliability and performance.

In the defense industry, super alloys are used in rocket engines, missile components, and other high-temperature applications, offering exceptional durability and performance under extreme conditions. Apart from aerospace and defense, super alloys are crucial in the energy sector, particularly in nuclear reactors and power generation turbines, where they must resist heat and corrosion.

Super Alloys Manufacturers

United States:

- **General Electric (GE)**: GE Aviation is a major producer of super alloys used in jet engines and other high-performance aerospace applications. GE produces around 10,000 tons of super alloys annually.
- **Honeywell**: Honeywell Aerospace manufactures super alloys for various aerospace and defense applications, including turbines and engine components. Company's annual production capacity is approximately 5,000 tons.
- **Raytheon Technologies (formerly United Technologies)**: This conglomerate produces super alloys through its Pratt & Whitney division, focusing on advanced aerospace propulsion systems. Raytheon manufactures super alloys primarily for jet engines, producing around 8,000 tons per year.

Europe:

- **Safran**: The French aerospace and defense company Safran is a leading producer of super alloys, particularly for jet engines and other critical components, and has an annual output of about 6,000 tons.
- **Rolls-Royce**: The UK-based Rolls-Royce is renowned for its advanced super alloys used in high-performance aircraft engines and industrial gas turbines , with a production capacity of 7,500 tons annually.

Asia:

China:

- **AVIC** (Aviation Industry Corporation of China): Produces super alloys for aerospace and defense applications, with an annual capacity of 9,000 tons.
- **China Baowu Steel Group**: Engaged in the production of super alloys for various high-tech applications, including aerospace, with an annual output of 6,500 tons.

Japan

- **Hitachi Metals**: A leading producer of super alloys, focusing on turbine blades and aerospace components, with an annual production of 4,500 tons.

- **Mitsubishi Heavy Industries**: Produces super alloys for jet engines and other high-stress applications, with an annual output of 3,500 tons.

Russia

- **VSMPO-AVISMA**: Produces a variety of super alloys for aerospace and defense, with an annual capacity of around 7,000 tons.
- **Uralvagonzavod**: Engaged in the production of super alloys for military applications, producing approximately 4,000 tons annually.

Titanium metal finds extensive application in the aerospace industry due to its excellent strength-to-weight ratio, resistance to corrosion, and thermal stability. It also plays a crucial role in defense applications and critical infrastructure sectors like chemicals and power generation. Titanium is traded in various stages of processing, with wrought titanium, such as mill products, being the primary form in which it is commercially available.

Global Titanium Reserve & Production

Ilmenite accounts for about 90% of the world's consumption of titanium minerals. World resources of anatase, ilmenite, and rutile total more than 2 billion tons.

Ilmenite			
Country	**Mine Production**		**Reserves**
	2022	**2023**	
United States	200	200	2,000
Australia	400	400	180,000
Brazil	28	54	43,000
Canada	520	500	52,000
China	3140	3,100	210,000
India	210	210	85,000
Kenya	190	140	130
Madagascar	320	320	27,000
Mozambique	1,400	1,600	22,000
Norway	410	430	37,000
Senegal	410	340	NA

South Africa	1,100	1,000	28,000
Ukraine	190	60	5,900
Vietnam	170	140	1,600
Other countries	110	110	1,200
World total (ilmenite, rounded)	8,800	8,600	690,000

Rutile			
Country	**Mine Production**		**Reserves**
	2022	**2023**	
United States	*Rutile production and reserves data included with ilmenite*		
Australia	200	200	35,000
India	13	13	7,400
Kenya	73	58	70
Madagascar	-	-	520
Mozambique	8	9	720
Senegal	9	8	NA
Sierra Leone	130	110	2,900
South Africa	100	100	6,100
Ukraine	95	50	2,500
Other countries	10	10	20
World total (rutile, rounded)	640	560	55,000
World total (ilmenite and rutile, rounded)	**9,400**	**9,200**	**750,000**

In 2023, China continued to be the leading producer and consumer of titanium mineral concentrates, accounting for 36% of global production of ilmenite. Mozambique and South Africa also were leading producers of titanium mineral concentrates. China’s imports of titanium mineral concentrates were about 4.4 million tons in gross weight, a 27% increase compared with those in 2022. As of September, Mozambique (49%), Norway (10%), and Vietnam (7%) were the leading sources of titanium mineral concentrates to China.

World Sponge Metal Production and Sponge and Pigment Capacity (in metric tonnes)**:**

Countries	Sponge Production			Capacity, 2022		Capacity, 2023	
	2021	**2022**	**2023**	**Sponge**	**Pigment**	**Sponge**	**Pigment**
United States	W	W	W	500	1,370,000	500	1,360,000
Australia	-	-	-	-	260,000	-	260,000
Canada	-	-	-	-	104,000	-	108,000
China	140,000	180,000	**220,000**	181,000	5,000,000	260,000	5,500,000
Germany	-	-	-	-	472,000	-	339,000
India	250	300	300	500	108,000	500	91,000
Japan	49,200	47,000	60,000	68,800	322,000	65,200	322,000
Kazakhstan	15,000	15,000	14,000	26,000	1,000	26,000	-
Mexico	-	-	-	-	300,000	-	350,000
Russia	27,000	20,000	20,000	46,500	55,000	46,500	55,000
Saudi Arabia	5,700	9,700	12,000	15,600	210,000	15,600	200,000
Ukraine	6,100	1,000	-	12,000	120,000	-	122,000
United Kingdom	-	-	-	-	315,000	-	315,000
Other countries	-	-	-	-	784,000	-	820,000
World total (rounded)	240,000	260,000	330,000	350,000	9,400,000	410,000	9,800,000

W - Withheld to avoid disclosing company proprietary data, - Zero, Source: USGE 2022, 2023

China's dominance in titanium sponge production capacity is undeniable. However, the titanium sponge produced in China is primarily suitable for common applications, known as metallurgical quality, and does not meet the stringent requirements for aerospace use. This limitation significantly impacts the availability of titanium sponge for critical aircraft equipment, where high quality and specific properties are essential.

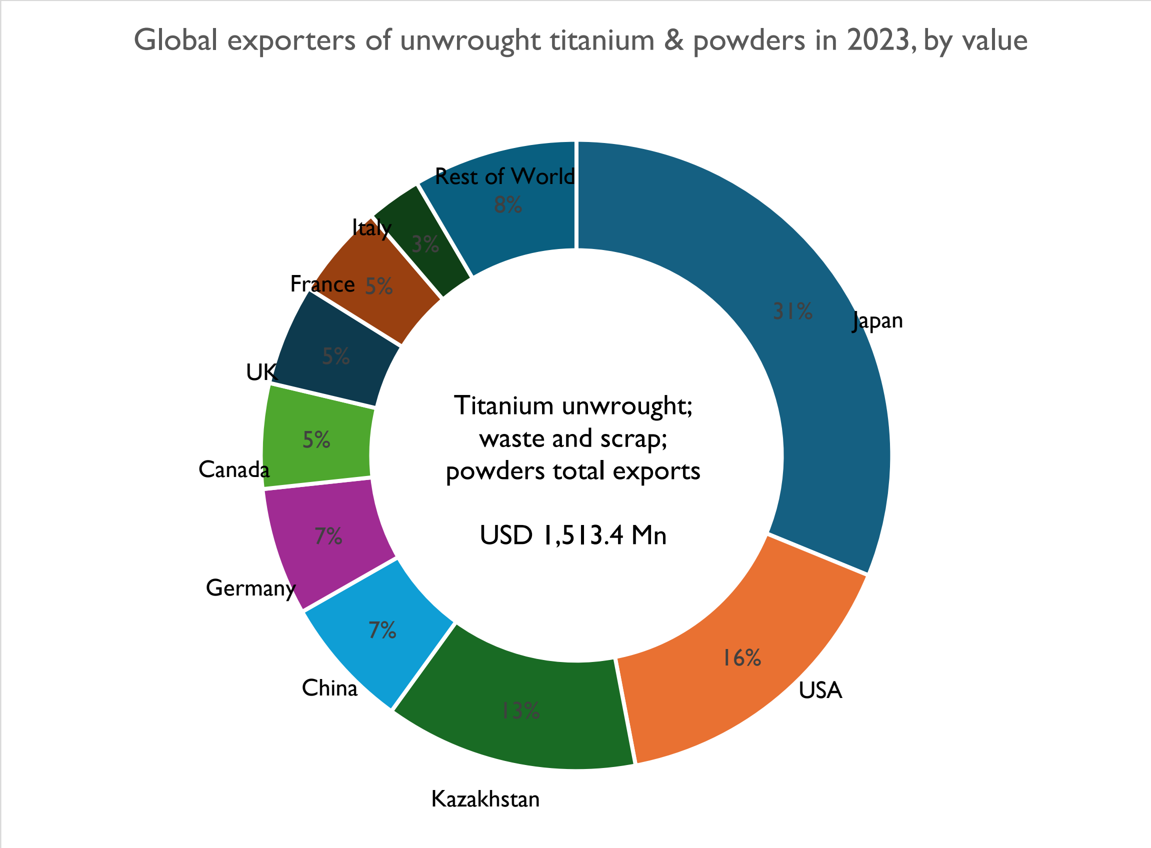
After the closure of the US plant, the number of qualified producers capable of producing aviation-grade titanium sponge has become even more limited. Currently, Japan, Russia, and Kazakhstan are the only countries with producers certified to supply this high-grade material necessary for aerospace applications. This scarcity underscores the strategic importance of these producers in the global supply chain for the aerospace industry.

In 2020, the production capacity for titanium sponge of aeronautical quality represented approximately 40% of the total global titanium sponge capacity. This relatively small share highlights the specialized nature of producing titanium suitable for aerospace and the dependency of the industry on a few key suppliers. The concentration of this capacity in just a handful of countries emphasizes the critical need for maintaining stable and secure supply chains for the aerospace sector.

Russia is one of the few countries with a complete titanium metal supply chain, from sponge to wrought products. In 2023, Russia accounted for 11% of the global titanium sponge production compared to 13% in 2020. The country held 9% share of global exports by volume for unwrought titanium and powders in 2020. Additionally, Russia is a leading manufacturer and exporter of titanium mill products, contributing 19% by volume to global exports of mill products and titanium articles in 2020. Before the Russo-Ukrainian war, Russia was a significant supplier of metal for aircraft manufacturing. Russia's role in supplying titanium to the US and European aerospace industries is considered crucial. As of June 2022, titanium remains exempt from trade restrictions with Russia. The Russian VSMPO-Avisma Corp., the world's largest vertically integrated producer of titanium and titanium alloy products, provided 21% of the global demand for wrought titanium products in 2019.

Unwrought titanium & powders

Japan, US and Kazakhstan together accounted for 60% of the total exports of unwrought titanium and powders in 2023 by value.



Source: WITS

Dependence of the Aerospace Industry on Russia

The aerospace industry heavily relies on Russia, particularly on the Russian company VSMPO-Avisma, which is certified to produce a wide range of titanium-based aerospace products. Reports indicate that VSMPO-Avisma previously supplied about one-third of the global titanium used in the aviation sector and over 45% of the world's aerospace titanium parts. The aerospace sector represents around 75% of the company's sales.

Prior to the pandemic, Airbus sourced approximately half of its titanium requirements from VSMPO-Avisma, either directly or through key suppliers. Likewise, VSMPO-Avisma was Boeing's largest titanium supplier for commercial production, with one-third of Boeing's titanium needs being met by Russian supplies. Additionally, VSMPO-Avisma has been a major titanium provider for jet engine manufacturers, crucial suppliers to the commercial aviation industry. For instance, French Safran SA depended on VSMPO-Avisma for about half of its titanium needs, while British Rolls-Royce Holdings Plc obtained 20% of its titanium from the Russian firm.

The exact figures of the aerospace industry's reliance on Russian titanium are not publicly detailed. However, Boeing's establishment of a joint venture with VSMPO-Avisma, known as Ural Boeing Manufacturing (UBM), highlights the deep integration of Russian titanium into its supply chain. In November 2021, Boeing and VSMPO-Avisma agreed to enhance their collaboration on titanium supplies and technology. VSMPO-Avisma also announced new titanium supply agreements in January 2022 with Spain's Aernnova Aerospace until 2028 and the UK's Barnes Aerospace until 2026.

In response to potential supply disruptions, especially due to geopolitical tensions, Western aerospace companies have been stockpiling titanium and seeking alternative sources. According to reports, Airbus has ensured short- to medium-term protection from shortages through extensive stockpiling and is actively exploring other titanium sources to support its production plans. Safran announced on February 24, 2022, that it had accumulated titanium stocks for several months. By early March 2022, Boeing had suspended titanium purchases from Russia, leveraging its existing inventory accumulated over years. These stocks are estimated to cover the needs of aircraft and engine manufacturers for six to nine months.

This strategic approach to stockpiling and diversification reflects the aerospace industry’s efforts to manage risks and secure a reliable supply of critical materials like titanium amidst ongoing geopolitical uncertainties.

According to SIPRI, between 2018 and 2022, Russia was the second-largest exporter of major weapons, behind the US but ahead of France, China, and Germany. During this period, Russia accounted for 16% of global arms exports, a 6% decline from 2013 to 2017. The main recipients of Russian weapons were India (31%), China (23%), and Egypt (9.3%), together making up nearly two-thirds of Moscow's arms exports.

Russian arms exports fell by 53% between 2014-18 and 2019-23, accounting for 11% of total global arms exports during the latter period. In 2019, Russian arms exports remained consistent with the previous 20 years, but volumes significantly decreased in 2020, 2021, and 2022, with a 52% drop in 2023 compared to 2022. The number of recipients also declined, from 31 states in 2019 to 12 in 2023.

In 2019-23, 68% of Russian arms exports went to Asia and Oceania, 13% to the Middle East, and 10% to Africa. India (34%), China (21%), and Egypt (7.5%) were the largest recipients. Exports to India, China, and Egypt decreased by 34%, 39%, and 54% respectively from 2014-18 to 2019-23. Exports to Algeria and Vietnam, the third and fourth largest recipients in 2014-18, dropped by 83% and 91%. The low volume of pending deliveries suggests that Russian arms exports will likely remain below the levels seen in 2014-18 for the short term.

India's Military Materials Dependency

Military materials refer to essential metallic and non-metallic raw materials used in defense manufacturing. India has a substantial reliance on imports for these strategic materials, primarily depending on China, the Democratic Republic of Congo (DRC), Russia, Brazil, Australia, and the U.S. While there have been some successes in substituting imported materials with domestically produced alternatives, defense manufacturers continue to rely heavily on imports to meet their needs. This dependency on foreign sources constrains the ability of Indian organizations to export defense equipment and platforms, thereby limiting the growth and development of the country’s defense industrial ecosystem.

- Import Substitution: Recent estimates indicate that India imports approximately INR 14,000 crore (USD 2 billion) worth of critical materials annually. Developing domestic production capabilities for these materials can reduce the import bill and decrease dependence on geopolitically sensitive sources.

- Securing the Supply Chain: Global disruptions like COVID-19 have highlighted vulnerabilities in the global procurement and supply of military materials. Establishing local manufacturing capabilities can enhance military preparedness during such crises. Many countries are prioritizing policies to promote domestic production and secure their supply chains.

- Self-Sufficiency in Defence: Achieving self-sufficiency in high-end military materials is crucial, prompting the Government of India (GoI) to emphasize indigenization policies.

Deleveraging effort: Insight on ongoing efforts to diversify out of China & Russia

Over the past two decades, China has dramatically expanded its titanium sponge capacity, which serves as the feedstock for titanium metal. Since 2018, the country's production of both sponge and metal has surged, enabling China to capture over 50% of global titanium metal production. Companies such as Zunyi Titanium Industry and the Baoti Group have increased their capacities to 30 ktpy through strategic investments, technological advancements, and industrial restructuring. Despite this growth, China is still developing its capabilities for producing aerospace-grade titanium, with its increased metal output largely focused on industrial grades. China's COMAC delivered its fifth C919 aircraft in January this year, with the model already accumulating hundreds of orders in the first half of 2024. As China aims to boost its aircraft production and launch a jet engine program, a shift towards aerospace-grade titanium production could enhance COMAC's competitive position against the Airbus-Boeing duopoly. However, recent reports have raised concerns about counterfeit Chinese titanium entering the aerospace supply chain through forged documentation, casting doubt on the reliability of Chinese-produced titanium amidst increased scrutiny of safety certifications.

In 2020, the COVID-19 pandemic had a severe impact on the titanium supply chain. The situation was exacerbated by low demand following the fatal crashes of two Boeing flights in 2018, which led to insufficient price support for marginal producers. The U.S. titanium industry was already under pressure from growing Chinese competition, and the closure of ATI's Rowley plant, Iluka Resources' Virginia plant in 2016, and TIMET's Henderson plant in Nevada in 2020 resulted in the loss of all large-scale domestic primary titanium production in the U.S. Consequently, the U.S. is now entirely reliant on imports of titanium sponge feedstock and recycling to meet its domestic demand.

The Russian-Ukrainian conflict, which began in 2022, has further complicated the titanium industry's situation. Both Russia and Ukraine produce titanium sponge, but production has been reduced due to the ongoing conflict. Historically, large heavy mineral sand deposits in Ukraine have been a crucial raw material source for Russia's titanium industry. Although trade data indicates that these feedstock imports to Russia have halted, reports suggest that material is still reaching Russia through intermediaries, albeit in reduced volumes. This has led to concerns that Russia's aerospace titanium supply will deplete its available stocks as demand increases. Additionally, geopolitical pressures are mounting to reduce dependency on Russian titanium and seek alternative sources, partly due to the association of Russian titanium with the Russian defense conglomerate Rostec. Despite these pressures and sanctions, Russian titanium sponge and metal continue to flow into Western markets, and there has been a recent increase in Chinese titanium metal supplies to meet the demand.

The sourcing of aerospace-grade titanium sponge and metal is further complicated by the lengthy process of certifying and integrating alternative sources into aerospace supply chains, leaving the industry heavily dependent on titanium imports from Russia.

Middle East, North America and China

The aerospace industry is projected to see significant growth in titanium consumption, with a compound annual growth rate (CAGR) of 7% expected over the next decade. By 2034, consumption is forecasted to exceed 132,000 tonnes, driven primarily by the robust recovery of the travel industry, which is anticipated to surpass its pre-pandemic peak by 2026. In response to supply constraints, Saudi Arabia has become a notable player in the titanium market. The Yanbu plant, which began producing titanium sponge at the end of 2019, has been ramping up its capacity and supplying both the U.S. and European markets. Saudi Arabia aims to establish itself as a leading titanium producer by forging strategic partnerships, including agreements with Airbus and Boeing to advance the titanium supply chain. Additionally, Saudi Arabia has entered into a supply agreement with Bahrain Titanium, a subsidiary of Switzerland-based Interlink Metals, which plans to develop a titanium melt plant in Bahrain.

In the U.S., the government has taken several steps to bolster domestic titanium production as part of its national security strategy. Programs initiated by the Department of Defense (DoD) include the Defence Production Act Investment (DPAI), which focuses on creating a resilient domestic supply chain and reducing reliance on foreign sources. The Manufacturing Technology (ManTech) program seeks to address technological gaps and accelerate advancements in manufacturing. Funding has been provided to U.S. projects such as those by IperionX, Norsk Titanium (in collaboration with Northrop Grumman), and Universal Achemetal Titanium (UAT) to support these objectives. Efforts to secure the U.S. titanium supply chain also involve magnesium metal producers like Magrathea, as magnesium is integral to titanium production. The Securing America's Titanium Manufacturing Act, introduced by U.S. senators, aims to eliminate a 15% tariff on titanium sponge imports from strategic partners such as Japan. Additionally, the U.S. and Japan have formed the US-Japan Defence Industrial Base Working Group to collaborate on securing critical defense material supply chains. In response, Japanese titanium producers like Toho Titanium and Osaka Titanium are pursuing expansion projects to enhance their production capacities.

Despite these strategic investments, the majority of U.S. projects still rely on titanium sponge feedstock. As such, Japan and the Middle East are critical regions where expanded titanium sponge capacity could facilitate growth in the aerospace sector.

Looking ahead, the resolution of the Russia-Ukraine conflict may lead to a resurgence of aerospace-grade titanium metal supplies. With China's growing commercial aviation sector and its ambitions to establish a homegrown aircraft manufacturing capability with the COMAC C919, the country is likely to develop a comprehensive aerospace-grade titanium supply chain. Ongoing Western sanctions on Russia and new supply chain agreements between China and Russia could potentially shift aerospace-grade titanium supplies away from the established Airbus-Boeing duopoly, supporting COMAC's expansion plans. If the international aerospace community accepts and certifies Chinese-produced aerospace-grade titanium, it could significantly enhance future supply and bolster COMAC's efforts to capture market share in the rapidly growing Asian air travel market.

Emerging opportunities in manufacturing of critical components for defence & aerospace (other markets)

Apart from Russia and China, other countries are investing heavily in advanced manufacturing technologies, forming strategic partnerships, and receiving government support to enhance their aerospace and defense manufacturing capabilities, positioning themselves as emerging hubs in the global supply chain.

North America

Investment:

- United States: The U.S. continues to see increased investments in the production of titanium and super alloys, driven by the need to strengthen domestic capabilities and reduce reliance on foreign sources. Companies such as Alcoa and ATI Metals are expanding their facilities and investing in state-of-the-art manufacturing technologies like additive manufacturing (3D printing) and advanced machining.

    - Alcoa is enhancing its capacity to produce high-strength titanium alloys for aerospace applications.
    - ATI Metals is focusing on super alloy production to meet the high-performance demands of defense and aerospace sectors.

- Canada: Canadian firms are also ramping up investments in critical component manufacturing. Magellan Aerospace, for instance, is expanding its production capabilities to supply advanced aerospace materials.

Government Support:

- U.S. Department of Defense Initiatives: The U.S. DoD is actively promoting initiatives to secure and strengthen domestic supply chains. The Industrial Base Analysis and Sustainment (IBAS) program is a key effort, providing funding to enhance manufacturing technologies and support the development of critical materials like titanium and super alloys.
- Defense Production Act (DPA): Under the DPA, the U.S. government is funding projects to increase the domestic production of strategic materials essential for national security.

Europe

Innovation:

- **Germany**: Germany is investing heavily in advanced manufacturing techniques, including precision machining and additive manufacturing. Companies like MTU Aero Engines are leading R&D efforts to develop high-performance aerospace components.
- France: French aerospace firms such as Safran and Dassault Aviation are at the forefront of innovation, focusing on developing next-generation materials and manufacturing processes.
- United Kingdom: The UK is fostering innovation through initiatives like the Aerospace Technology Institute (ATI), which supports the development of advanced materials and manufacturing technologies.

Collaborations:

- European Union: The EU is encouraging collaborations between member states to enhance self-reliance and reduce dependence on non-EU suppliers. Programs like Horizon Europe are funding joint R&D projects in aerospace and defense technologies.
- Franco-German Cooperation: Notable collaborations, such as those between Airbus and MTU Aero Engines, aim to develop cutting-edge aerospace technologies and streamline manufacturing processes.

India

Emerging Market:

- Increased Investments: India is rapidly emerging as a significant player in the aerospace and defense sectors, with growing investments in manufacturing facilities for critical components. Companies like Bharat Forge and Hindustan Aeronautics Limited (HAL) are expanding their capabilities to produce high-strength alloys and precision components.

Government Initiatives:

- Make in India: The Indian government's "Make in India" initiative is a major driver of growth, encouraging both domestic and foreign companies to set up manufacturing units in India. This initiative aims to make India a global hub for aerospace and defense manufacturing.
- Defense Procurement Policies: Policies like the Defence Acquisition Procedure (DAP) 2020 are designed to boost local manufacturing by providing incentives and creating a favorable regulatory environment.

Southeast Asia

Growing Capabilities:

- **South Korea** is developing its capabilities in advanced materials and manufacturing processes. Companies like Hanwha Aerospace are investing in R&D to produce high-performance aerospace components.
    - South Korea is also focusing on developing indigenous technologies and reducing reliance on imports for critical defense components.
- Singapore is establishing itself as a key player in the aerospace sector, with investments in advanced manufacturing technologies and infrastructure. ST Engineering is at the forefront, enhancing its capabilities to produce critical aerospace components.
    - The Singaporean government supports the industry through initiatives like the Aerospace Industry Transformation Map, which aims to position Singapore as a leading aerospace hub.

Titanium Consumption Scenario

Titanium is widely used in aerospace & defence applications due to its high strength-to-weight ratio and exceptional corrosion resistance. This metal enables manufacturers to produce lightweight, durable equipment that performs well even under harsh conditions.

Global Consumption Pattern

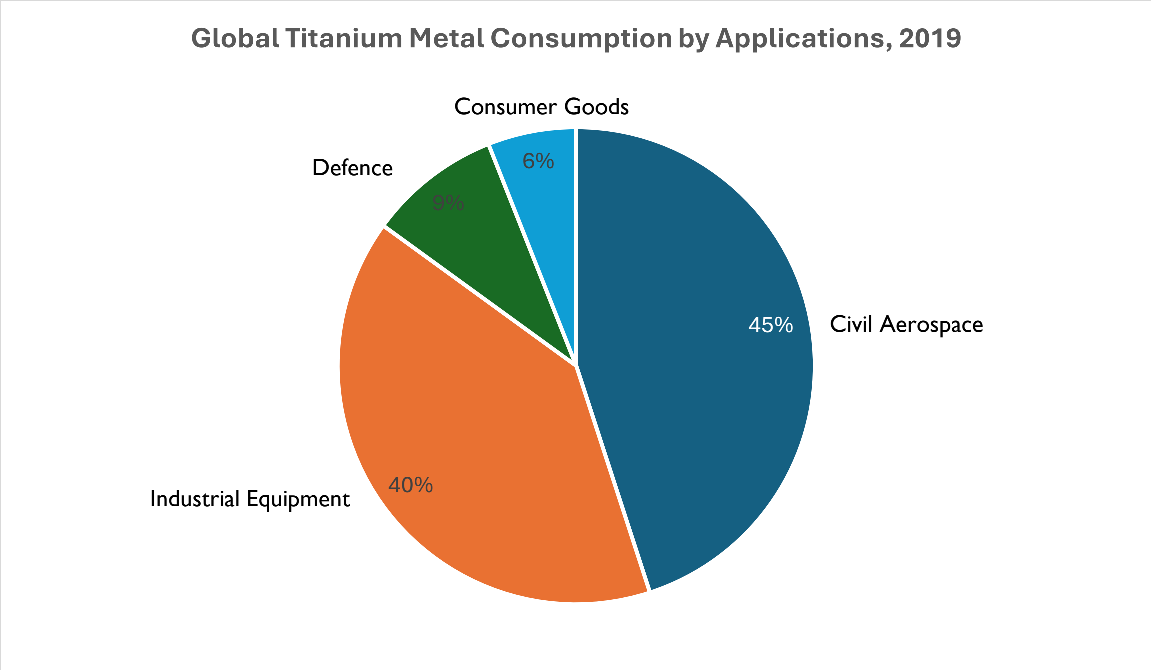
Titanium ore is mainly consumed in China, the US, Russia, Europe, Japan, and emerging markets. Titanium is utilized in alloy form for high-performance applications in aeronautics and defence, while its pure or low-alloy forms are applied in industrial processes and consumer products.

Sponge titanium is used to produce titanium metals and alloys. These are applied in aerospace, shipbuilding, chemical processing, transportation, defence, marine engineering, power generation, construction, metallurgy, medicine, sports equipment, daily goods, and light industry. Major consumers of sponge titanium are Russia, the US, Japan, and China. The US and Russia use most of their titanium for aerospace, while Japan and China use it mainly for the chemical industry and consumer-related applications.

The demand for titanium is closely tied to industrial activity. From 2009 to 2019, the titanium market experienced robust growth, with a compound annual growth rate of 8%, largely driven by the aerospace sector. Before the onset of the COVID-19 pandemic, global titanium demand reached a record high in 2019, with over 160,000 tonnes consumed worldwide.

In 2019, primary segments within the global titanium metal consumption were commercial aircraft production—encompassing engine parts, airframe structures, and specific components—and industrial applications, such as the chemical industry, oil and gas, and nuclear plants. Together, these segments accounted for 85% of total titanium demand. In contrast, the defence and consumer goods segments contribute less to global titanium consumption, at 9% and 6%, respectively.

Global titanium consumption is estimated to have decreased by 30% in 2020, dropping to 113 kt, and further declining to 90 kt in 2021, representing a 45% reduction compared to 2019 levels, primarily due to an almost 80% decrease in aerospace usage. Looking ahead, demand is expected to grow at an annual rate of around 12% until 2026, with consumption levels from 2019 likely to be reached after 2026. However, rising defence budgets in response to Russia's invasion of Ukraine could accelerate the recovery in demand.



Source: Europa[9]

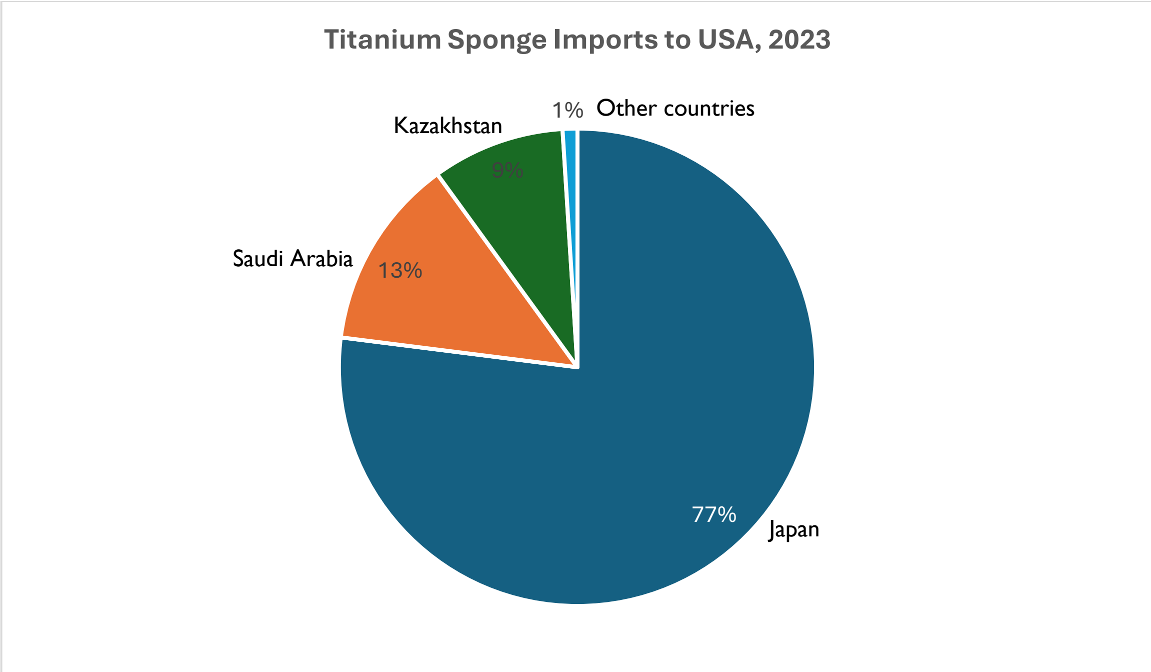
Consumption Pattern by Key Regions

USA

U.S. titanium ingot and downstream product manufacturers had to rely on imported titanium sponge and scrap as The Salt Lake City, UT, facility was the sole active producer of titanium sponge in the US that focused on manufacturing electronic-grade materials. Increased demand from the aerospace and other industries led to a 35% rise in imports, reaching a record 42,000 tons in 2023[10].

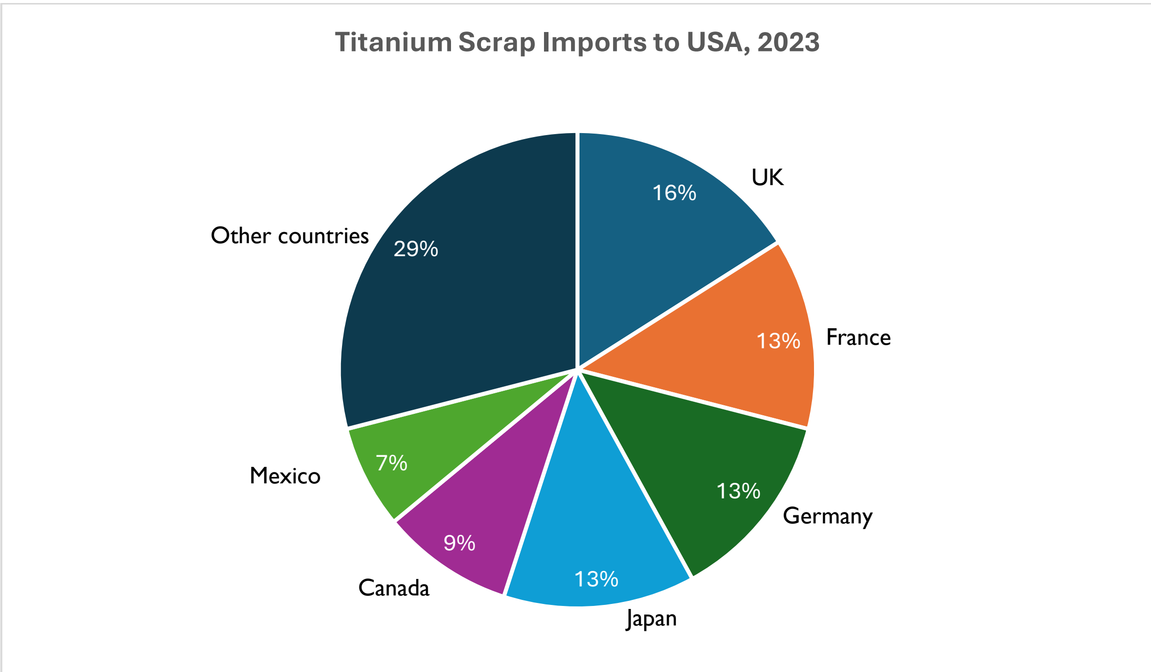
[9] https://rmis.jrc.ec.europa.eu/uploads/220616_Briefing_Titanium.pdf

[10] https://pubs.usgs.gov/periodicals/mcs2024/mcs2024-titanium.pdf



Source: USGS[11]

Additionally, the U.S. imported approximately 26,000 tons of titanium scrap



Source: USGS[12]

Although data for 2023 were limited, in 2022, global imports of unwrought and wrought titanium metal from Russia totalled 4,000 and 14,000 metric tons, respectively.

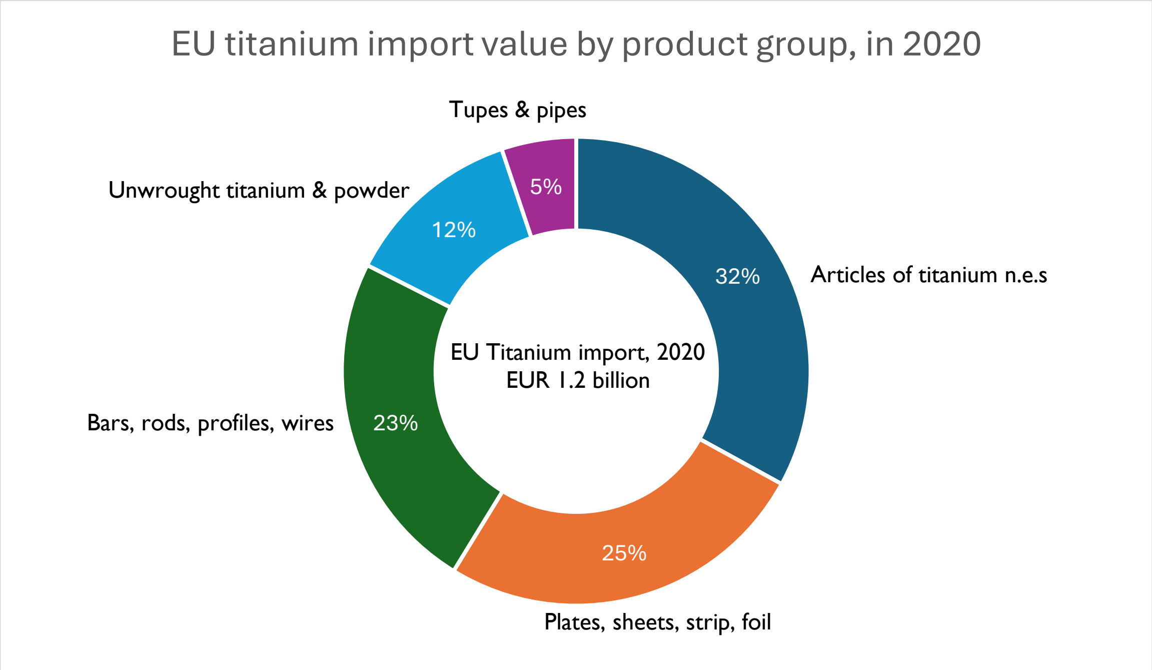
[11] https://pubs.usgs.gov/periodicals/mcs2024/mcs2024-titanium.pdf

[12] https://pubs.usgs.gov/periodicals/mcs2024/mcs2024-titanium.pdf

Europe

The EU does not produce primary titanium metal (sponge), but some Member States manufacture titanium ingots from imported sponge or scrap. Downstream production of wrought titanium products is more advanced, with the EU producing 12 kt in 2020, down from a record 20 kt in 2019. France led production, contributing 65% of shipments in 2020, followed by Germany (14%) and Italy (11%)[13].

From 2017 to 2019, the EU imported 55 kt of titanium products and scrap annually, but imports fell by 25% to 40 kt in 2020, valued at EUR 1.2 billion. Wrought products made up the majority of these imports, comprising 57% of the volume and 85% of the value in 2020. The EU imported about 6.5 kt of titanium scrap annually during 2017-2019. Russia was a major supplier, accounting for 30%-60% of these imports from 2014-2018, but its share has since significantly declined. Notably, the EU is a net exporter of titanium scrap.

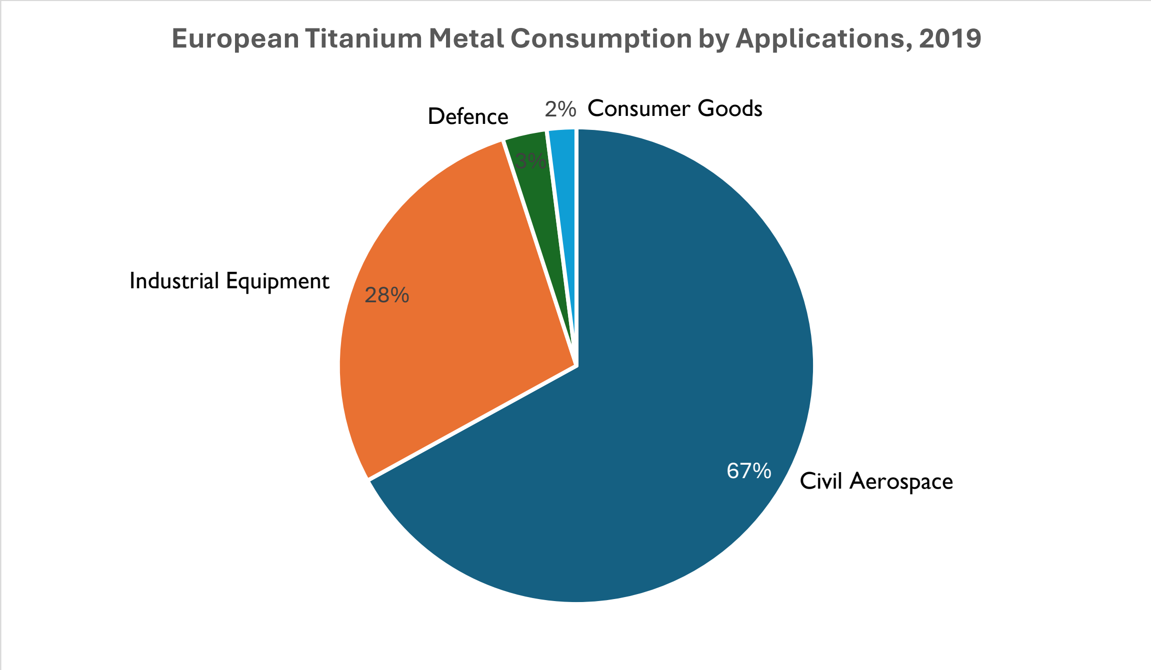


Source: Europa[14]

European consumption of titanium metal amounted to approximately 30 kt in 2019 (18% of the global), with two thirds for high-end aerospace applications.

[13] https://rmis.jrc.ec.europa.eu/uploads/220616_Briefing_Titanium.pdf

[14] https://rmis.jrc.ec.europa.eu/uploads/220616_Briefing_Titanium.pdf



Source: Europa[15]

Titanium consumption6 in the EU manufacturing sectors

Application	Industry	Industrial Ecosystem	Titanium metal consumption
Civil Aerospace	C3030 – Manufacture of air and spacecraft and related machinery	Aerospace & Defence	67%
Industrial Equipment	C2530 – Manufacture of steam generators, except central heating hot water boilers C281 – Manufacture of general-purpose machinery C2829 – Manufacture of other general purpose machinery n.e.c	Renewable energy, Energy-intensive Industries	29%
Defence	C3040 – Manufacture of military fighting vehicles C3030 – Manufacture of air and spacecraft and related machinery C3011 – Building of ships and floating structures	Aerospace & Defence	3%

[15] https://rmis.jrc.ec.europa.eu/uploads/220616_Briefing_Titanium.pdf

Consumer Goods	C3250 – Manufacture of medical and dental instruments C3230 - Manufacture of sports goods C2932 - Manufacture of motor vehicle parts & accessories C3213 - Manufacture of imitation jewellery & other products C3011 – Building of ships and floating structures F4120 – Construction of residential and non-residential buildings	Health, Mobility, Transport, Automotive	2%

Global Trade in Titanium

Titanium Sponge

Japan is the dominant global exporter of titanium sponge, with its share growing from 2016 to 2020. In 2020, Japan accounted for two-thirds of the world's sponge export volumes. The US was the largest market for Japanese sponge exports, receiving 73% to 87% of the exports during 2016-2020, while the EU was the second-largest market, with a share of 9% to 17%. In contrast, China's sponge exports are minimal, as most of its production is consumed domestically.

Unwrought titanium & powders

In 2019, Japan, Kazakhstan, and the US made up about 75% of the global export value for unwrought titanium and powders. However, by 2021, exports from Kazakhstan and the US had dropped significantly, leaving Japan responsible for over half of the global export value. USA is the largest global importer of unwrought titanium. In 2020-2021, the EU's import value fell sharply, decreasing by 84% in 2021 compared to 2019, largely due to reduced demand in aerospace applications as a result of the COVID-19 pandemic.

Wrought titanium (Mill products & titanium articles)

USA leads in exporting wrought titanium products, with Russia and other countries trailing behind. The EU is the top global importer, holding a 39% share of import value in 2019. However, the pandemic-induced manufacturing downturn caused the EU's import value to drop by 82% in 2021 compared to 2019. Globally, import values in 2021 fell to one-third of the 2019 level.

Imports to India

Imports of titanium ores and concentrates surged by 42% to 111,653 tonnes in 2021-22, up from 78,747 tonnes the previous year. The main sources were Mozambique (51%), Thailand (15%), the Netherlands (7%), and Australia (5%).

Imports of titanium and alloys (including waste and scrap) totalled 4,313 tonnes in 2021-22, up from 2,915 tonnes the previous year. The main suppliers were China (54%), Russia (11%), the USA (6%), and Japan (5%).

Imports of titanium oxide and dioxide amounted to 15,233 tonnes in 2021-22, compared to 13,514 tonnes the previous year. Major sources were Japan (34%), Taiwan (31%), and China (16%). Most of these imports were titanium dioxide (15,315 tonnes), with other titanium oxides totalling 98 tonnes in 2020-21[16].

Below table summarizes India's import of titanium dioxide over the past 10 years, including key details and top import sources.

Year	Import Quantity (THT)	Import Value (INR Cr.)	Per Ton Import Value (INR '000)	Revenue Generated from Import (INR Cr.)	Top 5 Import Sources

[16] https://ibm.gov.in/writereaddata/files/17125768836613d9733769fIlmenite_Rutile_2022.pdf

2014-15	17.6	282.4	160.7	17	Korea, China, Germany, USA, Japan
2015-16	16.4	257.1	156.6	18	China, Germany, Korea, Japan, USA
2016-17	13.9	229.4	165.0	17	China, Germany, Korea, Japan, USA
2017-18	13.7	247.7	180.8	43	China, Germany, Korea, Japan, USA
2018-19	14.5	286.9	197.2	51	China, Germany, Korea, Japan, USA
2019-20	16.4	308.3	187.8	55	China, Korea, Belgium, Japan, Netherlands
2020-21	13.4	251.1	187.5	46	Korea, China, Germany, Japan, Belgium
2021-22	15.1	362.3	239.4	72	China, Korea, Netherlands, Japan, Germany

Source: Ministry of Mines[17]

Future Outlook

According to the Technology Vision Document 2035, India's demand for titanium is projected to reach around 1,000 tonnes by 2035. This demand will come from various sectors: Space Sector (100 tonnes), General Engineering (50 tonnes), Atomic Energy (125 tonnes), Aeronautical (50 tonnes), Power Generation (150 tonnes), Petroleum Refinery (50 tonnes), and the Chemical Industry (475 tonnes). Key sectors such as defence, atomic energy, and space research have been assigned targets to enhance communication, modernize arms and ammunition for national security, and triple power generation. To meet these targets, the Indian Engineering Industry will rely on input materials like titanium sponge.

Until 2012, titanium sponge was not produced in India. The first commercially produced titanium sponge was launched in 2013 at KMML, Kerala, with support from ISRO. With this plant's successful commissioning, India has joined the select group of seven countries capable of producing aerospace-grade titanium sponge. The plant has the potential to expand its capacity to 1,000 tonnes per annum (tpa) in the future, with a sponge-to-metal yield of 35%. However, based on conservative estimates, India will require 2,500 tpa of titanium sponge. Consequently,

[17] https://sansad.in/getFile/loksabhaquestions/annex/1715/AU695.pdf?source=pqals

there will be a significant gap that will need to be filled through imports. Currently, the plant's capacity is sufficient to support strategic industries like domestic space and defence programs.

The titanium sponge industry is still recovering from the pandemic's impact, as its demand is heavily tied to the aviation sector, which was significantly affected by the pandemic. Globally, the demand for titanium dioxide (TiO2) is expected to align with economic growth trends and the production needs of paint, paper, and plastics. Aerospace, defence, and industrial applications are anticipated to drive future consumption of titanium metal. Government initiatives in renewable energy and infrastructure are likely to boost demand for steel and for IREL's rutile, which is used in manufacturing welding electrodes.

China

China's apparent demand for titanium dioxide (TiO_2) has generally increased from 2017 to 2021, although it has declined in the past two years. According to the Titanium Dioxide Industry Technology Innovation Strategy Secretariat and the Chemical Industry Productivity Promotion Center Titanium Dioxide Center, the apparent demand for TiO_2 in China for 2023 is projected to be 2.605 million tons, which equates to approximately 1.86 kilograms per capita. This figure represents about 55% of the per capita consumption observed in developed countries.

In 2023, the total output of TiO_2 by Chinese enterprises is expected to reach 4.16 million tons. This marks an increase of 250,000 tons from the previous year, reflecting a growth rate of 6.30%. This upward trend in production is attributed to the continuous enhancement of production capacity over recent years[18].

From January to November 2023, China’s apparent consumption of titanium dioxide (TiO_2) was 2.4021 million tons, nearly unchanged from 2.4026 million tons during the same period last year. Although domestic production has risen, demand remains weak, leading enterprises to increasingly focus on exports. Consequently, the proportion of TiO_2 exports is expanding[19].

Future Market Predictions

The Central Economic Work Conference highlighted several challenges for economic recovery, including insufficient effective demand, overcapacity in some industries, weak social expectations, and rising risks and uncertainties. To address these issues, the meeting underscored the need to balance progress with stability, promote stability through progress, and start with achievable goals before pursuing breakthroughs.

Looking ahead to 2024, the following trends are anticipated:

- Housing Market: The new housing sales market will likely face adjustment pressures. However, if economic recovery continues and property purchasing sentiment improves, coupled with timely urban village renovations, there may be a modest increase in sales.

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[18] https://www.ti-line.net/resources/industry-news/analysis-of-demand-and-output-of-chinas-titanium-dioxide-industry-from-2024-to-2029.html

[19] https://www.jinhetec.com/news/2023-annual-report-on-china-s-titanium-dioxide-market-237268.html

- Production Capacity: China's TiO_2 production capacity is expected to continue growing, potentially reaching 6 million tons by 2024, with monthly production surpassing 500,000 tons.
- International Market: China's international market share is anticipated to grow steadily. The export volume of TiO_2 is projected to be 1.63 million tons in 2023 and 1.8 million tons in 2024, with improvements in product quality and industry competitiveness.
- Raw Material Supply: The domestic supply of raw material titanium concentrate remains tight, with high prices providing strong cost support for TiO_2 production.

Despite the increased supply, the TiO_2 market is likely to experience oversupply conditions due to weak growth in terminal demand. Consequently, TiO_2 enterprises will continue to face significant pressure in 2024.

Russia

Titanium is on the government's priority list because Russia relies heavily on Ukraine for this mineral. Russia's VSMPO-Avisma is the world's largest producer of titanium sponge and products. In 2021, Russia imported 219,070 metric tons of titanium ore and concentrates. Of this, 100,390 metric tons, or 46%, came from Ukraine. Mozambique and Kazakhstan were the second- and third-largest suppliers, with 47,660 metric tons and 20,100 metric tons, respectively.

In January, Russia started processing ore at the Tugansk ilmenite-zircon deposit in Tomsk, Siberia. This new facility is Russia's first to produce titanium concentrates. When fully operational, it will process 575,000 metric tons of sand per year and produce 12,000 metric tons of titanium concentrates. This will help reduce Russia's need for imports by up to 5%[20].

[20] https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/metals/040522-russia-aims-to-cut-its-reliance-on-titanium-chromium-and-lithium-imports

Titanium in Military Applications

Over the past two decades, titanium has become increasingly used in military land and combat vehicles. Its low weight-to-strength ratio, exceptional mechanical and ballistic properties, and ease of fabrication make it ideal for armour plating and non-structural components. This helps reduce vehicle weight, enhances performance, and allows for additional upgrades. Common titanium grades used include 6Al-4V Grade 5 and 6Al-4V ELI Grade 23, with 6Al-6V-2Sn used for ordinance components and frames[21].

Titanium's high strength-to-weight ratio supports the development of strong, lightweight armour, which improves manoeuvrability without compromising safety. It is also utilized in aircraft parts, missiles, armour plating, naval ships, and spacecraft due to its versatility.

Manufacturers often use titanium alloys, combining it with aluminium and vanadium for parts like landing gears and hydraulic systems. Recent innovations include alloying titanium with tungsten for tank armour, providing battlefield protection. While alpha alloys are not used in the military due to their inability to be heat-treated, alpha-beta alloys are favoured for their strength and ductility.

Titanium is also used in armour suits for enhanced ballistic protection and in various military applications such as tanks, missiles, and weaponry. Titanium's reduced weight and exceptional strength make it suitable for personal carriers, ordnance equipment, and armour plating.

- **Titanium Grades for Military Use:** For armour, Ti-6Al-4V is preferred due to its superior ballistic performance. Ti-6Al-4V ELI is used for aircraft turbines and high-temperature applications, while 6Al-6V-2Sn-Ti is chosen for ordnance components and frames, and Grade 5 titanium is used for various military applications, offering high strength when heat-treated.
- **Titanium Composites:** Recent research has focused on titanium composites, which include titanium and fiberglass. These composites are used in rotor blades for Black Hawk helicopters due to their superior conductivity compared to carbon composites and effective galvanic and thermal expansion properties.
- **Titanium in Naval Applications:** For naval use, titanium is the metal of choice due to its exceptional resistance to seawater corrosion, ensuring that the metal remains unaffected even in harsh marine environments. It is employed in the construction of various components exposed to seawater, such as propeller shafts, underwater manipulators, rigging equipment, shipboard cooling systems, and piping. Titanium is particularly preferred for submarine ball valves, heat exchangers, fire pumps, and exhaust stack liners. Previously, seawater piping suffered from frequent damage, particularly in heat exchangers, leading to high maintenance costs due to constant replacements and repairs. Titanium has since replaced copper-nickel pipes, offering a longer lifespan and reduced service costs.
- **Titanium in the Air Force:** Titanium has been a staple in military aircraft construction for decades, notably for frames and bodies. Today, it is also used in other aircraft components, such as wind access

[21] https://www.northsteel.com/military-uses-of-titanium/
https://www.kingsresearch.com/blog/beyond-the-skies-aerospace-titanium

panels, landing gears, and brackets. It is estimated that up to 25% of a military aircraft is made from titanium, a higher proportion compared to commercial aircraft.Titanium's popularity in military aerospace stems from its excellent performance at high temperatures (over 600ºC). It is used in the manufacturing of jet engine castings and compressor discs due to its ability to withstand extreme temperatures without cracking or suffering from fatigue, unlike other metals.

Titanium in Aerospace Applications

- **Airframe** - Titanium is a key material for lightweight structural components in aerospace, offering superior performance compared to steel and aluminium alloys. Its use in aircraft manufacturing, including rotary-wing aircraft, rockets, satellites, and missiles, contributes to the development of fuel-efficient designs. Boeing, for instance, has leveraged titanium's benefits extensively for many years. Titanium alloys are vital for aircraft fuselages and engines, providing significant weight reduction and expected to see continued use in both commercial and military aircraft.
- **Aircraft Engines** - High-temperature titanium alloys are essential for manufacturing aircraft engine components such as compressor blades, discs, and casings. These parts endure higher temperatures and require materials with exceptional strength, resistance to temperature creep, and durability under high-temperature conditions (typically between 572-1112°F). Titanium's high-temperature properties make it ideal for these demanding applications.
- **Titanium Tubing** - Titanium tubing is a prominent product in aerospace, valued for its high strength-to-weight ratio and corrosion resistance. It is increasingly used in various applications where stainless steel and aluminium may fall short, such as in heat exchangers and other aerospace components.
- **Laser Welding of Titanium Alloys** - The aerospace industry places significant emphasis on advanced welding techniques for titanium alloys. Laser welding is a critical method used to join titanium alloy structures, offering precision and efficiency in the manufacturing process.
- **Electron Beam Welding of Titanium Alloys** - Since the 1960s, electron beam welding has been employed for welding titanium alloys and other important metals in aerospace and atomic energy sectors. This high-energy beam process has enabled the welding of thick titanium alloy plates, enhancing the quality and efficiency of production. Titanium, including its alloys and composites, remains a valuable material in both military and commercial aerospace industries due to its exceptional properties and performance.

Aerospace Titanium Grades Used in the Aviation Sector[22]

Ti-6Al-4V Ti-6Al-4V, also known as Grade 5 titanium alloy, is the most widely used aerospace titanium, making up 50% of global usage. This alloy, composed of aluminium and vanadium with minimal iron and oxygen content, is known for its robust mechanical properties. It offers high tensile strength, yield strength, and ductility, with typical values of 135 ksi tensile strength, 120

[22] https://www.kingsresearch.com/blog/beyond-the-skies-aerospace-titanium

ksi yield strength, and 9% elongation. Despite its performance, there is potential for enhancement, particularly in elongation.

FS2S FS Precision has introduced FS2S titanium alloy, a superior aerospace material that exceeds the standard Grade 5 properties by about 10%. This near-net-cast alloy offers improved tensile and yield strengths and enhanced fatigue resistance. FS2S also features a higher elongation value of 12%, which improves its moldability and overall performance.

Titanium used in Missiles and Space Exploration

Titanium's capacity to endure extreme temperatures and stress makes it essential for missile casings and spacecraft. Its superior fatigue resistance guarantees dependable performance in the demanding conditions of space and high-speed travel[23]. E-FAB supports advancements in defence technology by providing a variety of precision metal components tailored for specialized defence applications. With over 40 years of expertise, we are a trusted supplier of critical titanium components for defence equipment, including sensors, connectors, electronic enclosures, and specialized parts for military vehicles and weapons systems.

Consumption pattern of Superalloys in Defence & Aerospace sector24

Aluminum Alloys

Applications

- Airframes: Aluminium alloys are essential for constructing major aircraft and spacecraft components, including fuselages, wing skins, and structural ribs.
- Control Surfaces: They are used in vital control elements such as elevators, ailerons, and rudders, which manage aircraft pitch, roll, and yaw.
- Non-Load-Bearing Structures: Aluminium alloys are also used in less critical components like interior panels and access doors, where reducing weight is crucial.

Types

- 2XXX Series (Al-Cu): Known for high strength due to copper, this alloy is often used in fuselage and wing skin applications.

[23] https://www.e-fab.com/how-military-grade-titanium-enhances-defense-capabilities/

[24] https://www.valencesurfacetech.com/the-news/aerospace-metals/

- 6XXX Series (Al-Mg-Si): Valued for its formability and weldability, suitable for non-load-bearing components.
- 7XXX Series (Al-Zn): Provides high strength for upper wing skins and other high-stress parts.

Titanium Alloys

Applications

- Landing Gear: Titanium alloys are preferred for landing gear due to their exceptional strength-to-weight ratio, which ensures durability and safe landings.
- High-Stress Airframe Parts: They are used in critical airframe components like wing spars and fuselage bulkheads, offering strength without adding significant weight.
- Engine Components: Titanium alloys are used in jet engine parts, such as compressor blades, due to their ability to withstand high temperatures and thermal stress.

Types

- Alpha (α) Alloys: Excellent for applications requiring complex shapes, such as landing gear components, due to their formability.
- Alpha-Beta (α - β) Alloys: Offer a good balance of strength and flexibility, ideal for high-stress airframe parts.
- Beta (β) Alloys: Known for their high strength, suitable for engine mounts and other high-load applications.

Steel Alloys

Applications

- Landing Gear: Steel alloys are used in landing gear for their strength and reliability under heavy loads.
- Missile Bodies: High-strength steel alloys are used to withstand the internal pressure and forces during missile launches.
- Pressure Vessels: Steel alloys are employed in pressure vessels for their ability to handle high internal pressures.

Types

- High-Strength Low-Alloy (HSLA) Steels: Used for components like fuselage frames, offering a good balance of strength and weight.
- Maraging Steels: Known for their high strength and toughness, ideal for landing gear and missile bodies.
- Stainless Steels: Provide strength and corrosion resistance for specific airframe components and external hardware.

Superalloy Usage in Jet Engine Construction

Applications

- Turbine Blades: Superalloys are crucial for turbine blades due to their high-temperature performance and creep resistance.
- Combustor Liners: They line the combustor chamber, protecting against intense heat and ensuring reliable operation.
- Turbine Disks: Superalloys used in turbine disks provide the necessary strength and temperature resistance.

Types

- Nickel-Chromium (Ni-Cr) Superalloys: Offer a blend of high-temperature performance and oxidation resistance for various engine components.
- Nickel-Cobalt (Ni-Co) Superalloys: Provide superior strength and creep resistance, ideal for turbine blades.
- Directionally-Solidified (DS) Superalloys: Have a grain structure aligned for enhanced high-temperature strength, suitable for demanding applications.

Magnesium Alloys

Applications

- Non-Critical Components: Magnesium alloys are used in interior components like seat frames, where weight reduction is important but structural loads are minimal.

Types

- Magnesium-Aluminium (Mg-Al) Alloys: Offer a balance of strength and weight, used in non-critical components.

- Magnesium-Rare Earth (Mg-RE) Alloys: Enhanced with rare earth elements for improved strength and creep resistance, explored for components requiring higher strength-to-weight ratios.

Titanium Recycling Scenario

Titanium recycling is a sustainable practice that involves salvaging and reusing titanium scrap from sources like manufacturing plants, aerospace and medical suppliers, and machining shops. By diverting this scrap from landfills, recycling helps reduce waste and the environmental impact of titanium production.

The recycling process starts with collecting and sorting titanium scrap, followed by melting, refining, and purifying. Advanced technologies remove impurities, turning the scrap into high-quality raw material for new titanium products.

The global titanium recycling industry remains relatively small compared to primary titanium production, but its significance is growing. Key points about worldwide titanium recycling include:

- Globally, the annual recycling rate of titanium scrap, compared to the current consumption level, is estimated to be only around 400 tonnes. This is concerning given titanium's strategic importance: it's a crucial material for advanced aerospace applications, has no immediate substitutes, and relies heavily on imports[25].
- Approximately 30,000 tonnes of titanium are recycled each year using Electron Beam Cold Hearth Recasting (EBCHR) or Plasma Arc Melting (PAM) methods[26].
- In 2023, global production of titanium sponge was estimated at 330,000 tons, with China leading as the largest producer, contributing 220,000 tons[27].
- In 2020, USA consumed ~45,000 tons of titanium scrap metal. Of this, the titanium industry accounted for ~78%, steel industry accounted for ~18%, ~1% by the superalloy sector, and the remaining ~3% by all other industries.
- Japan, Kazakhstan, and Saudi Arabia are significant exporters of titanium sponge and scrap, supplying the U.S. and other nations.
- Titanium recycling is appealing due to its energy efficiency compared to primary production, although the process remains challenging because of the need to separate titanium from other alloying elements.

India Scenario

India's titanium recycling industry is still developing but has significant growth potential:

- India's overall recycling rate is relatively low, around 20 to 25%[28], compared to the U.S., which, as a net exporter of scrap, has recycling rates of 80 to 90%, and Europe, where recycling rates exceed 70%. The recycling industry is not as organized compared to international standards.

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[25] https://alnorindustries.com/facts-about-titanium-scrap-recycling.html

[26] https://www.ptcil.com/PDF/Investors/press-releases/ptc-industries-announces-the-acquisition.pdf

[27] https://pubs.usgs.gov/periodicals/mcs2024/mcs2024-titanium.pdf

[28] https://www.mtcgroup.in/the-growth-of-metal-recycling-in-independent-india.php

- However, India's secondary nonferrous sector, which includes titanium recycling, is growing at around 10% per year[29].
- India produced around 300 tons of titanium sponge in 2023[30].
- Average price of titanium scrap in India is around INR 200/kilogram as of April 2024[31].
- India is discussing a National Recycling Policy, which aims to reduce reliance on scrap imports and achieve self-sufficiency in titanium recycling within a decade[32].

While India's current titanium recycling rate is only around 30%, the industry is growing rapidly at 10% per year. The country has significant room for expansion in titanium recycling to meet its growing demand for the metal. Targeted policies and investments could help India boost its recycling capabilities in the coming years.

Key Drivers

The advantages of titanium recycling go beyond just environmental sustainability. By adopting a circular economy model, titanium recycling enhances resource efficiency and conserves valuable natural resources. It decreases the need for new titanium extraction, which is often energy-intensive and harmful to ecosystems. Moreover, recycling titanium lowers the demand for virgin titanium, helping to stabilize market prices and support a more sustainable supply chain.

Below are the key reasons that showcase the need for titanium recycling[33]:

- **Environmental Sustainability and Conservation**: Recycling titanium is crucial in minimizing environmental damage caused by titanium extraction, which can lead to water and air pollution. By reducing the reliance on new extraction, recycling plays a significant role in conserving natural resources. The process benefits from advanced filtration and air pollution control technologies, helping to lessen the ecological impact. Moreover, the abundance of titanium scrap allows for repeated recycling without degrading quality, making it a sustainable option that preserves resources for future generations.
- **Cost-effectiveness**: Titanium recycling offers significant cost savings by eliminating the need for new raw materials, thereby reducing expenses associated with mining, transportation, and processing. Given the relatively high cost of titanium, recycling presents an attractive alternative that helps businesses maintain product quality while lowering costs. Additionally, a consistent supply of recycled titanium contributes to market stability, providing long-term economic advantages for industries.
- **Energy Efficiency**: Recycling titanium requires considerably less energy than producing new titanium from raw materials. This energy efficiency translates into reduced carbon emissions and a smaller carbon

[29] https://www.policycircle.org/policy/non-ferrous-metal-recycling-in-india/

[30] https://pubs.usgs.gov/periodicals/mcs2024/mcs2024-titanium.pdf

[31] https://www.applesteels.com/price-list.html

[32] https://ecoserveindia.com/government-initiatives-promoting-metal-scrap-imports-in-india.html

[33] https://www.alltialloys.com/blog-posts/understanding-titanium-recycling

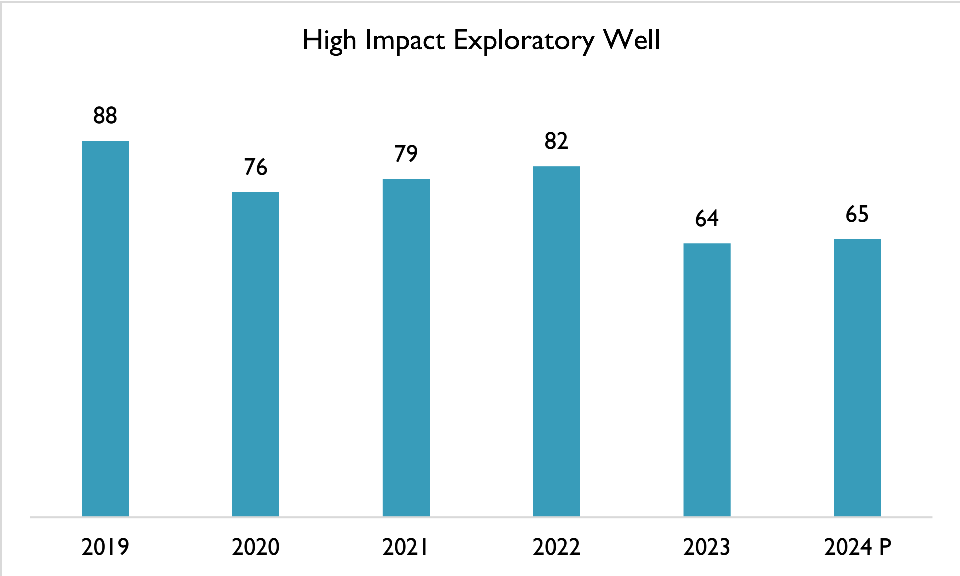
footprint. Utilizing advanced recycling techniques helps conserve energy resources, promoting a more sustainable future and contributing to environmental protection.

- **Innovation in Product Development**: Recycled titanium is ideal for creating new products that retain the same quality as those made from virgin material. This capability supports innovation, enabling a diverse range of applications across various industries. By using recycled titanium, businesses can develop new products, expand their market presence, and meet the changing demands of consumers.
- **Industry Collaboration and Technological Advancement**: The process of recycling titanium encourages collaboration between industries, leading to technological innovations and improvements in recycling methods. By sharing expertise and resources, companies can refine recycling techniques, enhance the sustainability of titanium production, and discover new applications for recycled titanium. This collaboration fosters a more sustainable approach to titanium production and drives progress in the industry.
- **Regulatory Compliance and Corporate Responsibility**: As governments enforce stricter regulations on resource extraction and waste management, recycling titanium helps businesses meet these requirements and avoid potential penalties. Adhering to regulatory standards not only supports sustainable development but also enhances a company's reputation as a responsible and environmentally-conscious leader, building trust with stakeholders.
- **Consumer Education and Awareness**: Promoting the use of recycled titanium products allows companies to educate consumers about the environmental benefits of recycling. By encouraging responsible consumption, businesses can influence customers to make eco-friendly choices, fostering a culture of sustainability. This education extends beyond titanium, raising awareness about the broader importance of recycling and empowering individuals to contribute to a more sustainable future.

Oil & Gas Exploration and Production: Global and India Scenario

Global Scenario

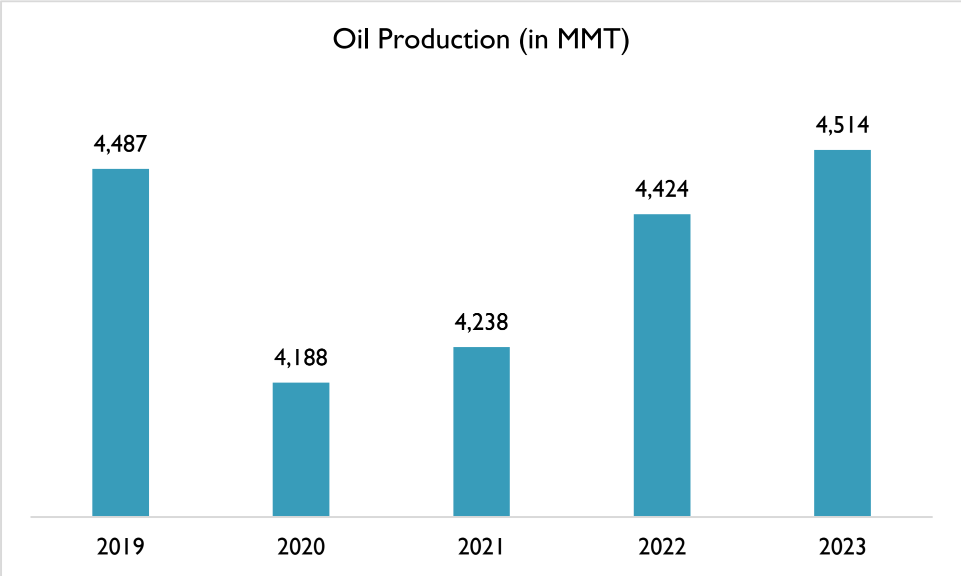
In 2023, global high impact exploration saw a significant decline with only 64 wells drilled. This decrease occurred despite high oil prices, suggesting a shift in the historical link between oil prices and exploration spending. The year saw only 13 potentially commercial discoveries, translating to an estimated 1.2 billion barrels of oil and 11 trillion cubic feet of gas, a 62% decrease from 2022. The average discovery size also fell, and the commercial success rate dropped to 20%, the lowest since 2016. This downturn was particularly notable in South America, with a drastic reduction in drilling activities in Guyana and Brazil, while North America and Africa saw an increase in high impact wells.



Source: Industry Report

Looking ahead to 2024, exploration activity is expected to remain at similar levels, with around 60-65 high impact wells projected. Africa is anticipated to be a key area of focus, driven by emerging plays in the Orange Basin and other regions. South America is expected to recover with significant frontier basin tests in Colombia and Argentina. In North America, fewer wells are expected offshore Mexico, while activities in the US Gulf of Mexico will continue. Asia Pacific will see key frontier tests in Malaysia and continued drilling in Indonesia. Despite the disappointing results in 2023, the appetite for exploration persists, with several key wells in new geographies poised to potentially deliver significant outcomes.

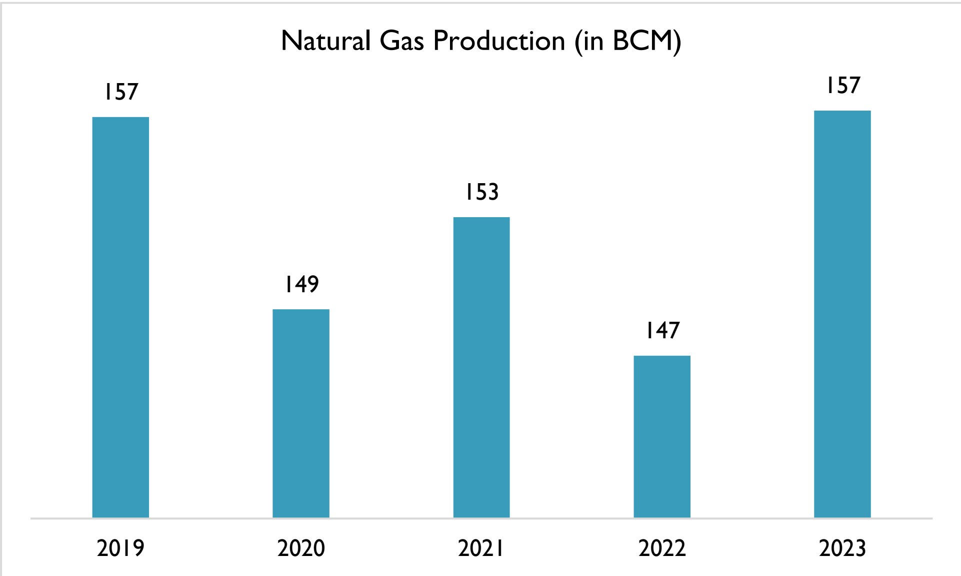
Oil production has exhibited an increasing trend over the years, rising from 4,487 MMT in 2019 to a projected 4,514 MMT in 2023. The sector experienced a slight dip in 2020, with production dropping to 4,188 MMT, likely due to the impact of the COVID-19 pandemic on global oil demand and production. However, oil production has since rebounded and is forecasted to reach a new high of 4,514 MMT by 2023, indicating a recovery and growth in the sector.



Source: World Energy, 2024

Natural gas production has also followed an overall upward trend, maintaining 157 BCM in 2019 and expected to return to this level in 2023. There was a slight decrease in 2020 to 149 BCM, which can be attributed to pandemic-related disruptions. Despite this, natural gas production is projected to rebound to 157 BCM by 2023, demonstrating stability and resilience in this segment of the energy sector.

Overall, both oil and natural gas exploration and production activities are recovering after the disruptions caused by COVID-19, with projected growth in the coming years. This suggests that the global energy sector is poised for continued development and investment in exploration and production to meet the growing demand for oil and natural gas worldwide.

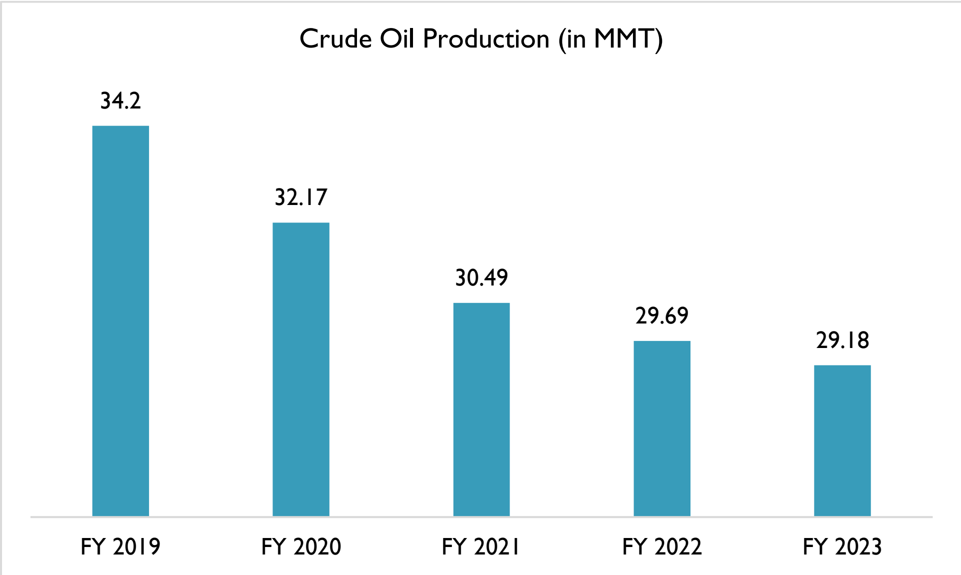


Source: World Energy, 2024

Indian Scenario

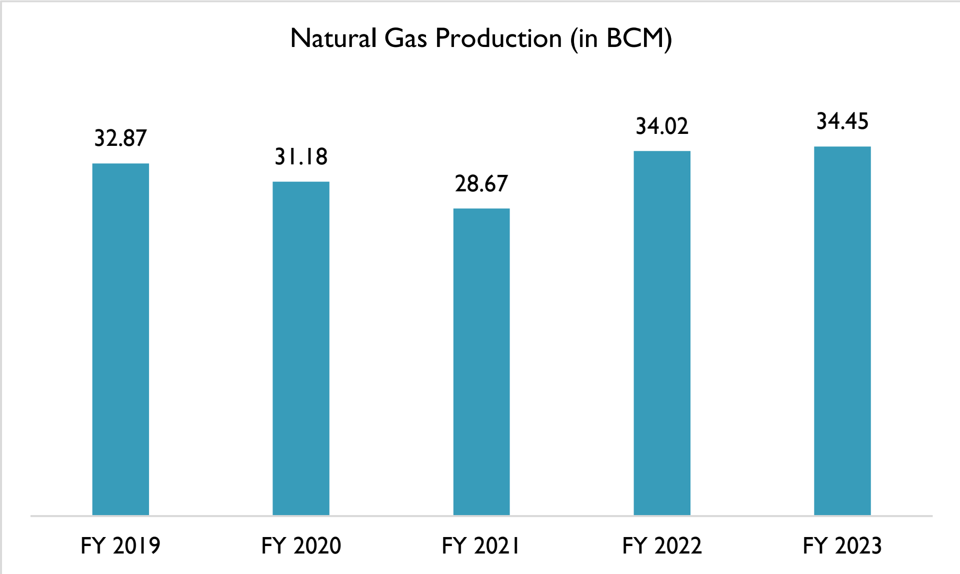
India's oil and gas sector plays a crucial role in meeting the energy needs of the country. The annual report for 2022-23 provides a comprehensive analysis of the trends in crude oil and natural gas production, consumption, and imports. It also highlights the exploratory and development drilling activities undertaken by oil companies.

In the crude oil segment, India's production for the year 2022-23 stood at 28.37 million metric tonnes (MMT), marking a decline from 29.69 MMT in 2021-22. Meanwhile, the country imported 232.70 MMT of crude oil, a 9.6% increase from the 212.38 MMT imported in the previous year. The value of these imports rose significantly by 39.8%, from ₹9,01,262 crore in 2021-22 to ₹12,60,372 crore in 2022-23. Over the past decade, India's crude oil production has been relatively stable with slight fluctuations, while crude oil imports have generally shown an upward trend, reflecting the country's growing energy demand and dependency on imported crude.



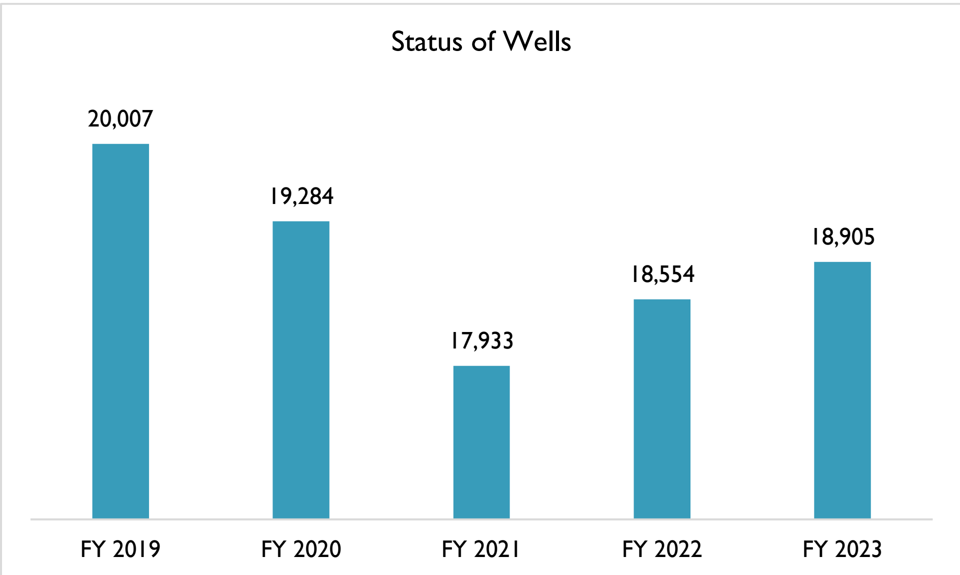
Source: Ministry of Petroleum & Natural Gas

In the natural gas segment, production in 2022-23 was recorded at 34.45 billion cubic meters (BCM), a modest increase of 1.25% from 34.02 BCM in the previous year. However, total consumption of natural gas decreased by 6.53%, from 64.16 BCM in 2021-22 to 59.97 BCM in 2022-23. The consumption breakdown reveals the highest usage in the fertilizer industry (33%), followed by the City & Local Natural Gas Distribution Network (20.5%), the power sector (13.9%), and refineries (6.7%). LNG imports also fell by 15.22%, from 31.03 BCM in 2021-22 to 26.30 BCM in 2022-23. Despite this decline in quantity, the value of LNG imports increased by 36.5% due to higher prices. Over the past decade, natural gas production has seen minor fluctuations, with notable changes in 2020-21 and 2021-22, while consumption generally increased, peaking in 2021-22 before declining in 2022-23. LNG imports have also increased steadily until 2019-20, with a slight decline thereafter.



Source: Ministry of Petroleum & Natural Gas

Drilling activities in 2022-23 showed significant efforts in both onshore and offshore areas. Onshore exploratory and development drilling activities resulted in a total of 513 wells with a metreage of 1034 thousand meters, representing a slight increase from the previous year. Offshore activities included 112 wells with a metreage of 302 thousand meters, showing a marginal rise despite an increase in the number of wells from 110 in 2021-22. Overall, the total exploratory and development drilling activities for both onshore and offshore combined in 2022-23 resulted in 625 wells with a metreage of 1337 thousand meters, indicating an upward trend compared to the previous year.



Source: Ministry of Petroleum & Natural Gas

The 2022-23 fiscal year highlighted India's ongoing efforts in the exploration and production of oil and gas, with notable increases in drilling activities and fluctuations in production and consumption patterns. The dependency on imports, especially for crude oil, underscores the need for enhanced domestic production capabilities and sustainable energy policies

Profile: PTC Industries Limited[34]

PTC Industries Limited was established in 1963 and set up the first investment casting foundry in India initially founded as Precision Tools & Castings Private Limited, the company aimed to produce high-technology metal components for various industries. The company's headquarters is in Lucknow, Uttar Pradesh, India. With over 60 years of experience, PTC Industries has evolved into a leading manufacturer of precision-engineered metal components and systems, catering to critical applications in aerospace, defence, oil and gas, marine, energy, and other engineering sectors, serving domestic and international markets. The company has more than 3,558 suppliers, and through that, the company has broadened its geography.

PTC Industries Limited has formed strategic partnerships with major companies to boost its market and technological edge. Notable collaborations include Safran Aircraft Engines for titanium castings, BAE Systems for gun structures, Dassault Aviation for Rafale parts, and Israel Aerospace Industries for aerospace components. The company also partners with Nasmyth (UK), Hindustan Aeronautics Limited, Bharat Dynamics Limited, and Mishra Dhatu Nigam Limited to advance materials and develop missile and UAV engines, supporting the 'Make in India' initiative.

Key Business Vertical

PTC Industries Limited operates through three key business verticals, which include the Industrial and Defence Group, the Aerospace Castings Group, and the Aerospace Materials Group.

- **Industrial and Defence Group**: Focuses on air-melt castings and machining integration, catering to critical applications in industries such as oil and gas, marine, energy, pulp and paper, and defence.
- **Aerospace Castings Group**: Specializes in titanium, super alloy, and controlled microstructure castings, including single crystal, directionally solidified, and equiaxed blades and vanes for aerospace applications.
- **Aerospace Materials Group**: Manufactures titanium and super alloy materials, utilizing advanced technologies like vacuum melting and powder fabrication to produce high-performance components for the aerospace and defence sectors.

Each of these verticals demonstrates PTC's commitment to precision engineering and innovation, providing comprehensive solutions across various critical industries.

For the manufacturing of the products, PTC operates two advanced manufacturing units in Mehsana, Gujarat, and Lucknow, Uttar Pradesh. These include foundries, CNC machine shops, and an R&D lab accredited by the DSIR. Through its subsidiary, Aerolloy Technologies Limited, PTC has a titanium casting facility in the Uttar Pradesh Defence Industrial Corridor.

Key Customer Segments

PTC Industries Limited caters to customers from a wide range of geographic locations, including India, the European Union, Norway, the USA, the UK, China, and Brazil. In FY 2023, the company generated 93% of its

[34] Based on information provided by the Company & compiled from public domain (Company website)

revenue from exports, reflecting its strong global presence and ability to meet international standards. This extensive reach highlights PTC's role as a major player in the global manufacturing sector. PTC Industries Limited excels in serving a diverse range of high-performance industries, including aerospace, defence, marine, oil and gas, energy, LNG, pulp and paper, and petrochemicals. PTC's key customers include Siemens, GE, Alstom, Metso, and Emerson, amongst others. In the aerospace sector, PTC's subsidiary Aerolloy has gained recognition from leading companies such as Safran, Israel Aerospace Industries, and Honeywell Aerospace for its critical metal components, with notable NADCAP approvals.

Moreover, the defence sector benefits from PTC's support in naval and military applications, exemplified by its partnership with Rolls Royce-Marine, which awarded PTC the Total Cost Leadership Award. Additionally, PTC caters to various engineering sectors with its high-precision components, underscoring its versatility and commitment to innovation.

Key Achievements

- PTC Industries Limited has achieved significant milestones in its journey, highlighting its innovation and industry leadership.
- In 2006, it was honoured with the National Award for R&D Efforts in the Industry by the Government of India.
- Recognized by Forbes in 2014 as one of India's "16 Hidden Gems," the company continued its success with the inauguration of the Advanced Manufacturing & Technology Centre in Lucknow in 2017.
- That same year, PTC received the Special Jury Award for MSMEs at the TIME India Awards and the Rolls Royce Marine Total Cost Leadership Award.
- In 2018, it was named the most innovative manufacturing company in the medium category at the CII Industrial Innovation Awards.
- The company expanded its reach with the establishment of Aerolloy Technologies Limited in 2020, which saw its first manufacturing unit inaugurated by Shri Rajnath Singh in 2021.
- Most recently, in 2022, PTC was awarded the Raksha Mantri Excellence Award for excellence in indigenisation in the defence and aerospace sector.

OUR BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" on page 17 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations *– Significant Factors Affecting our Results of Operations" on pages* 45 and 99 *respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.*

*Unless otherwise indicated, industry and market data used in this section have been derived from the report "Industry Report on Defence and Aerospace in India" dated August 2024 (the "**D&B Report**") prepared and released by Dun and Bradstreet and commissioned and paid by our Company in connection with the Issue. Unless otherwise indicated, all financial, operational, industry and other related information derived from the D&B Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Also see, "Presentation of Financial Information and Other Conventions" on page 13.*

OVERVIEW

PTC Industries Limited, is an Indian manufacturer with over 60 years of experience in precision metal components and caters to critical applications and, through its Subsidiary, Aerolloy, produces critical and supercritical metal components for Aerospace, Defence and Industrial applications, serving both domestic and international markets, which are developed through sustainable, disruptive and innovative technologies. Established in 1963 as Precision Tools & Castings Private Limited *(now PTC Industries Limited)*, our Company started with an objective to export metal parts by setting up an investment casting foundry in India, to produce metal components using casting techniques to cater to a large number of industries for their specific process applications. With over six decades of expertise, our Company has evolved into a supplier of precision-engineered metal components across a broad spectrum of industries. Our extensive OEM portfolio caters to Aerospace, Defence, oil and gas, marine, energy, pulp and paper, and various engineering sectors. We specialize in manufacturing components crucial to operations such as valves, pumps, propulsion systems, titanium castings, and flow meters, among others.

Our manufacturing technologies enable us to cater to a wide spectrum in the aerospace and defence sector. This includes (i) civil aviation, (ii) air defence, (iii) naval defence, (iv) space, (v) aero engines, (vi) land defence and (vii) strategic systems.

Given below is an illustration of some of our platform independent core manufacturing technologies:

Sector	Particulars	Description
Civil Aircraft	Landing System structural	Components used in landing gears
	Airframe structural	Wings, fuselage, and undercarriage
	Engine mounts	For holding Engine to wings and holding ancillaries to engine
	Turbine frames	Hot gas conduits
	Engine shrouds	For sealing surfaces with Rotating parts
Military Aircraft	Airframe structures	For structural support and aerodynamics
	Intermediate casings	For engine support and component housing
	Bearing housings	For bearing support and alignment
	Re-fuelling nozzles	For fuel transfers and refuelling
	Turbine oil-tanks	For oil storage and engine lubrication
	Engine gearboxes	For power transmission and gear control
Naval Defence	Pump & Valve components	For fluid control and pressure regulation

	On-line fittings	For pipe connections and fluid transfers
	Propellers and propulsion components	For thrust generation and propulsion
Space	Propellant tanks	For fuel storage or missile propulsion
	Propulsion nozzles	For thrust control, exhaust management.
	Bulkheads	For structural support, compartmentalisation.
	Liquid fuel pump casings and impellers	For fuel transfer, pressure regulation.
	Lightweight structural	For weight reduction, structural support.
Aero Engines	Turbine frames	For structural support, turbine housing
	Blades, buckets and vanes	For airflow management, power generation
	Bearing housings	For rearing support, alignment.
	Inlet and outlet structures	For airflow management, pressure regulation.
Land Defence	Suspension arms	For vehicle stability, shock absorption.
	Muzzle brakes	For recoil reduction, accuracy enhancement
	Lightweight artillery structures	For mobility, firepower efficiency
	Armour protection	For defence enhancement, impact resistance
Strategic Systems	Propellant tanks	For fuel storage, missile propulsion
	Propulsion nozzles	For thrust control, exhaust management
	Bulkheads	For structural integrity, compartmentalisation.
	Pressure bottles	For high-pressure storage, gas containment
	Lightweights structural	For weight reduction, structural support

As of June 30, 2024, we have developed capabilities to manufacture over 1414 products which can broadly be categorised into three vital technology groups, namely:

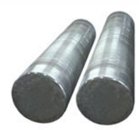
i. *Industrial And Defence Group*: comprising the air-melt castings vertical and machining and integration vertical and caters to the specific needs of critical and supercritical applications in industries such as oil and gas, marine, energy, pulp and paper, and defence.

ii. *Aerospace Castings Group*: comprising the titanium castings vertical, super alloy castings vertical and airfoil castings vertical which includes manufacturing of single crystal, directionally solidified, and equiaxed blades and vanes.

iii. *Aerospace Materials Group*: comprising the titanium alloy mill vertical, super alloy mill vertical and the forging & rolling mill vertical.

Given below is an illustration of some of the portfolio offerings in three vital technology groups of our Company:

Technology Group	**Vertical**	**Portfolio Offerings**
Industrial And Defence Group	Air-Melt Castings	

		   Stainless Steel Castings for Industrial and Defence applications
	Machining	Precision Machining of Castings
Aerospace Castings Group	Titanium Casting	Lightweight, high-strength components
	Super Alloy Castings	 High-temperature resistance, durability
	Airfoil Castings	 Single Crystal, Directionally Solidified and EquiAx castings for Aero Engines and Gas Turbine applications
Aerospace Materials Group	Titanium Alloy Mill	 Titanium Alloy Ingots of various grades using Ti Sponge as well as Ti scrap. Primarily for Aerospace and Defence applications
	Super Alloy Mill	 Nickel or Cobalt based Super Alloy ingots and cast sticks, melted in Vacuum and used for high temperature applications

As on the date of this Placement Document, we have a wholly-owned subsidiary, namely, Aerolloy Technologies Limited ("**Aerolloy**") which was established on February 17, 2020 with a primary focus on manufacturing metal and components for aerospace and defence applications, catering to both domestic and international markets.

From 2022, we (through Aerolloy) have begun acquiring strategic materials manufacturing plants for installation and commission at the premises of Aerolloy in the Uttar Pradesh Defence Industrial Corridor at Lucknow, Uttar Pradesh, including an Electron Beam Cold Hearth Remelting ("**EBCHR**") furnace, a Plasma Arc Melting ("**PAM**") furnace and a Vacuum Induction Melting ("**VIM**") furnace. The certification under AS 9100 received by Aerolloy, demonstrates our Company's capability consistently manufacturing products that meet stringent industry standards and regulatory requirements for supplying to aerospace, space and defence organisations. We have also secured strategic partnerships through memorandums of understandings entered into with prominent OEMs. These relationships are aimed at exploring capabilities and seizing opportunities in aerospace component development and highlight our prominence as a partner to global aerospace manufacturers.

We cater to diverse geographic locations, including India and international markets located in the European Union, Norway, United States of America, United Kingdom, China and Brazil. During the Fiscals 2022, 2023 and 2024 and the three month period ended June 30, 2024, exports of products amounted to ₹ 14,284.46 lakhs, ₹ 19,785.16 lakhs, ₹21,141.44 lakhs and ₹4,009.31 lakhs, which accounted for 79.82%, 90.23%, 82.30% and 85.55% of our revenue from operations, respectively. Our growth is also fuelled by our longstanding relationships with our customers, with over 73% and 81% of our revenue in Fiscal 2024 and the three month period ended June 30, 2024, stemming from customers who have partnered with us for more than a decade.

As of June 30, 2024, we together with our Subsidiary, have 3 manufacturing units located at Mehsana, Gujarat and Lucknow, Uttar Pradesh. These manufacturing units encompass 3 foundries, two CNC machine shops, and a research and development laboratory accredited by the DSIR. Furthermore, through Aerolloy, we have pioneered a fully operational titanium casting facility, within the Uttar Pradesh Defence Industrial Corridor situated in Lucknow, Uttar Pradesh. We have received international accreditations including ISO 9001:2015 from TUV, a number of Marine Classification Approvals from esteemed bodies such as DNV, Bureau Veritas, Lloyds, and the American Bureau of Shipping. We have also received the Management System Certification as per EN 9100:2018 for Aerolloy for its capability to manufacture As-Cast and Machined investment casting in air and vacuum melt for steel, titanium and super alloys for aerospace applications as per AS 9100. We also have approvals under PED (Pressure Equipment Directive) from TUV W0 MERKBLATT and approval from the Nuclear Power Corporation of India. Our testing laboratory is certified with the Laboratory Quality Management system as per ISO 17025: 2017 from NABL.

Our manufacturing facilities employ various modern technologies including high integrity vacuum-melt titanium, hot isostatic pressing, powder fabrication, reactive alloy production, vacuum melting, and metal powder manufacture. We have also embraced digital systems that render operations more efficient. This includes the integration of artificial intelligence, big data analytics, and business monitoring algorithms, poised to enhance productivity and amplify core business capabilities.

Sachin Agarwal, our Promoter, brings over 26 years of experience, during which he has introducing cutting-edge technologies to our Company. Under his leadership, our Company has up new infrastructure and expanded its customer base. Our management team is equipped with experience and expertise to drive growth and manage our operations effectively. We believe this combination of technological foresight and seasoned leadership gives us a distinct competitive advantage as we continue to expand our business. For further details regarding our management, see "*Board of Directors and Senior Management*" starting on page 238.

We are committed to sustainability as part of our Environmental, Social and Governance ("**ESG**") focus and have undertaken several initiatives toward our ESG goals. The impetus is towards creating sustainable, disruptive and innovative technologies. Further, we have received several awards in recognition of our products and operations, including the "Raksha Mantri Excellence Award' in 2022 for excellence in indigenisation in the Defence and Aerospace Sector, the "CII Industrial Innovation Award" in 2018, the National Award for R&D Efforts in the Industry in 2006 from The Department of Science and Industrial Research, Government of India, the "Total Cost Leadership Award" from Rolls Royce – Marine, the "Special Jury Award" at the TIME India Awards, 2017 and a recognition in Forbes India magazine as one of "16 Hidden Gems" in the country, amongst others. In addition, our Company has secured a 'Clearance Certificate' for critical On-Line Fittings (OLFs) crafted from precious Titanium alloys Aerolloy has secured approval from Safran Aircraft Engines (SAE) engine manufacturer for development and supply of critical Titanium and Super Alloy castings for Aero Engines. For further details regarding awards and accreditations, see "*Our Business – History and Development*" on page 233.

OUR STRENGTHS

Establishment of key partnerships, the attainment of quality certifications, and approvals from globally esteemed organizations in the industry

We have entered into strategic partnerships with businesses around the world. We feel that through our partnerships, we have been able to advance our technical expertise and knowledge, enabling us to better position ourselves in the market by staying current with emerging technologies.

Our global partnerships encompass aerospace and defence sectors, involving collaborations for the development and supply of titanium and super alloy castings for aircraft engines. We have collaborated for manufacturing titanium castings and key structural components—including the saddle, cradle, and lower carriage for artillery—within India. Additionally, we aim to supply titanium cast parts and materials various aircrafts, and provide cast components for aerospace applications. Our initiatives include advancing casting, machining, assembly, and thermal precision engineering capabilities in India, as well as localising aviation-grade raw materials, components, and subsystems. We are also engaged in designing, developing, and manufacturing aero engines for missiles, UAVs, and loitering munitions. Furthermore, we produce titanium alloy pipes, tubes, plates, and sheets, and fabricate essential parts for the defence and aerospace industries.

We maintain relationships with other key stakeholders in the industry, such as, a diversified group of global and local giants as they are critical to the success of our expanding presence. Their market reputation provides additional assurance to our customers regarding the quality of our services.

Long standing customer relationships

We have, through our business operations, established long-term relationships with customers across industries we cater to. Our customers span multiple sectors, ranging from aerospace, defence, oil and gas, marine, energy, pulp and paper, petrochemical, and various other engineering sectors. We have a mix of domestic and international customers including multinational corporations. We believe that our continued success is, in part, due to our customer centric practices such as continuous focus on innovation and technology, offering advanced engineering capabilities, ensuring stringent quality standards, and maintaining flexibility in production to meet the evolving needs of our customers in the aerospace, defence, and industrial sectors.

We have low customer revenue concentration and our reliance on any single customer is limited. customer contributed to over 25% of our total revenue for the last three Fiscals and the three months ended June 30, 2024. For Fiscal 2022, 2023 and 2024, and three months ended June 30, 2024, our top 10 customers generated ₹16, 202.33 lakhs, ₹19,572.08 lakhs, ₹21,852.85 lakhs and ₹4,185.86 lakhs, of our revenue from operations, respectively and accounted for 91%, 89%, 85% and 89% respectively, of our revenue from operations in such periods.

The table below sets forth details of the geographies where we export our products and revenues generated for the periods indicated:

(in ₹ lakhs)

Particulars	**Fiscals**			**For the three-month period ended June 30, 2024**
	2022	**2023**	**2024**	
European Union	6,096.21	8,717.38	9,659.15	1,793.35
Norway	2,396.43	2,214.88	4,831.83	1,213.60
United States	3,029.96	4,063.53	3,268.24	480.02
United Kingdom	296.71	418.91	830.60	49.19
Brazil	370.00	1,247.22	226.44	28.84
China	1,982.37	2,792.06	1,945.70	361.25
Others	114.83	640.19	379.49	108.28
Total	**14,286.52**	**20,094.17**	**21,141.44**	**4,034.53**

Our manufacturing capabilities allow us to develop designs which are based on customer specific requirements through our OEM capabilities. We believe our quality products, internationally recognized and certified manufacturing facilities, and customized services have enabled us to serve and retain our customers.

Strong and seasoned board of directors and management

Our leadership team is composed of seasoned professionals with industry expertise. Sachin Agarwal, our Promoter and Chairperson, has over 26 years of experience in the industry. Priya Ranjan Agarwal, our Director of Marketing, brings over 30 years of experience in the field, shaping our market presence and customer relations. Alok Agarwal, who oversees quality aspects, ensures that our products meet the required standards. Smita Agarwal, as Chief Financial Officer, looks over our financial strategy and performance. James Collins, our Chief Technology Officer, has been associated with us since 2017 and is a Fellow of the Institute of Cast Metal Engineers. Additionally, our key management members, with long tenures in our Company, have been instrumental in leading our production and marketing functions, contributing to our expansion and financial success. With this management team, we are well-positioned to capitalise on future growth opportunities, For further information, see "*Board of Directors and Senior Management*" on page 238.

Diverse verticals with a focus on providing comprehensive solutions and manufacturing high quality, intricate and critical components using advanced technologies

Our Company, together with our Subsidiary, operates 3 manufacturing units located at Lucknow, Uttar Pradesh and Mehsana, Gujarat, which were established in 2017 and 2001 respectively, which are equipped with advanced technologies acquired by us which are strategic investments for the manufacture of parts in titanium and superalloys, stainless steel, super duplex and other exotic alloys. Our manufacturing unit at Lucknow, Uttar Pradesh houses more than 20 unique technologies and a state-of-the-art infrastructure including robots, CNC machines, a hot isostatic press, vacuum melting furnaces, 3D printing and advanced automation systems. Our manufacturing units also showcase our signature proprietary or licensed technologies, including Replicast®, RapidCast™, and forgeCast™. With a strong product portfolio backed by quality, our Company caters to a wide range of industries and verticals for its manufacturing capabilities.

STRATEGIES

To further develop our business as a manufacturer of titanium and other super alloys-materials and casting

Our Company intends to expand its business as a manufacturer of titanium and other super alloys-materials and castings by setting up titanium and super alloy mills under a fully integrated strategic materials technology complex and an aerospace castings manufacturing facility in Lucknow node of the Uttar Pradesh Defence Industrial Corridor. In view of the above, our Company has acquired and developed of platform-independent core technologies along with the acquisition of equipment such as a Vacuum Arc Re-melting furnace (VAR), an Electron Beam Cold Hearth Re-melting furnace (EBCHR), a Plasma Arc Melting furnace (PAM), and a Vacuum Induction Melting furnace (VIM). Through our wholly-owned subsidiary, Aerolloy, we have signed contracts and memorandum of understandings with OEMs, which has created a significant order pipeline for us. Access to advanced titanium casting technologies and titanium and superalloy material manufacturing technology (including titanium recycling capability),generally restricted to developed and advanced economies, is essential to be able to produce high-quality titanium and superalloys for applications in the aerospace, defence and critical industrial sectors. These technologies are closely associated with specialised manufacturing processes and are not readily accessible across all geographical locations or industries. Our Company is currently undertaking a significant capital expenditure and creating infrastructure at its 50 acre land located in Lucknow, Uttar Pradesh within the Uttar Pradesh Defence Industrial Corridor through its wholly owned subsidiary, Aerolloy.

Continue to invest in research and development and innovative technologies

In recent years, our Company has prioritized the continuous advancement of pioneering technologies such as RapidCast™, which has been successfully developed and commercialized under the Technology Development and Demonstration Programme ("**TDDP**"). Our focus remains steadfast on manufacturing strategic materials, components, and subsystems tailored for defence and aerospace applications, serving as the primary catalyst for our Company's growth. Looking ahead, we are committed to furthering our research and development initiatives, particularly in titanium casting technology and components for defence and aerospace sectors, utilising titanium and superalloys. Our Company's in-house research and development facilities have earned recognition from the Department of Scientific and Industrial Research ("**DSIR**") under the Ministry of Science and Technology, Government of India. Additionally, DSIR has granted us approval under Section 35 (2AB) of the Income Tax Act, 1961, allowing us to avail incentives provided for our research and development activities. Under the Technology Acquisition Fund Programme ("**TAFP**") supported by the Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises, Government of India, we have successfully executed a project aimed at acquiring and customising technology for the development and commercialisation of titanium castings with ceramic shelling. This initiative enhances our capabilities for indigenous manufacturing of titanium castings. We intend to continue our investments in research and development to innovate products and technologies, diversify our portfolio, penetrate new markets, and drive sustained growth for our Company.

Capitalize on dynamic shifts in the global aerospace and defence landscapes

World defence expenditure increased for the ninth consecutive year in 2023, reaching a total of INR 202.7 trillion (USD 2,443 Bn). The 6.6% rise in 2023 marked the steepest YoY increase since 2009, pushing global spending to the highest level ever recorded by the Stockholm International Peace Research Institute (SIPRI). The global defence burden, defined as defence spending as a percentage of global GDP, increased to 2.3% in 2023. Average defence expenditure as a share of government expenditure rose by 0.4 percentage points to 6.9% in 2023. World defence spending per person was the highest since 1999, at USD 306. Amid rising global tensions and ongoing conflicts in Ukraine and the Middle East, the world is rapidly changing, and the defence sector is experiencing significant demand increases. Global defence spending set a new record as many countries enhanced their deterrence capabilities. However, the defence industry is struggling to meet the increased production requirements, particularly in munitions. As tensions between major powers continue to escalate, many nations are significantly increasing their investments in defence capabilities. The depletion of weapons stockpiles is heightening the need for new and advanced technologies, positioning the defence industry for substantial growth in the coming years. *(Source: D&B Report)*

Governments worldwide are increasingly investing in advanced weaponry, modernizing their armed forces, and incorporating cutting-edge technologies such as artificial intelligence, unmanned systems. and cyber capabilities. This trend is supported by economic growth in various regions, which has enhanced governments' financial ability to allocate more resources to defence. Rising defence budgets reflect a desire to maintain military readiness, support global military operations, and protect national interests. Global defence spending is expected to grow at grow at a CAGR of 5% between 2023 and 2028 reaching USD 3118 billion (INR 258.8 Tn.) *(Source: D&B Report)*

History and Development

Set out below are the key events in our Company's history:

Year	Particulars
1963	Established the first investment casting foundry in India
1995	Listed on OTCEI (Over The Counter Exchange of India) through initial public offering
2001-2006	Acquired and developed technologies such as Replicast®, RapidCast™
2006	Received the National Award for R&D Efforts in the Industry by the Government of India
2014	Recognised by Forbes as one of "16 Hidden Gems" of India
2015	Listed on BSE (formerly Bombay Stock Exchange)
2017	Inauguration of the Advanced Manufacturing & Technology Centre in Lucknow, Uttar Pradesh
2017	Received the Special Jury Award for MSMEs in the Innovator of the Year category at the TIME India Awards
2017	Received the Rolls Royce Marine Total Cost Leadership Award at the Rolls Royce's Supplier of the Year Awards
2018	Awarded the most innovative manufacturing company in the Medium category at the CII Industrial Innovation Awards 2018
2020	Incorporation of our wholly-owned subsidiary, Aerolloy Technologies Limited
2021	Inauguration of the first manufacturing unit of Aerolloy Technologies Limited by Shri Rajnath Singh, Honourable Raksha Mantri, Government of India
2022	Awarded the Raksha Mantri Excellence Award' in 2022, for excellence in indigenisation in the defence and aerospace sector from the Defence Minister of India
2023	Listed on the National Stock Exchange of India

Details of manufacturing units and products manufactured

As on June 30, 2024, we, together with our Subsidiary, have 3 manufacturing units the details of which, along with the products manufactured are given in the table below:

Sr. No.	Location	Covered Area (square feet)	Activities	Specific Products
1.	AMTC Plant, Lucknow at Uttar Pradesh NH 25A, Sarai Shahjadi Lucknow 227101 Uttar Pradesh, India	707,814.32	Manufacture of industrial and defence castings and machined components	Castings for: • Oil and gas • Marine • Energy • Petroleum • Pulp and paper • Defence and aerospace applications
2.	Mehsana Plant, Mehsana, Gujarat Rajpur, Taluka Kadi, District Mehsana 382740 Gujarat, India	802,857.4	Manufacture of industrial castings and machined components	Castings for: • Oil and gas • Marine • Energy • Petroleum • Pulp and paper • Medical Implants
3.	Aerolloy Technologies Limited Unit* NH 25A, Sarai Shahjadi Lucknow 227101 Uttar Pradesh, India	707,814.32	Manufacture and supply of titanium and superalloy castings	Castings for: • Aerospace • Defence

**Forming part of land located at NH 25A, Sarai Shahjadi Lucknow 227101 Uttar Pradesh, India*

Further, as of June 30, 2024, through Aerolloy Technologies Limited, our Company is manufacturing and supplying titanium and superalloy castings for aerospace and defence applications within India as well as for exports. Our Company is expanding its aerospace castings and materials manufacturing capability by making investments in a new manufacturing facility at the newly acquired 50 acres of land in Lucknow node of the Uttar Pradesh Defence Industrial Corridor for producing aerospace-grade ingots, billets, bars, plates and sheets in these critical and strategic materials.

Capacity, Production and Capacity Utilization

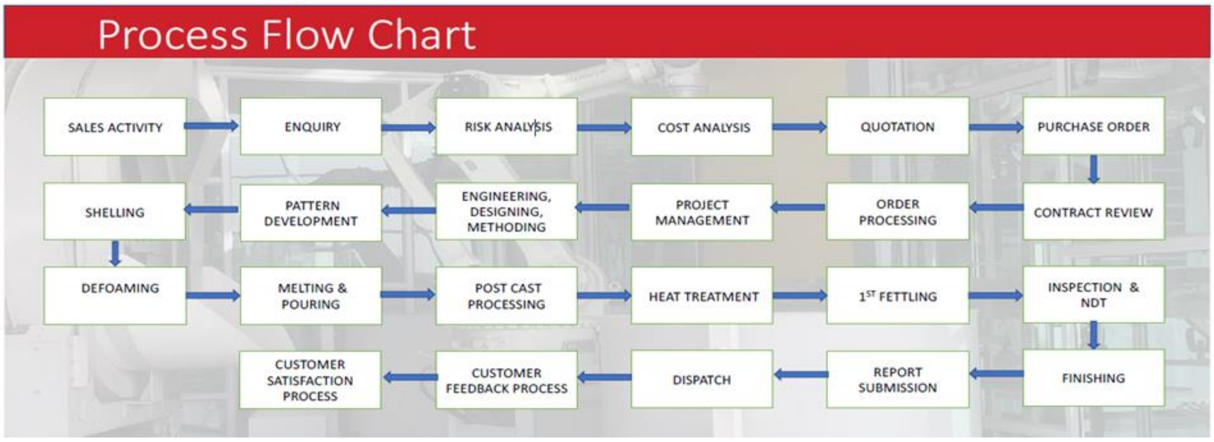
The following table sets forth information relating to the annual installed capacity, actual production and capacity utilization at our manufacturing facilities as Fiscal 2024, Fiscal 2023 and Fiscal 2022 and the three-month period ended June 30, 2024:

Particulars	March 31, 2022	March 31, 2023	March 31, 2024	Three month period ended June 30, 2024
Installed Capacity Castings (MTA)				
LUCKNOW	1800	1800	1800	450
MEHSANA	600	600	600	150

TOTAL	**2400**	**2400**	**2400**	**600**
Production (MTA)				
LUCKNOW	1021.67	1,015.20	1,153.16	226.47
MEHSANA	548.77	527.19	498.19	119.46
Production (MTA)	**1570.44**	**1,542.39**	**1,651.34**	**345.93**

Note: Pursuant to the certificate dated August 28, 2024 issued by Siraj Naiyer, Chartered Engineer (Membership No.- F -15710]

Manufacturing Process



Research and Development

Our commitment to research, development, and innovation constitutes critical drivers of our growth and success. With over sixty years of operational experience, we have cultivated an understanding of market dynamics, enabling us to develop products and technologies. In Fiscal 2024, our investment in research and development totalled ₹ 754.05 lakhs. Our R&D facility located at the Advanced Manufacturing & Technology Centre at Lucknow, Uttar Pradesh is certified by the Department of Science & Technology (DST), Government of India. The primary focus areas of our R&D team encompasses enhancing productivity, creating solutions for investment casting challenges and for engineered materials manufacture. As of June 30, 2024, our R&D team comprised 10 professionals. We have developed controlled microstructure technology, low cost investment casting pattern manufacture, ballistic materials for armour and ceramic core making.

Customers

For further details of our customers, see "*Our Business – Strengths Long standing customer relationships*" on page 231.

Human Resources

As of March 31, 2024, we employed 539 employees. The breakdown of our workforce as of March 31, 2024 is:

Particulars	**Number of employees**
Finance	24
Administration	16
Corporate	5
Human Resources	15
Operations	413
Quality	44
Sales and Marketing	22

Our Company invests in training programs to empower employees to operate, maintain, and troubleshoot equipment effectively. Our Company provides an array of health schemes, camps, and voluntary programs for employees and their families. We have also introduced the "*Abhilasha - PTC Employees Stock Option Scheme 2019*" to share the rewards of organisational growth with our employees. Our Company has also initiated the HR Transformation Project, to streamline and automate various human resources processes.

Furthermore, we conduct evaluations to foster talent within our Company. This initiative allows us to align employee skills with organisational goals, offering training and development opportunities. We conduct upskilling and training programs across various disciplines such as management, operations, finance, and technology, empowering our employees to advance professionally. Moreover, our HR Transformation project aims to elevate the capabilities of the Company's human resource function and streamline processes. Through competency assessments and performance evaluation enhancements, our Company aims to bridge skill gaps and foster data-driven decision-making. Our HR Transformation project aims to align our Company's efficiency, and sustainable growth, while also identifying areas for improvement and providing necessary support for employee growth.

Suppliers and Raw Materials

As of June 30, 2024 we have over 3,000 suppliers including large OEMs and MSMEs. We rely on responsible and sustainable sourcing of raw materials. In the three month period ended June 30, 2024 and Fiscals 2024, 2023 and 2022, our costs of raw materials amounted to ₹1,941.93 lakhs, ₹5,682.02 lakhs, ₹5,475.50 and ₹5,066.82 respectively. The percentage of recycled or reused input material to the total raw material (by value) used in production providing services amounted to 62.00%, 61.00%, 65.00% and 64.00% respectively.

Corporate and Social Responsibility

Our CSR initiatives are aligned with the requirements under the Companies Act 2013 and the Companies (Corporate Social Responsibility) Rules, 2014. Our Company has approved the CSR Policy on May 28, 2024. Our Company has also formed a trust, viz. PTC Foundation for the purpose of undertaking CSR activities. PTC Foundation works along with our Board of Directors and the CSR Committee in order to identify and implement CSR initiatives of our Company. In the three month period ended June 30, 2024 and the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 we incurred ₹ Nil, ₹42.62 lakhs, ₹ 1.53 lakhs and ₹23.88 lakhs, respectively, towards CSR activities.

Health and Safety

Our Company places emphasis on safety awareness, Personal Protective Equipment ("**PPE**") usage, and safety practices to maintain an injury, hazard, and accident-free workplace. Health and safety protocols are implemented in our manufacturing units to create a safe working environment. We have also established a Environment, Health, and Safety (EHS) structure. This EHS framework provides the necessary governance, documentation, and assurance to uphold safety standards in our Company.

Competition

We face competition in global cable production. Our key competitors include Alcoa, Arconic, Timekensteel and Allegheny Technologies *(Source: D&B Report)*

Insurance

We maintain insurance policies that we believe mitigate key risks for companies operating in our industry. As of the date of this Placement Document, our insurance coverage include, among others, standard fire and special peril policy, cash in transit policy and standard burglary policy. Our insurance policies may not be sufficient to cover our economic loss.

Intellectual Property

Our success depends in part on our ability to protect our technology and intellectual property. In the course of our business, we use various financial, business, scientific, technical information and methods, technologies, processes and procedures. We primarily rely on a combination of trademarks and other intellectual property laws to establish and protect our intellectual property rights. As of June 30, 2024, we have 4 trademarks.

Property

Our Registered Office is located at Advanced Manufacturing & Technology Centre, NH25A, Sarai Shahjadi, Lucknow 227101 Uttar Pradesh, India. For further details see "*Our Business – Manufacturing Units*" on page 233.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

In accordance with our Articles of Association, read with applicable provisions of the Companies Act, our Company is authorised to have a minimum of three (03) Directors and a maximum of fifteen (15) Directors. As on date of this Placement Document, our Board consists of ten Directors including one Managing Director, four Whole-time Directors and five Independent Directors (including one woman Independent Director).

Our Board composition is in compliance with the Companies Act and the SEBI Listing Regulations.

The following table sets forth details regarding our Board, as of the date of this Placement Document:

Name, address, occupation, term, nationality and DIN	Age (years)	Designation
Sachin Agarwal **Address**: Sharat Kunj, Plot No 4, 7 Way Lane Jopling Road, Lucknow 226001, Uttar Pradesh. **Occupation**: Business **Term:** For a period of five years with effect from October 1, 2022 **Nationality:** Indian **DIN**: 00142885	52	Chairman and Managing Director
Alok Agarwal **Address**: B-51 Nirala Nagar, Lucknow 226020, Uttar Pradesh. **Occupation**: Business **Term:** For a period of five years with effect from October 1, 2022 **Nationality:** Indian **DIN:** 00129260	62	Whole-time Director
Priya Ranjan Agarwal **Address**: B-93 Sector-C, Near Wireless Crossing, Mahanagar, Lucknow 226006, Uttar Pradesh **Occupation**: Business **Term**: For a period of five years with effect from October 1, 2022 **Nationality**: Indian	65	Whole-time Director

Name, address, occupation, term, nationality and DIN	Age (years)	Designation
DIN: 00129176		
Ashok Kumar Shukla* **Address**: D-64 Vishal Residency, Near Anandnagar Cross Road, Satellite, Ahmedabad - 380015, Gujarat **Occupation**: Service **Term**: For a period of five years with effect from October 1, 2022 **Nationality**: Indian **DIN**: 08053171 *Pursuant to his resignation, Ashok Kumar Shukla shall cease to be a director on our Board with effect from September 01, 2024	56	Whole-Time Director
Smita Agarwal **Address**: Sharat Kunj, Plot No 4, 7 Way Lane Jopling Road, Lucknow 226001, Uttar Pradesh **Occupation**: Business **Term**: For a period of five years with effect from October 1, 2022 **Nationality**: Indian **DIN**: 00276903	48	Whole-Time Director and CFO
Krishna Das Gupta **Address-**Number-104, Ratan Bhawan, 7/108-A Swaroop Nagar, RK Nagar, Kanpur 208012, Uttar Pradesh. **Occupation**: Retired **Term**: For a period of five years with effect from September 28, 2019 **Nationality**: Indian **DIN**: 00374379	81	Independent Director
Ajay Kashyap **Address**: 163 D, Sainik Farm, Pushpa Bhawan S.O., South Delhi, Delhi-110062. **Occupation**: Business	75	Independent Director

Name, address, occupation, term, nationality and DIN	Age (years)	Designation
Term: For a period of five years with effect from September 28, 2019 **Nationality**: Indian **DIN**: 00661344		
Brij Lal Gupta **Address**: 18/49 Indira Nagar, Near Dabble College, Indira Nagar, Lucknow 226016, Uttar Pradesh **Occupation**: Service **Term**: For a period of five years with effect from January 24, 2020 **Nationality**: Indian **DIN**: 06503805	73	Independent Director
Vishal Mehrotra **Address**: 158 Purana Kila Cantt Road Lucknow 226001, Uttar Pradesh. **Occupation**: Professional **Term**: For a period of five years with effect from August 9, 2024 **Nationality**: Indian **DIN**: 08535647	52	Independent Director
Prashuka Jain **Address**: H-601, Rohan Nilay Phase-1, Behind Spicer School, Near Bremen Chowk, Aundh Pune 411007, Maharashtra. **Occupation**: Professional **Term**: For a period of five years with effect from September 5, 2022 **Nationality**: Indian **DIN**: 00110363	26	Independent Director

Brief profiles of our Directors

Sachin Agarwal is the Chairman and Managing Director on the Board of Directors. He has been associated with the Company for 26 years.

Priya Ranjan Agarwal is the Whole-Time Director on the Board of Directors. He has been associated with our Company for 32 years.

Alok Agarwal is the Whole-time Director on the Board of Directors. He holds a Bachelor's of Technology in metallurgical engineering from the Indian Institute of Technology (IIT), Kanpur. He has been associated with our Company for 30 years.

Smita Agarwal is the Director and Chief Financial Officer on the Board of Directors. She is a qualified Chartered Accountant. She has been associated with our Company for 15 years.

Ashok Kumar Shukla is a Whole-time Director on the Board of Directors. He has been associated with our Company for 21 years and with our Board of Directors for 7 years.

Ajay Kashyap serves as an Independent Director on the Board of Directors. He has been associated with our Company for 10 years.

Krishna Das Gupta, is an Independent Director on the Board of Directors. He holds an M.Com, LLB, M.Phil, and a Masters in Public Administration. He has been associated with our Company for 10 years.

Brij Lal Gupta is an Independent Director on the Board of Directors. He has been associated with our Company for 10 years.

Vishal Mehrotra is an Independent Director on the Board of Directors. He holds an LLB from Lucknow University and has been a practicing advocate since 1998. He has been associated with our Company for 5 years.

Prashuka Jain is an Independent Director on the Board of Directors and has been associated with our Company for 2 years.

Relationship with other Directors

Except as disclosed below, none of our Directors are related to each other.

Name of the Director	Nature of Relationship
Sachin Agarwal and Smita Agarwal	Spouses

Shareholding of Directors in our Company

As per the Articles of Association of our Company, our Directors are not required to hold qualification shares.

The following table sets forth details of shareholding of our Directors in our Company as of the date of this Placement Document:

Name of the Director	No. of Equity Shares	Percentage (%)
Sachin Agarwal	28,55,491	19.77
Priya Ranjan Agarwal	9,87,91	6.84
Alok Agarwal	5,45,799	3.78
Smita Agarwal	3,35,276	2.32
Ashok Kumar Shukla	1,90,413	1.32
Total	**39,26,979**	**34.03**

Borrowing powers of the Board

Pursuant to the special resolution dated September 30, 2022 in the Annual General Meeting of our Company passed by our Shareholders , our Board has been authorized to borrow, from time to time, such sum or sums of monies as our Board may deem necessary for the purpose of the business of our Company which together with the monies already ‘borrowed by our Company”(apart from the temporary loans obtained or to be obtained from the 'Company's bankers in the ordinary course of business) may exceed the aggregate paid up capital of our Company and its free reserves, provided that the aggregate amount so borrowed at any point of time shall not exceed Rs. 35,000 Lakhs together with the interest, additional interest, compound interest, liquidated damages, all other cost, charges, expenses, including any increase as a result of devaluation/ revaluation/ fluctuation in the rate of foreign exchange and all other monies payable by our Company.

Interests of our Directors

Our executive Director may be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Company and reimbursement of expenses, if any, payable to them. Further, our Directors may also be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Subsidiaries and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our Director, see "- *Terms of appointment and remuneration of Executive Directors*" and "- *Remuneration of Non-executive and Independent Directors*" on pages 242 and 246.

Our Directors may also be regarded as interested to the extent of Equity Shares held by them in our Company and their shareholding in our Subsidiaries, details of which have been disclosed below under the heading "*Shareholding of Directors in our Company*" on page 250. Our Directors may also be interested to the extent of equity shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue.

Except Sachin Agarwal, Alok Agarwal, Priya Ranjan Agarwal, and Smita Agarwal who are the Directors of our Company and as stated in the section "*Related Party Transactions*" on page 44, our Directors do not have any other interest in the business or promotion of our Company as of the date of this Placement Document.

Other than as disclosed in this Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which our Directors are interested. Further, except as disclosed in "*Related Party Transactions*" on page 4444 our Company has neither availed of any loans from, nor extended any loans to the Directors which are currently outstanding.

Except as stated in "*Terms of appointment and remuneration of Executive Directors*" and "*Remuneration of Non-executive and Independent Directors*", our Company has not entered into any contract, agreement or arrangement during the preceding two years from the date of this Placement Document in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. Further, as on the date of this Placement Document, the Directors have not taken any loans from our Company.

Except as stated in "*Financial Information*" beginning on page 311, our Directors have no interest in any property acquired or proposed to be acquired of or by our Company as on the date of this Placement Document or in any transaction by our Company for acquisition of land, construction of buildings and supply of machinery.

Terms of appointment and remuneration of Executive Directors

Sachin Agarwal

Sachin Agarwal has been appointed as the Chairman and Managing Director of our Company for 5 years with effect from October 1, 2022 pursuant to a resolution passed by our Board on May 27, 2022 and our Shareholders on September 30, 2022. Further, the terms and conditions of his appointment as the Chairman and Managing Director are set forth below:

Particulars	Details	
Salary	Basic salary of ₹2,65,000 per month and thereafter an increase of not exceeding ₹25,000 every year with effect from October 1, 2023 up to a limit of Rs3,65,000 subject to recommendations of the Nomination and Remuneration Committee and approval of the Board.	
Other perquisites	i.	Commission @ 3% of the profits of the Company subject to approval of Central Government in this regard.

Particulars	Details
	ii. House Rent Allowance equal to 50% of the Basic Salary or Leased Accommodation. iii. Other Allowances of Rs. 1,90,000/- per month such as House Maintenance Allowance, Gas, Electricity & Water Allowance, Entertainment Allowance, Children Education Allowance, Magazine & Books Allowance and Special Allowance. iv. Contribution to Provident Fund @ 12% of Basic Salary, Superannuation fund @ 5% of Basic Salary or Annuity Fund (subject to Superannuation Fund Rules of the Company), will not be included in the computation of the ceiling on remuneration to the extent these either singly or put together are not taxable under the Income Tax Act v. Medical Expenses and Leave Travel Concession incurred by Whole Time Director and his family subject to a ceiling limit of two months' salary in a year or six months' salary over a period of three years subject to Company's rules, if any, specified by the company in this regard. Family means spouse, dependent children and dependent parents of the appointee. vi. Gratuity shall not exceed half month's Basic Salary for each completed year of service and will not be included in computation of the ceiling of the remuneration. vii. Encashment of Leave as per rules of the Company. viii. Personal accidental/ Medical Insurance of an amount, the annual premium of which will not exceed Rs. 5000/-. ix. Club Fees: Subscription or reimbursement of membership fees for clubs in India and/ or abroad, including admission and life membership fees.
Minimum remuneration	Notwithstanding anything to the contrary, where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of basic salary and perquisites as specified above.

Alok Agarwal

Alok Agarwal has been appointed as the Whole-Time Director of our Company for 5 years with effect from October 1, 2022 pursuant to a resolution passed by our Board on May 27, 2022 and our Shareholders on September 30, 2022. Further, the terms and conditions of his appointment as a Whole-time Director are set forth below:

Particulars	Details
Salary	Basic salary of ₹1,71,500 per month and thereafter an increase of not exceeding Rs12,500 every year with effect from October 1, 2023 up to a limit of Rs. 2,21,500 subject to recommendations of the Nomination and Remuneration Committee and approval of the Board.
Other perquisites	i. House Rent Allowance equal to 50% of the Basic Salary or Leased Accommodation. ii. Contribution to Provident Fund @ 12% of Basic Salary, Superannuation fund @ 5% of Basic Salary or Annuity Fund (subject to Superannuation Fund Rules of the Company), will not be included in the computation of the ceiling on remuneration to the extent these either singly or put together are not taxable under the Income Tax Act iii. Medical Expenses and Leave Travel Concession incurred by Whole Time Director and his family subject to a ceiling limit of two months' salary in a year or six months' salary over a period of three years subject to Company's rules, if any, specified by the company in this regard. Family means spouse, dependent children and dependent parents of the appointee. iv. Gratuity shall not exceed half month's Basic Salary for each completed year of service and will not be included in computation of the ceiling of the remuneration. v. Encashment of Leave as per rules of the Company.

Particulars	Details
	vi. Personal accidental/ Medical Insurance of an amount, the annual premium of which will not exceed Rs.5000. vii. Club Fees: Subscription or reimbursement of membership fees for clubs in India and/ or abroad, including admission and life membership fees.
Minimum remuneration	Notwithstanding anything to the contrary, where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of basic salary and perquisites as specified above.

Priya Ranjan Agarwal

Priya Ranjan Agarwal has been appointed as the Whole-Time Director of our Company for 5 years with effect from October 1, 2022 pursuant to a resolution passed by our Board on May 27, 2022 and our Shareholders on September 30, 2022. Further, the terms and conditions of his appointment as a Whole-time Director are set forth below:

Particulars	Details
Salary	Basic salary of ₹2,25,750 per month and thereafter an increase of not exceeding Rs15,000 every year with effect from October 1, 2023 up to a limit of Rs 2,85,750 subject to recommendations of the Nomination and Remuneration Committee and approval of the Board
Allowances	i. House Rent Allowance equal to 50% of the Basic Salary or Leased Accommodation. ii. House Maintenance/Other Allowances shall be 17% of the Basic Salary. iii. Medical Expenses and Leave Travel Concession incurred by Whole Time Director and his family subject to a ceiling limit of two months' salary in a year or six months' salary over a period of three years subject to Company's rules, if any, specified by the company in this regard. Family means spouse, dependent children and dependent parents of the appointee. iv. Superannuation Benefit will be payable at the rate of 5% of the Basic Salary for each completed year of service, payable at the end of the service. v. Encashment of Leave as per rules of the Company. vi. Personal accidental/ Medical Insurance of an amount, vii. Club Fees: Subscription or reimbursement of membership fees for clubs in India and/ or abroad, including admission and life membership fees.
Other perquisites	No other perquisites granted
Minimum remuneration	Notwithstanding anything to the contrary, where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of basic salary as specified above.

Ashok Kumar Shukla

Ashok Kumar Shukla has been appointed as the Whole-Time Director of our Company for 5 years with effect from October 1, 2022 pursuant to a resolution passed by our Board on May 27, 2022 and our Shareholders on September 30, 2022. Further, the terms and conditions of his appointment as a Whole-time Director are set forth below

Particulars	Details
Salary	Basic salary of ₹2,64,500 per month and thereafter an increase of not exceeding Rs. 25,000 every year with effect from October 1, 2023 up to a limit of Rs3,64,500 subject to recommendations of the Nomination and Remuneration Committee and approval of the Board
Allowances	i. Commission @ 7% of the Net Profit of Mehsana unit, subject to certain adjustments as approved by Chairman and Managing Director, net after Tax. ii. House Rent Allowance equal to three month's Basic Salary. iii. Contribution to Provident Fund @ 12% of Basic Salary, will not be included in the computation of the ceiling on remuneration is not taxable under the Income Tax Act.

Particulars	Details
	iv. Medical Expenses and Leave Travel Concession incurred by Whole Time Director and his family subject to a ceiling limit of two months' salary in a year or six months' salary over a period of three years subject to Company's rules, if any. v. Gratuity shall not exceed half month's Basic Salary for each completed year of service as per the Rules of the company and will not be included in computation of the ceiling of the remuneration. vi. House Maintenance/Other Allowances shall be 5% of the Basic Salary or Rs. 7,000 per month, whichever is more. vii. Encashment of Leave as per rules of the Company. viii. Personal accidental/ Medical Insurance of an amount, the annual premium of which will not exceed Rs. 5000. ix. Subscription or reimbursement of membership fees for clubs in India and/ or abroad, including admission and life membership fees
Other perquisites	No other perquisites granted
Minimum remuneration	Notwithstanding anything to the contrary, where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of basic salary as specified above.

Smita Agarwal

Smita Agarwal has been appointed as the Whole-Time Director and CFO of our Company for 5 years with effect from October 1, 2022 pursuant to a resolution passed by our Board on May 27, 2022 and our Shareholders on September 30, 2022. Further, the terms and conditions of her appointment as a Whole-time Director are set forth below

Particulars	Details
Salary	Basic salary of ₹1,72,500 per month and thereafter an increase of not exceeding Rs12,500 every year with effect from October 1, 2023 up to a limit of Rs2,22,500 subject to recommendations of the Nomination and Remuneration Committee and approval of the Board
Allowances	i. House Rent Allowance equal to 50% of the Basic Salary. ii. Contribution to Provident Fund @ 12% of Basic Salary, will not be included in the computation of the ceiling on remuneration is not taxable under the Income Tax Act. iii. Medical Expenses and Leave Travel Concession incurred by Whole Time Director and his family subject to a ceiling limit of two months' salary in a year or six months' salary over a period of three years subject to Company's rules, if any. iv. Gratuity shall not exceed half month's Basic Salary for each completed year of service as per the Rules of the company and will not be included in computation of the ceiling of the remuneration. v. Encashment of Leave as per rules of the Company. vi. The Company will provide one mobile for office use.
Other perquisites	No other perquisites granted
Minimum remuneration	Notwithstanding anything to the contrary, where in any financial year during the currency of her tenure, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of basic salary as specified above.

The following table set forth the compensation paid by our Company to the Executive Directors during the Quarter ended June 30, 2024 and Fiscals 2024, 2023, 2022 and:

(₹ in lakhs)

Name of the Director	For the period from April 1, 2024 till June 30, 2024	For 2024	Fiscal	For 2023	Fiscal	For Fiscal 2022
Sachin Agarwal	65.63		258.43		205.61	120.18

Name of the Director	For the period from April 1, 2024 till June 30, 2024	For Fiscal 2024	For Fiscal 2023	For Fiscal 2022
Priya Ranjan Agarwal	11.96	63.45	51.57	45.22
Alok Agarwal	9.19	36.94	34.09	33.25
Ashok Kumar Shukla	41.40	130.16	114.16	91.28
Smita Agarwal	9.5	45.27	37.46	34.05

Remuneration of Non-executive and Independent Directors

Pursuant to the policy "***Terms and Conditions of Appointment of Independent Director and Non-Executive Directors***" approved vide circular resolution dated May 24, 2014 by our Board of Directors, our Non – executive, Independent Directors are entitled to sitting fees of ₹7,000 for attending each meeting of our Board and sitting fees of ₹ 3,000 per meeting for attending each meeting of the committees of our Board. Additionally, our Independent Directors are also entitled to reimbursement of fair and reasonable expenditure uncured while performing the role as an Independent Director.

The following table sets forth the sitting fees paid by our Company to our existing Non-Executive Directors during Fiscals 2024, 2023, 2022 and the three-month period up to June 30, 2024:

(₹ in lakhs)

Name of the Director	Sitting Fees			
	For the period from April 1, 2024 June 30, 2024	For Fiscal 2024	For Fiscal 2023	For Fiscal 2022
Krishna Das Gupta	0.13	0.72	0.68	0.64
Ajay Kashyap	-	0.28	0.34	0.27
Brij Lal Gupta	0.13	0.75	0.95	0.82
Vishal Mehrotra	-	0.21	0.28	0.21
Prashuka Jain*	0.07	0.31	0.24	-
Dr. Rakesh Chandra Katiyar**	-	0.72	0.68	0.61

** Prashuka Jain was appointed as an Independent Director with effect from September 5, 2022*

*** Dr. Rakesh Chandra Katiyar ceased being an independent director on the Board with effect from March 17, 2024, due to his untimely demise*

Corporate Governance

As of the date of this Placement Document, we have ten Directors on our Board, which comprises one Managing Director, four Whole-time Directors, and five Independent Directors (including a woman Independent Director). Our Company is in compliance with the corporate governance requirements including in relation to the constitution of the Board and committees thereof, as prescribed under the SEBI Listing Regulations.

Committees of the Board of Directors

Our Company has constituted the following seven committees in terms of the SEBI Listing Regulations and the Companies Act, each of which functions in accordance with the relevant provisions of the Companies Act and the SEBI Listing Regulations.

The following table sets forth the members of the aforesaid committees as of the date of this Placement Document:

Name of the Committee	Members
Audit Committee	Vishal Mehrotra, Chairperson Smita Agarwal, Member Brij Lal Gupta, Member Krishna Das Gupta, Member
Nomination and Remuneration Committee	Krishna Das Gupta, Chairperson Brij Lal Gupta, Member

Name of the Committee	Members
	Vishal Mehrotra, Member
Stakeholders’ Relationship Committee	Vishal Mehrotra, Chairperson Ajay Kashyap, Member Sachin Agarwal, Member Krishna Das Gupta, Member
Corporate Social Responsibility Committee	Vishal Mehrotra, Chairman Smita Agarwal, Member Krishna Das Gupta, Member
Risk Management Committee	Vishal Mehrotra, Chairperson Priya Ranjan Agarwal, Member Brij Lal Gupta, Member

Management Organization Structure

- **PTC INDUSTRIES LIMITED**
  - **Sachin Agarwal** — **Chairman and Managing Director** — **Corporate (7)**
    - Alok Agarwal — Director — Corporate (10)
      - Amit Kumar — Senior Executive
      - Akhilesh Sharma — Senior Executive
      - Rohit Agarwal — Deputy GM
      - Balesh Kumar Jha — Senior Manager
      - Rakesh Kumar Jha — Deputy GM
      - Ashokji Sharma — Senior Manager
      - Manoj Srivastava — Manager
      - Ravindra Kumar Singh (Consultant)
      - Akshay Pratap Singh (Manager)
      - Deepak Kumar Das (Senior Manager)
    - P R Agarwal — Director — Corporate (4)
      - Anshoo Agarwal — Manager
      - Col. Kuldeep Singh — Consultant
      - Prakhar Gupta — Senior Executive
      - Monika Jaiswal — Executive
    - Smita Vaish Agarwal — Director and CFO — Corporate (6)
      - Pramond Haryan — Senior Manager
      - Pragati Gupta Agarwal — Senior Executive
      - Anuj Kumar Singh — Ass. General Manager
      - Hemant Rajput — Manager
      - Azhar Mohd. Khan — Sr. Manager
      - Reena Agarwal — Asst. Manager
    - Arvind Kumar — Manager — Projects (4)
      - Alok Kumar Khare — Consultant
      - Ram Sundar Yadav — Asst. Manager
      - Pradeep Kumar Singh — Graduate Trainee
      - Ravi Verma — Executive
    - Karunakar Srivastava — Manager — Sales and Business Development (16)
      - Akhtar Jamar (Senior Engineer)
      - Anamika Gautam — Senior Executive
      - Mohd. Moin Ul Haque — Engineer
      - Prateek Kumar Singh Engineer
      - Sameer Kumar — Senior Executive
      - Shashank Pandey — Engineer
      - Sudhanshu Sharma — Engineer
      - Durgesh Pratap Singh (Senior Executive)
      - Avnesha Kumar — GET
    - James Michael Collins — Chief Technology Officer — Technology and Innovation (1)
      - Anurag Srivastava — Manager

Key Managerial Personnel

The following table sets forth the details of our Key Managerial Personnel ("**Key Managerial Personnel**"), other than our Managing Director, Sachin Agarwal and our Whole-time Directors Alok Agarwal, Priya Ranjan Agarwal, and Ashok Kumar Shukla, and our Whole-time Director and CFO, Smita Agarwal:

Name	Designation
Pragati Gupta Agrawal	Company Secretary

For further details of our Managing Director and Whole-time Director and Chief Executive Officer, refer "– *Board of Directors*" beginning on page 238.

Senior Management

The following table sets forth the details of our Senior Management, other than our Chief Financial Officer, Smita Agarwal and our Company Secretary and Compliance Officer, Pragati Gupta Agarwal:

Name	Designation
James Michael Collins	Chief Technology Officer

Shareholding of Key Managerial Personnel and Senior Management

Other than as set forth in "- ***Shareholding of Directors in our Company***", and as disclosed below, none of our Key Managerial Personnel and Senior Management hold any Equity Shares in our Company, as on the date of this Placement Document:

Name of the Key Managerial Personnel and Senior Management	Number of Equity Shares	Percentage (%)
James Michael Collins	2,008	0.01%

Relationship between Key Managerial Personnel and Senior Management

Other than the relationship between Sachin Agarwal and Smita Agarwal and as disclosed above in "– *Relationship with other Directors*", none of the Key Managerial Personnel and Senior Management are related to each other or with the Directors of our Company.

Interest of Key Managerial Personnel and Senior Management

Except as stated in "***Interest of our Directors***" above and in "***Related Party Transactions***" on pages 242 and 44 respectively, and to the extent of the remuneration or benefits to which they are entitled to as per the terms of their appointment and reimbursement of expenses incurred by them in the ordinary course of business and to the extent of the Equity Shares held by them in our Company, and any dividend payable to them and other distributions in respect of such shareholding, our Key Managerial Personnel and Senior Management do not have any other interest in our Company. Our Company does not have any bonus or profit-sharing plan with its Directors, Key Managerial Personnel or Senior Management.

Policy on disclosures and internal procedure for prevention of insider trading

SEBI Insider Trading Regulations applies to us and our employees and requires us to formulate and implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and a code of conduct to regulate, monitor and report trading by designated persons.

Our Company is in compliance with the same and has implemented a code of conduct to regulate, monitor and report trading by Insiders ("***Insider Trading Code***") in accordance with the SEBI Insider Trading Regulations, in terms of which the Company Secretary acts as the Compliance Officer of our Company under the aforesaid code of conduct for the Insider Trading Code.

The Insider Trading Code is uploaded on the website of the Company at the link https://www.ptcil.com/PDF/Investors/policies/InsiderTradingPolicy.pdf.

Other confirmations

Except to the extent of their shareholding in the Company, none of our Promoters or Directors or Key Managerial Personnel or Senior Management have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Neither our Company, nor our Promoters nor our Directors have been identified as Wilful Defaulters or Fraudulent Borrower, as defined under the SEBI ICDR Regulations.

None of our Promoters or Directors have been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Neither our Company, nor our Directors, or our Promoters or members of our Promoter Group or the companies with which our Promoters are or have been associated as a promoter or a person in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other governmental authority.

None of the Directors, Promoters, Key Managerial Personnel or Senior Management of our Company intend to subscribe to the Issue.

SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company as on date of June 30, 2024 is as follows:

Summary statement of holding of Equity Shares as at June 30, 2024:

Category of the shareholder	Nos. of shareholders	No. of fully paid-up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting Right	No. of equity shares held in dematerialized form
(A) Promoter & Promoter Group	19	90,79,980	90,79,980	62.88	90,79,980	62.88	90,79,980
(B) Public	15, 257	53,60,893	53,60,893	37.12	53,60,893	37.12	52,09,883
(C1) Shares underlying DRs				0.00		0.00	
(C2) Shares held by Employee Trust				0.00		0.00	
(C) Non Promoter- Non Public				0.00		0.00	
Grand Total	15,276	1,44,40,873	1,44,40,873	100.00	1,44,40,873	100.00	1,42,89,863

Shareholding pattern of the Promoter and members of the Promoter Group of the Company as on June 30, 2024:

Category of shareholder	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR 1975) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		Number of equity shares held in dematerialized form
						Class eg: X	Total	
A1) Indian								
Individuals/Hindu undivided family		16	58,68,852	58,68,852	40.64		0.00	58,68,852
Sachin Agarwal	Promoter	1	28,55,491	28,55,491	19.77		0.00	28,55,491
Satish Chandra Agarwal Huf (Karta Sachin Agarwal)	Promoter	1	35,805	35,805	0.25		0.00	35,805
Priya Ranjan Agarwal	Promoter Group	1	9,87,914	9,87,914	6.84		0.00	9,87,914
Sachin Agarwal Huf (Karta Sachin Agarwal)	Promoter Group	1	6,70,297	6,70,297	4.64		0.00	6,70,297
Alok Agarwal	Promoter Group	1	5,45,799	5,45,799	3.78		0.00	5,45,799
Smita Agarwal	Promoter Group	1	3,35,276	3,35,276	2.32		0.00	3,35,276
Anshoo Agarwal	Promoter Group	1	1,59,448	1,59,448	1.10		0.00	1,59,448
Bina Agrawal	Promoter Group	1	71,483	71,483	0.50		0.00	71,483
Kanchan Agarwal	Promoter Group	1	54,258	54,258	0.38		0.00	54,258

Category of shareholder	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR 1975) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		Number of equity shares held in dematerialized form
						Class eg: X	Total	
Kiran Arun Prasad	Promoter Group	1	44,539	44,539	0.31		0.00	44,539
Manu Agarwal	Promoter Group	1	25,593	25,593	0.18		0.00	25,593
Ritika Agarwal	Promoter Group	1	25,593	25,593	0.18		0.00	25,593
Reena Agarwal	Promoter Group	1	10,237	10,237	0.07		0.00	10,237
Arun Jwala Prasad	Promoter Group	1	5,119	5,119	0.04		0.00	5,119
Satvik Agarwal	Promoter Group	1	21,000	21,000	0.15		0.00	21,000
Soham Agarwal	Promoter Group	1	21,000	21,000	0.15		0.00	21,000
Any Other (specify)		3	32,11,128	32,11,128	22.24		0.00	32,11,128
Mapple Commerce Private Limited		1	15,99,985	15,99,985	11.08		0.00	15,99,985
Nirala Merchants Private Limited	Promoter Group	1	11,77,818	11,77,818	8.16		0.00	11,77,818
Viven Advisory Services Private	Promoter	1	4,33,325	4,33,325	3.00		0.00	4,33,325

Category of shareholder	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR 1975) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		Number of equity shares held in dematerialized form
						Class eg: X	Total	
Limited	Group							
Homelike Motels and Resorts Private Limited	Promoter Group						0.00	
Precision overseas private limited	Promoter Group						0.00	
Sub Total A1		19	90,79,980	90,79,980	62.88		0.00	90,79,980
A2) Foreign							0.00	
Any Other (specify)							0.00	
							0.00	
Sub Total A2							0.00	
A=A1+A2		19	90,79,980	90,79,980	62.88		0.00	90,79,980

Statement showing shareholding pattern of the public shareholder

Category and name of the Shareholder	No. of shareholder	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR 1975) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of equity shares held in dematerialized form (not applicable)
B1) Institutions	0	0		0.00			
B2) Institutions (Domestic)	0	0					
Mutual Funds	1	77801	77801	0.54	77,801	0.54	77,801
Alternative Investment Funds	5	102514	1,02,514	0.71	1,02,514	0.71	1,02,514
NBFCs registered with RBI	1	43857	43,857	0.30	43,857	0.30	43,857
Sub Total B1	7	224172	2,24,172	1.55	2,24,172	1.55	2,24,172
B3) Institutions Foreign	0	0		0.00		0.00	
Foreign Portfolio Investors Category I	36	471740	4,71,740	3.27	4,71,740	3.27	4,71,740
Ag Dynamic Funds Limited	1	300000	3,00,000	2.08	3,00,000	2.08	3,00,000
Foreign Portfolio Investors Category II	4	11828	11,828	0.08	11,828	0.08	11,828
Sub Total B2	40	483568	4,83,568	3.35	4,83,568	3.35	4,83,568
B3) Central Government / State Government(s) / President of India	0	0		0.00	0	0.00	
B4) Non-Institutions							

Category and name of the Shareholder	No. of shareholder	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR 1975) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of equity shares held in dematerialized form (not applicable)
Directors and their relatives (excluding independent directors and nominee directors)	1	190413	1,90,413	1.32	1,90,413	1.32	1,90,413
Ashok Kumar Shukla	1	190413	1,90,413	1.32	1,90,413	1.32	1,90,413
Resident Individuals holding nominal share capital up to ₹2 lakhs	14077	1416260	14,16,260	9.81	14,16,260	9.81	13,40,250
Resident Individuals holding nominal share capital in excess of ₹ 2 lakhs	27	2332435	23,32,435	16.15	23,32,435	16.15	23,32,435
Vikas Vijaykumar Khemani	1	575889	5,75,889	3.99	5,75,889	3.99	5,75,889
Mukul Mahavir Agrawal	1	167000	1,67,000	1.16	1,67,000	1.16	1,67,000
Mona R Mehta	1	523661	5,23,661	3.63	5,23,661	3.63	5,23,661
Non Resident Indians (NRIs)	342	47847	47,847	0.33	47,847	0.33	36,447
Bodies Corporate	255	332303	3,32,303	2.30	3,32,303	2.30	2,75,203
Any Other (Specify)	508	333895	3,33,895	2.31	3,33,895	2.31	3,27,395
Market Maker	2	6500	6,500	0.05	6,500	0.05	
Clearing Members	1	1	1	0.00	1	0.00	1

Category and name of the Shareholder	No. of shareholder	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR 1975) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of equity shares held in dematerialized form (not applicable)
Pankaj Prasoon And (Huf)	1	164700	1,64,700	1.14	1,64,700	1.14	1,64,700
HUF	491	255559	2,55,559	1.77	2,55,559	1.77	2,55,559
LLP	14	71835	71,835	0.50	71,835	0.50	71,835
Sub Total B4	15210	4653153	46,53,153	32.22	46,53,153	32.22	45,02,143
B=B1+B2+B3+B4	15257	5360893	53,60,893	37.12	53,60,893	37.12	52,09,883

Shareholding pattern of the non-Promoter – non-public shareholder of the Company as June 30, 2024:

Category and name of the shareholders(I)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Total no. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of equity shares held in dematerialized form (XIV)(Not Applicable)
C1) Custodian / DR Holder	**0**	**0**		**0.00**	
C2) Employee Benefit Trust	**0**	**0**		**0.00**	

Details of disclosure made by the trading members holding 1% or more of the total number of shares of the Company as on June 30, 2024.

S. No.	Name of the Trading Member	Name of the beneficial owner	No. of shares held	% of total no. of shares	Date of reporting by the Trading Member
-	NIL	NIL	NIL	NIL	NIL

ISSUE PROCEDURE

*The following is a summary intended to present a general outline of the procedure relating to the Bidding, application, payment of Application Amount, Allocation and Allotment of Equity Shares. The procedure followed in the Issue may differ from the one mentioned below and the investors are assumed to have apprised themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisors in this regard. Bidders that apply in the issue will be required to confirm and will be deemed to have represented to our Company, the Lead Manager and their respective directors, officer, agents affiliate and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Also see "**Selling Restrictions**" and "**Transfer Restrictions**" beginning on page 277 and 285 respectively.*

Our Company, the Lead Manager and their respective directors, officers, agents, advisors, shareholders, employees, counsel, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, 2013 and rules thereunder, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013, our Company, being a listed company in India may issue eligible securities to Eligible QIBs provided that certain conditions are met by such Company. Some of these conditions are set out below:

- the shareholders of the issuer have passed a special resolution approving such QIP. Such special resolution must *inter alia* specify that, (a) the allotment of securities is proposed to be made pursuant to the QIP; and (b) the Relevant Date for the QIP;

- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose, among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of offer, the contribution made by the promoters or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the equity shares of the same class of such issuer, which are proposed to be allotted through the QIP, are listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to seek approval of the shareholders for the abovementioned special resolution; except for Equity Shares allotted during the preceding one year from the date of this Placement Document;

- invitation to apply in the QIP must be made through a private placement offer-cum-application form serially numbered and addressed specifically to the Eligible QIBs to whom the QIP is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law; the issuer shall have completed allotments with respect to any earlier offer or invitation made by the issuer or shall have withdrawn or abandoned such invitation or offer made by the issuer, except as permitted under the Companies Act, 2013;

- the issuer shall not make any subsequent QIP until the expiry of two weeks from the date of the previous QIP;

- our Company shall have completed allotments with respect to any offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e. this Placement Document), the issuer shall prepare and record a list of Eligible QIBs to whom the Issue will be made. The QIP must be made only to such Eligible QIBs whose names are recorded by the issuer prior to the invitation to subscribe;

- the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the QIP is prohibited.

- In accordance with the SEBI ICDR Regulations, securities will be issued and allotment shall be made only in dematerialized form to the allottees; and

- the promoter and directors of the issuer are not Fugitive Economic Offenders

- the Promoter or Directors are not declared as Wilful Defaulters;

- the Promoter or Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016, and

At least 10% of the equity shares issued to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion, or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Bid/ Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The floor price of the equity shares issued under the QIP shall not be less than the average of the weekly high and low of the closing prices of the issuer's equity shares of the same class quoted on the stock exchanges during the two weeks preceding the relevant date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of up to 5% of the floor price is permitted in accordance with the provisions of the SEBI ICDR Regulations. Our Board through its resolution July 13, 2024 and our Shareholders by way of resolution passed at the EGM of our Company on August 8, 2024, have authorised our Board to decide the quantum of discount up to 5 % of the Floor Price at the time of determination of the Issue Price.

The Issue Price shall be subject to appropriate adjustments, if our Company makes any alteration to its share capital as mentioned in Regulation 176 (4) of the SEBI ICDR Regulations.

The "relevant date" mentioned above in case of allotment of equity shares, refers to the date of the meeting in which the board of directors or the committee of directors duly authorised by the board of the issuer decides to open the proposed issue and "stock exchange" means any of the recognised stock exchanges in India on which the equity shares of the issuer of the same class are listed and on which the highest trading volume in such shares has been recorded during the two weeks immediately preceding the relevant date.

The securities must be allotted within 365 days from the date of the shareholders' resolution approving the QIP in one or tranches and also within 60 days from the date of receipt of Application Amount from the successful Eligible QIBs. For details of Allotment, see **"*Pricing and Allocation – Designated Date and Allotment of Equity Shares*"** below.

Subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of this Placement Document and the Placement Document that shall contain all material information including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under PAS Rules and Form PAS-4. This Placement Document and the Preliminary Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of the Preliminary Placement Document addressed to you, you may not rely on this Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The minimum number of allottees for each QIP shall not be less than:

- two, where the issue size is less than or equal to ₹25,000 lakhs; and
- five, where the issue size is greater than ₹25,000 lakhs.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "***Application Form – Bid Process***" on beginning page 268.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

We have received the in-principle approval of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges. We have filed a copy of the Preliminary Placement Document and this Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules.

The Issue has been authorised and approved by our Board on July 13, 2024 and our Shareholders by way of special resolution passed at the EGM of the Shareholders of our Company dated August 8, 2024.

Allotments made to VCFs, and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

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, sold or delivered 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 any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only 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. The Equity Shares are transferable only in accordance with the restrictions described under "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 277 and 285, respectively.

The Equity Shares pursuant to this Issue have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold. Bids may not be made by persons in any jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure

1. On Bid / Issue Opening Date, our Company in consultation with the Lead Manager has been circulated serially numbered copies of this Placement Document and the serially numbered Application Form, either in

electronic or physical form to Eligible QIBs and the Application Form has been specifically addressed to such Eligible QIBs. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain complete records of such Eligible QIBs in the form and manner prescribed under the PAS Rules, to whom this Placement Document and the serially numbered Application Form have been dispatched or circulated, as the case may be. Our Company will make the requisite filings with RoC within the stipulated time period as required under the Companies Act, 2013.

2. The list of QIBs to whom the Application Form is delivered has been determined by our Company in consultation with the Lead Manager. **Unless a serially numbered Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Application Amount was deposited, was addressed to a particular Eligible QIB, no invitation to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law.

3. Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Bid/Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

4. Eligible QIBs were required to submit an Application Form, including any revisions thereof, along with the Application Amount transferred to the Escrow Account specified in the Application Form and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Bid/ Issue Period to the Lead Manager.

5. Bidders were required to indicate the following in the Application Form:

    - full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, email id, PAN details (if applicable), phone number and bank account details;

    - number of Equity Shares Bid for;

    - price at which they are agreeable to subscribe to the Equity Shares and the aggregate Application Amount for the number of Equity Shares Bid for;

    - details of the beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited pursuant to the Issue;

    - equity shares held by the Bidder in our Company prior to the Issue; and

    - a representation that it is outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S, and it has agreed to certain other representations set forth in this Placement Document and in the Application Form.

    ***NOTE**: Eligible FPIs werre required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds were required to specifically state the names of the concerned schemes for which the 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 for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to* *ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.*

6. Eligible QIBs were required to make the entire payment of the Application Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of "*PTC Industries LTD-QIP Escrow A/c*" with the Escrow Bank, within the Bid/Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Application Amount for the Equity Shares were required to be made from the bank accounts of the relevant Bidders and our Company is required to keep a record of the bank account from where such payment has been received. No payment has been made in the Issue by the Bidders in cash. Application Amount payable on Equity Shares to be held by joint holders were required to be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Application Amount received for subscription of the Equity Shares has been kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, (c) the Application Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but on or prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "– *Refunds*" on page 273.

7. Once a duly completed Application Form was submitted by a Bidder and the Application Amount has been transferred to the Escrow Account, such application constituted an irrevocable offer and the Bid could not have been withdrawn or revised downwards after the Bid/ Issue Closing Date. In case of an upward revision before the Bid/ Issue Closing Date, an additional amount was required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. The Bid/ Issue Closing Date was to be notified to the Stock Exchanges and the Eligible QIBs were deemed to have been given notice of such date after receipt of the Application Form.

8. The Eligible QIBs acknowledged that in accordance with the requirements of the Companies Act, 2013, upon Allocation, our Company will be required to disclose the names of proposed Allottees and the percentage of their post Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.

9. The Bids made by asset management companies or custodians of Mutual Funds were required to specifically state the names of the concerned schemes for which the Bids were 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 for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders were advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

10. Upon receipt of the duly completed Application Form, whether signed or not and the Application Amount in the Escrow Account, on or after the Bid/ Issue Closing Date, our Company, in consultation with the Lead Manager determined the final terms, including the Issue Price of the Equity Shares issued pursuant to the Issue and Allocation. Upon such determination, the Lead Manager, on behalf of our Company, will send the serially numbered CAN and the Placement Document to the Successful Bidders. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have

been given notice of such date after receipt of the Application Form. **Please note that the Allocation will be at the absolute discretion of our Company and shall be in consultation with the Lead Manager.**

11. The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose the names of proposed allottees and the percentage of their post-Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.

12. Upon determination of the Issue Price and before Allotment of Equity Shares to the Successful Bidders, the Lead Manager, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

13. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.

14. After passing the resolution passed by the Board or its committee approving the Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

15. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

16. Our Company will then apply for the final trading approvals from the Stock Exchanges.

17. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

18. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Lead Manager shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Eligible Qualified Institutional Buyers

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Non-Debt Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue (not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations) and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- alternate investment funds registered with SEBI;
- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;
- 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;
- multilateral and bilateral development financial institutions; (which are resident in India)
- Mutual Funds registered with SEBI;
- pension funds with minimum corpus of ₹25 crore registered with the Pension Fund Regulatory and Development Authority established under section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013;
- provident funds with minimum corpus of ₹25 crore;
- public financial institutions; as defined under Section 2(72) of the Companies Act

- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- systemically important non-banking financial companies.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

ELIGIBLE FPIS WERE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA RULES IN THIS ISSUE. ELIGIBLE FPIS WERE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCIS WERE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means common ownership of more than fifty per cent or common control) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Rules, the total holding by each FPI including its investor group shall be below 10% of the total post- Issue paid-up Equity Share capital of our Company on a fully diluted basis. Eligible FPIs may invest in such number of Equity Shares in the Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company on a fully diluted basis.

In case the holding of an FPI including its investor group increases to 10% or more of the total post-Issue paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the above prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in the Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (a) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable.

Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed CDSL as the designated depository to monitor the level of FPI/NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. SEBI however, pursuant to its Circular dated May 17, 2018 (Circular No: SEBI/HO/IMD/FPIC/CIR/P/2018/81), directed that this system of monitoring foreign investment limits in Indian listed companies be made operational with effect from June 1, 2018. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The Stock Exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

As per the circular issued by SEBI on November 5, 2019, these investment restrictions shall also apply to subscribers of P-Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as a FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which the Company operates. Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The existing aggregate investment limit for FPIs in the Company is 100% of the paid-up capital of the Company.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Restriction on Allotment.

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being a promoter, or any person related to, the promoter. QIBs, which have all or any of the following rights, shall be deemed to be persons related to the promoter:

- rights under a shareholders' agreement or voting agreement entered into with the promoters or members of the promoter group;

- veto rights; or

- a right to appoint any nominee director on the board of the Issuer.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the promoter.

Our Company, the Lead Manager and any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply.

Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: Affiliates or associates of the Lead Manager who are Eligible QIBs may participate in the Issue in compliance with applicable laws.

Bid Process

Application Form

Eligible QIBs could only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and the Lead Manager in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Placement Document and the Placement Document. By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Placement Document, the Eligible QIB has been deemed to have made all the following representations and warranties and the representations, warranties and agreements made under "***Notice to Investors***", "***Representations by Investors***" and "***Selling Restrictions***" beginning on pages 1, 4 and 277, respectively:

1. Each Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. Each Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoter(s), either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter(s) or members of the Promoter Group or persons related to the Promoter(s);

3. Each Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoter or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the Promoter(s);

4. Each Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

5. Each Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Bid / Issue Closing Date;

6. Each Bidder confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than the floor of a recognised Stock Exchange;

7. Each Eligible QIB confirms that the Eligible QIB is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. Each Eligible QIB further confirms that the holding of the Eligible QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB;

8. Each Eligible QIB confirms that its Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations;

9. The Eligible QIB agrees that it has made payment of its Application Amount along with submission of the Application Form within the Issue Period. Each Eligible QIB agrees that once a duly filled Application Form has beensubmitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date;

10. The Eligible QIB agrees that although the Application Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, 2013, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Lead Manager. The Eligible QIB further acknowledges and agrees that the payment of Application Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

11. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, 2013, upon Allocation, our Company will be required to disclose names as "*proposed Allottees*" and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document and such QIB consents of such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees that, disclosure of such details as "*proposed Allottees*" in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Lead Manager;

    a. QIBs "*belonging to the same group*" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other Eligible QIB; and

    b. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

12. The Eligible QIBs acknowledge that no Allocation shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price.

13. Each Eligible QIB confirms that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

14. Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

15. A representation that such Bidder is outside the United States, is acquiring the Equity Shares in an "offshore transaction" under Regulation S and is not an affiliate of the Company or the Lead Manager or a person acting on behalf of such an affiliate

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the FDI Policy, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy.

ELIGIBLE QIBs WERE REQUIRED TO PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANTS IDENTIFICATION NUMBER AND ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM, ELIGIBLE QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY TH E SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRE BY THE LEAD MANAGER, THE ELIGIBLE QIBs SUBMITTING A BID ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE LEAD MANAGER TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE LEAD MANAGER, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account were obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Application Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Application Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Application Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company (by itself or through the Lead Manager) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms were required to be duly completed with information including the number of Equity Shares applied for along with payment and a copy of the PAN card or PAN allotment letter. Additionally, the Application Form was required to include details of the relevant Escrow Account into which the Application Amounts was required to be deposited. The Application Amount was required to be deposited in the Escrow

Account as is specified in the Application Form and the Application Form was required to be submitted to the Lead Manager either through electronic form or through physical delivery the following address:

Name	Address	Contact Person	Email	Telephone
ITI Capital Limited	ITI House, 36, Dr R K Shirodkar, Marg, Parel, Mumbai 400 012	Mayank Sangani / Ranjana Chabbria	ptcil@iticapital.in	91 22 6911 3300

The Lead Manager was not required to provide any written acknowledgement of the receipt of the Application Form and the Application Amount.

All Bidders Bidding in the Issue were required to pay the entire Application Amount along with the submission of the Application Form, within the Issue Period.

Payment of Application Amount

Our Company has opened the Escrow Account in the name of "*PTC Industries LTD-QIP Escrow A/c*" with Amount only through electronic transfer of funds from their own bank account the Escrow Bank, in terms of the Escrow Agreement entered among our Company, the Lead Manager and the Escrow Bank. Each Bidder was required to deposit the Application Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bid/ Issue Period. Bidders can make payment of the Application.

Note: Payments are to be made only through electronic fund transfer. Payments made through cash or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form is liable to be rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in "*PTC Industries LTD-QIP Escrow A/c*" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Application Amount in terms of this Placement Document. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in "*Issue Procedure – Refunds*" on page 273.

Bank Account Details

Each Bidder shall mention the details of the bank account from which the payment of Application Amount has been made along with confirmation that such payment has been made from such account.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price could not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. For the purpose of determination of the Floor Price, '*stock exchange*' shall mean any of the recognised stock exchanges in which the Equity Shares are listed and in which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. However, our Company offerd a discount of 5% of the Floor Price in accordance with the approval of the Shareholders of our Company accorded through special resolution passed at the EGM of our Company on August 8, 2024, and in terms of Regulation 176(1) of the SEBI ICDR Regulations.

Our Company, in consultation with the Lead Manager, shall determined the Issue Price, which was required to be at or above the Floor Price.

The "Relevant Date" referred to above will be the date of the meeting in which the Board or the committee thereof decides to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares of the issuer of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. After finalisation of the Issue Price, our Company updated this Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Build-up of the Book

The Bidders were required to submit their Bids (including any revision thereof) through the Application Forms within the Bid/ Issue Period to the Lead Manager. Such Bids were not allowed to be withdrawn or revised downwards after the Bid/ Issue Closing Date. The book shall be maintained by the Lead Manager.

Price Discovery and Allocation

Our Company, in consultation with the Lead Manager, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company may offer a discount of 5% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by the Shareholders of our Company through special resolution passed at the EGM of our Company on August 8, 2024. After finalisation of the Issue Price, our Company shall update this Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company has determined the Allocation in consultation with the Lead Manager on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations. Application Forms received from the Bidders at or above the Issue Price were grouped together to determine the total demand. The Allocation to all such Bidders will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size was required to be undertaken subject to valid Bids being received at or above the Issue Price. In case of cancellations or default by the Bidders, our Company in consultation with Lead Manager has the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE LEAD MANAGER IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBS. ELIGIBLE QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE APPLICATION AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE BID/ ISSUE PERIOD. NEITHER OUR COMPANY NOR THE LEAD MANAGER ARE NOT OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Application Amount, our Company, in consultation with the Lead Manager, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Application Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. The CAN shall also include details of amount to be refunded, if any, to such Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Successful Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in the Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the respective Successful Bidders shall be deemed a valid, binding and irrevocable contract for such Bidders to subscribe to the Equity Shares Allocated to them. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the Lead Manager.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue. By submitting the Application Form, a Bidder would have deemed to have made the representations and warranties as specified in "*Notice to Investors*" on page 1 and further that such Eligible

QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of this Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, no transfer of securities in listed companies in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Allottees.

5. Following the credit of Equity Shares into the respective Allottees' beneficiary accounts, our Company will apply for the final listing and trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and the Company files the return of Allotment under PAS-3 in connection with the Issue under Form PAS-3 with the RoC within the prescribed timelines under the Companies Act, 2013.

7. After finalization of the Issue Price, our Company updated this Placement Document with the Issue details and filed it with the Stock Exchanges as the Placement Document, which includes names of the proposed Allottees and the percentage of their post-Issue shareholding in the Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Bidder has deposited the Application Amount arrived at using a price higher than the Issue Price or Equity Shares are not Allocated to a Bidder for any reasons or the Issue is cancelled prior to Allocation, or a Bidder lowers or withdraws the Bid prior to the Bid/ Issue Closing Date, any excess Application Amount paid by such Bidder will be refunded to the same bank account from which Application Amount was remitted as set out in the Application Form. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within 60 days from the date of receipt of application monies, our Company shall repay the application monies within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at the rate of 12% p.a. from expiry of the sixtieth day. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013, the Depositories Act and other applicable laws.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever. Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and the Company files the return of Allotment in connection with the Issue with the RoC, whichever is later.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form was required to be submitted as soon as practicable.

Permanent Account Number or PAN

Each Bidder should mention its PAN (except Bids from any category of Bidders, which may be exempted from specifying their PAN for transacting in the securities market) allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Right to Reject Applications

Our Company, in consultation with the Lead Manager, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Lead Manager in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Application Amount paid by the Bidder shall be refunded to the same bank account from which the Application Amount was remitted by such Bidder as set out in the Application Form. For details, see "*Issue Procedure" – "Refund*" on page 273.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e. not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL. The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges. Our Company and the Lead Manager shall not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT AND LOCK UP

Placement Agreement

The Lead Manager has entered into the Placement Agreement dated August 28, 2024 with our Company, pursuant to which the Lead Manager has agreed, subject to certain conditions, to manage this Issue and to act as placement agents in connection with the proposed Issue and procure subscription to Equity Shares on a reasonable effort's basis.

The Equity Shares will be placed with the Eligible QIBs pursuant to this Issue under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, as amended and other applicable provisions of the Companies Act and the rules made thereunder. The Placement Agreement contains customary representations and warranties, as well as indemnities from our Company and is subject to satisfaction of certain conditions and termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Placement Document has not been, and will not be, registered as a prospectus with the Registrar of Companies, and no Equity Shares issued pursuant to the Issue, will be offered in India or overseas to the public or any members of the public in India or any other class of prospective investors, other than Eligible QIBs.

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 any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in, and in reliance on Regulation Sand the applicable laws of the jurisdiction where those offers and sales are made. For further details, see "***Selling Restrictions***" on page 277.

Relationship with the Lead Manager

In connection with the Issue, the Lead Manager or its affiliates may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and subscription or sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Lead Manager may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Lead Manager may purchase or subscribe to the Equity Shares or be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see the section "***Offshore Derivative Instruments***" beginning on page 10.

From time to time, the Lead Manager, and its affiliates and associates may have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, commercial banking, trading services for our Company, group companies, affiliates and the Shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Lead Manager and its affiliates and associates.

Lock up

Under the Placement Agreement, our Company has undertaken that it will not, for a period commencing from the date hereof and ending 60 days from the date of Allotment, without the prior written consent of the Lead Manager:

a. directly or indirectly, offer, issue, contract to issue, lend, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any of the Lock-in Equity Shares or any securities convertible into or exercisable

b. directly or indirectly, offer, issue, contract to issue, lend, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any of the Lock-in Equity Shares or any securities convertible into or exercisable for the Equity Shares or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing, or

c. enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Lock-in Equity Shares or any securities convertible into or exercisable or exchangeable for the Lock-in Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of the Lock-in Equity Shares or such other securities, in cash or otherwise), or

d. enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Lock-in Equity Shares in any depository receipt facility, or

e. publicly announce any intention to enter into any transaction falling within (a), (b), (c) or (d) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of the Lock-in Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a), (b), (c) or (d) above.

In addition, the Company agrees that, without the prior written consent of the Book Running Lead Manager, it shall not, during the Lock-up Period, make any demand for or exercise any right with respect to, the registration of any Shares or any other securities of the Company substantially similar to the Lock-in Equity Shares, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Equity Shares or any such substantially similar securities, whether now owned or hereinafter acquired.

As used in this lock-up undertaking, the term "**Lock-in Equity Shares**" shall mean the 54,82,034 Equity Shares, being no more than 37.96% of the paid-up equity share capital of the Company, which is held by and owned by the Promoter and Promoter Group as on the date of the Placement Agreement. For avoidance of doubt, it is further clarified that the 89,58,839 Equity Shares, being approximately 62.04% of the paid up share capital of the Company, which is held by and owned by the Promoter and Promoter Group as on the date of the Placement Agreement shall be excluded from and not be subject to any lock-up obligations. The aforementioned shares constitute an aggregate amount, reflecting the cumulative holdings of the members of the Promoters and Promoter Group.

SELLING RESTRICTIONS

General

The Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations and the Companies Act.

The distribution of this Placement Document and the Preliminary Placement Document and the offer and sale of the Equity Shares offered in the Issue is restricted by law in certain jurisdictions. This Placement Document or the Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised. No action has been taken or will be taken that would permit the offer and sale of the Equity Shares offered in the Issue to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Placement Document, the Preliminary Placement Document or any other material relating to the Issue in any jurisdiction where action for such purpose is required, except in India. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document, the Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Therefore, persons who may come into possession of this Placement Document or the Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions.

Each purchaser of the Equity Shares in this Issue will be deemed to have made the representations, warranties, acknowledgments and agreements as described in this section and "*Notice to Investors*", "*Representations by Investors"* and "*Transfer Restrictions*" on pages 1, 4, and 285, respectively.

Republic of India

This Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

Australia

This Placement Document is not a disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) ("Corporations Act") and has not been lodged with the Australian Securities and Investments Commission and it does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act.

No offer will be made under this Placement Document to investors to whom disclosure is required to be made under Chapter 6D of the Corporations Act. Each purchaser of the Equity Shares offered in the Issue in Australia shall be deemed to represent and warrant that it is either a "sophisticated investor" or a "professional investor" within the meaning of those terms in the Corporations Act.

The Equity Shares acquired in the Issue in Australia must not be offered for sale in Australia in the period of 12 months after the date of the Allotment, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under Section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act. Each purchaser of the Equity Shares offered in the Issue in Australia shall be deemed to undertake to our Company that it will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those Equity Shares to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act.

British Virgin Islands

The Equity Shares are not being and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on our behalf. The Equity Shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands) (each a "BVI Company"), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

This Placement Document has not been, and will not be, registered with the Financial Services Commission of the British Virgin Islands. No registered document has been or will be prepared in respect of the Equity Shares for the purposes of the Securities and Investment Business Act, 2010 or the Public Issuers Code of the British Virgin Islands.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands to subscribe for any of the Equity Shares but an invitation or offer may be made to sophisticated persons (as defined in the Cayman Islands Securities Investment Business Act (the "SIBA"), high net worth persons (as defined in the SIBA) or otherwise in accordance with the SIBA. This Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. The Equity Shares are not being offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

People's Republic of China

This Placement Document may not be circulated or distributed in the People's Republic of China (excluding, for the purposes of this paragraph, the Hong Kong and Macau Special Administrative Regions and Taiwan Province) and the Equity Shares may not be offered or sold directly or indirectly to any resident of the People's Republic of China, or offered or sold to any person for reoffering or re-sale directly or indirectly to any resident of the People's Republic of China.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Relevant State**"), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that the Company may make an offer to the public in that Relevant State of any Equity Shares at any time:

1. to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;

2. to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the placement agent for any such offer; or

3. in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Equity Shares shall require the Company or placement agent to publish a pros pectuspursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129 and includes any delegated regulations.

Hong Kong

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**CWUMPO**") or which do not constitute an offer to the public within the meaning of the CWUMPO.

No advertisement, invitation or document relating to the Equity Shares has been or will be issued for the purposes of the issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong), other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act (Act No. 25 of 1948 as amended) of Japan (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949 as amended) of Japan (a "**Japanese Resident)** or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

In an offering of Equity Shares in Japan or to, or for the benefit of, a Japanese Resident, if an offeree does not fall under a "qualified institutional investor" (*tekikaku kikan toshika*), as defined in Article 2, Paragraph 3, Item 1 of the FIEA and Article 10, Paragraph 1 of the Cabinet Office Order on Definitions under Article 2 of the Financial Instruments and Exchange Act (Order of the Ministry of Finance No. 14 of 1993) of Japan (a "**Qualified Institutional Investor**"), Equity Shares will be offered to such offeree by a private placement to small number of investors (*shoninzu muke kan'yu*), as provided under Article 23-13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

In an offering of Equity Shares in Japan or to, or for the benefit of, a Japanese Resident, if an offeree falls under a Qualified Institutional Investor, Equity Shares will be offered to such offeree by a private placement to Qualified Institutional Investors (*tekikaku kikan toshika muke kan'yu*), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To subscribe for any Equity Shares, such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring any of such Equity Shares other than to another Qualified Institutional Investor.

Republic of Korea

The Equity Shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the "**FSCMA**"), and the Equity Shares have been and will be offered in Korea as a private placement under the FSCMA. None of the Equity Shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "**FETL**"). Furthermore, the purchaser of the Equity Shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Equity Shares. By the purchase of the Equity Shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Equity Shares pursuant to the applicable laws and regulations of Korea.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia ("**Commission**") for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the Equity Shares, as principal, if the offer is on terms that the Equity Shares may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), provided that the net value of the primary residence of the individual (with his or her spouse) contribute not more than RM1 million of the total net assets; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the Equity Shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of this Placement Document is subject to Malaysian laws. This Placement Document does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Mauritius

The Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Placement Document nor any offering material or information contained herein relating to the offer of the Equity Shares may be released or offered to the public in Mauritius or used in connection with any such offer. This Placement Document does not constitute an offer to sell the Equity Shares to the public in Mauritius and is not a prospectus as defined under the Securities Act 2005.

The Mauritius Financial Services Commission (the "FSC") does not assume any responsibility for the contents of this Placement Document and makes no representation as to the accuracy or completeness of any of the statements made or opinions expressed in this Placement Document and expressly disclaimsany liability whatsoever for any loss arising from or in reliance upon the whole or any part thereof. The FSC does not vouch for the financial soundness of the Issuer or for the correctness of any statements made or opinions expressed with regard to it.

Sultanate of Oman

The information contained in this Placement Document does not constitute an offer of securities in Oman as contemplated by the Commercial Companies Law (Royal Decree 18/2019) or the Securities Law (Royal Decree 46/2022) or the Executive Regulations of the Capital Market Law (Decision No. 1/2009, as amended) or an offer to sell or the solicitation of any offer to buy non-Omani securities in Oman.

This Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Oman Capital Market Authority ("**CMA**") (or its successor, the Financial Services Authority ("**FSA**"), and any reference to the CMA shall include the reference to the FSA in accordance with Royal Decree 20/2024) and then only in accordance with any terms and conditions of such consent. In connection with the offering of Equity Shares, no prospectus has been filed with the CMA (or any successor entity thereof, such as the FSA). The offering and sale of Equity Shares described in the Placement Document will not take place inside Oman. The Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any person other than the intended recipient hereof.

Additionally, this Placement Document is not intended to lead to the making of any contract within the territory or under the laws of Oman.

The CMA (or any successor entity thereof, such as the FSA) takes no responsibility for the accuracy of the statements and information contained in this Placement Document or for the performance of the Company with respect to the Equity Shares, nor shall it have any liability to any person for damage or loss resulting from reliance on any statement or information contained herein.

Qatar (excluding the Qatar Financial Centre)

This Placement Document did not, and was not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (b) neither the Company nor the Lead Manager are authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. The persons representing the Lead Manager are, by distributing this document, not advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Qatar Financial Centre

Nothing in this Placement Document is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of securities in the State of Qatar or in the Qatar Financial Centre or the inward marketing of securities or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre other than in compliance with any laws applicable in the State of Qatar or in the Qatar Financial Centre governing the issue, offering and sale of securities under the laws of the State of Qatar and the Qatar Financial Centre.

This Placement Document and any underlying instruments or securities have not been and will not be filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Exchange or any other relevant Qatar governmental body or securities exchange. The Company has not been authorised or licenced by any Qatari governmental body or regulator to market, offer or sell the Equity Shares in the State of Qatar or in the Qatar Financial Centre.

This Placement Document is strictly private and confidential. This Placement Document is provided on an exclusive basis to the specifically intended recipient of such document, upon that person’s request and initiative, and for the recipient’s personal use only. It is being distributed to a limited number of qualified investors and must not be provided to any person other than the original recipient. It is not for general circulation in the State of Qatar or the Qatar Financial Centre and may not be reproduced or used for any other purpose. Any distribution of this document by the recipient to third parties in the State of Qatar or the Qatar Financial Centre is not authorised and shall be at the liability of such recipient.

Recourse against the Company and/or its affiliates may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar and/or the Qatar Financial Centre.

Singapore

This Issue is made in reliance on the exemption under sections 274 and 275(1) and (1A) of the Securities and Futures Act 2001, of Singapore as modified and amended from time to time (the "**SFA**"). It is not made in or accompanied by a prospectus that is registered by the Monetary Authority of Singapore (the "**MAS**"). This Placement Document has not been registered as a prospectus with the MAS. Accordingly, this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Equity Shares, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA, or (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA.

It is a condition of the Issue that where the Equity Shares are subscribed for or acquired pursuant to an offer made in reliance on sections 274 or 275 of the SFA by a relevant person which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six (6) months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person defined in section 275(2) of the SFA, or (in the case of such corporation) where the transfer arises from an offer referred to in section 276(3)(c)(ii) of the SFA or (incase of a trust) where the transfer arises from an offer referred to in section 276(4)(c)(ii) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Switzerland

The Equity Shares may not be publicly offered in Switzerland and are not and will not be listed or admitted to trading on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading venue in Switzerland. Neither this Placement Document, any other offering or marketing material relating to the Equity Shares offered hereby nor this Issue constitutes or fulfils the requirements of a prospectus in accordance with Articles 35 et seq. of the Swiss Financial Services Act of 15 June 2018, as amended ("FinSA") and Articles 43 et seq. of the underlying regulations of the Swiss Financial Services Ordinance of 6 November 2019, as amended ("FinSO") or in accordance with Articles 27 et seq. of the SIX Listing Rules of 23 August 2023, as amended ("SIX Listing Rules") or the respective listing rules of any other stock exchange or regulated trading venue in Switzerland. Neither this Placement Document, any other offering or marketing material relating to the Equity Shares offered hereby nor this Issue may be distributed, directly or indirectly, or otherwise made available in or into Switzerland in a manner which would require the publication of a prospectus in accordance with the regulations of the FinSA and the FinSO.

Neither this Placement Document, any other offering or marketing material relating to the Equity Shares offered hereby, this Issue nor the Issuer have been or will be filed with or reviewed by a prospectus review body licensed by the Swiss Financial Market Supervisory Authority ("FINMA"). In particular, this Issue is not and will not be supervised by, the FINMA, and is not and will not be authorized in accordance with the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, as amended ("CISA"). Accordingly, no such protection is provided. In particular, the investor protection afforded to acquirers of interests in collective investment schemes within the meaning of the CISA does not extend to acquirers of the Equity Shares.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Placement Document does not constitute or contain an offer of securities to the general public in the United Arab Emirates (the "**UAE**"). No offering, marketing, promotion, advertising or distribution (together, "**Promotion**") of this Placement Document or the Equity Shares may be made to the general public in the UAE unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Decision No. (13/R.M) of 2021 (the "**Rulebook**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted under one of the exemptions from licensing set out in the Rulebook or otherwise in accordance with the laws and regulations of the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this Placement Document nor does any such entity accept any liability for the contents of this Placement Document.

Dubai International Financial Centre

This Placement Document relates to an Exempt Offer in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority ("**DFSA**") Rulebook. This Placement Document is intended for distribution only to persons of a type specified in the Markets Rules Module of the DFSA Rulebook. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Placement Document nor taken steps to verify the information set forth herein and has no responsibility for this Placement Document. The securities to which this Placement Document relates may be illiquid and/ or subject to restrictions on their resale. Prospective purchasers of the securities offered may be required to bear the financial risks of this investment for an indefinite period of time and should conduct their own due diligence on the securities. If you do not understand the contents of this Placement Document, you should consult an authorized financial advisor. In relation to its use in the DIFC, this Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the FCA, except that the Equity Shares may be offered to the public in the United Kingdom at any time:

1. to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
2. to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Lead Manager for any such offer: or
3. in any other circumstances falling within Section 86 of the FSMA.

For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended).

United States

The Equity Shares offered in this 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, 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 U.S. state securities laws. The Equity Shares are being offered and sold only outside the United States in "*offshore transactions*" as defined in, and in compliance with, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For further information, see sections entitled "*Representations By Investors*" and "*Transfer Restrictions*" on pages 4 and 285, respectively.

Other Jurisdictions

The distribution of this Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on the Stock Exchange, is not permitted for a period of one year from the date of Allotment. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "*Selling Restrictions*" on page 277.

Purchaser Representations and Transfer Restrictions

The Equity Shares 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, 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.

By accepting delivery of this Placement Document, submitting a bid to purchase the Equity Shares and/or accepting delivery of Equity Shares, have been deemed to have represented and agreed as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations and will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Placement Document) which may be applicable in its jurisdiction and it has obtained or will obtain any consent, approval or authorization required for it to purchase and accept delivery of Equity Shares, and it acknowledges and agrees that none of our Company or the Book Running Lead Manager and its respective affiliates shall have any responsibility in this regard.

- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in "offshore transactions" as defined in, and in compliance with, Regulation S, and such Equity Shares have not been and will not be registered under the U.S. Securities Act.

- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, (ii) such customer is located outside the United States (within the meaning of Regulation S), and (iii) such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.

- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.

- It agrees (or it is a broker-deal acting on behalf of a customer that has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any "directed selling efforts" as defined in Regulation S. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any "directed selling efforts" as defined in Regulation S

- It understands and agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred in compliance with the U.S. Securities Act and other applicable securities laws only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act and, in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdictions in which such offers or sales are made.

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company or the Book Running Lead Manager for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) is seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and it has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares, (v) have no need for liquidity with respect to the investment in the Equity Shares, and (vi) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Equity Shares in this Issue for its own investment and not with a view to distribution. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.

- It has been provided access to the Preliminary Placement Document and this Placement Document which it has read in its entirety.

- It agrees to indemnify and hold our Company and the Book Running Lead Manager harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold our Company or the Book Running Lead Manager liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by our Company.

If such person is a dealer (as such term is defined under the U.S. Securities Act), it may not resell the Equity Shares in the United States prior to 40 days from the commencement of the offering of the Equity Shares. It acknowledges that our Company and the Book Running Lead Manager and its respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify our Company and the Book Running Lead Manager. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by our Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes our Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company, the Lead Manager or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Stock Exchange Regulations

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, as amended from time to time, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SECC Regulations**"), which regulate inter alia the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum net worth requirements for stock exchanges. The SCRA, the SCRR and the SECC Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act, and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, to govern the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding at 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Further, where the public shareholding in a listed company falls below 25% (except public sector undertakings) at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. The stock exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise circuit breakers. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

BSE is one of the stock exchanges in India on which our Equity Shares are listed. Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017. It has evolved over the years into its present status as one of the premier stock exchanges of India.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. Deliveries for trades executed "on- market" are exchanged through the National Securities Clearing Corporation Limited. It has evolved over the years into its present status as one of the premier stock exchanges of India. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading ("**BOLT**") facility in 1995. This totally automated screen-based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform, BOLT Plus NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to, inter alia, continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides for specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/ voting rights/ control. The SEBI Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer. The SEBI Takeover Regulations were further amended on June 22, 2020 to exempt any acquisitions by way of preferential issue from the obligation to make an open offer. Subsequently, the SEBI Takeover Regulations were amended on August 13, 2021 exempting (a) persons, together with persons acting in concert with him, holding shares or voting rights entitling him to exercise twenty-five per cent or more of the voting rights in a target company; and (b) promoter of the target company, together with persons acting in concert with him, from making continual disclosures in relation to aggregate shareholding and voting rights in the target company. Further, the amendment has also removed certain disclosure obligations for acquirers/promoters, pertaining to acquisition or disposal of shares aggregating to 5% and any change of 2% thereafter, annual shareholding disclosure and creation/invocation/release of encumbrance registered in depository systems under the SEBI Takeover Regulations. These relaxations have been given on account of implementation of the System Driven Disclosures (SDD).

SEBI Insider Trading Regulations

The SEBI Insider Trading Regulations have been notified to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the erstwhile regulations of 1992. The SEBI Insider Trading Regulations, inter alia, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities listed or proposed to be listed, to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations also provides for disclosure obligations for promoters, members of the promoter group, designated person or director in case value of trade exceed monetary threshold of ₹1 million over a calendar quarter, within two days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the SEBI Insider Trading Regulations.

Further, on July 17, 2020, SEBI amended the Insider Trading Regulations to prescribe that the board of directors or head(s) of listed companies shall ensure that a structured digital database be maintained, containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details person with whom information is shared.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum of Association and Articles of Association and the Companies Act, 2013. Bidders are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share capital

The authorized share capital of our Company is ₹20,00,00,000 divided into 2,00,00,000 Equity Shares of ₹10 each. Our Company's issued, subscribed and paid-up capital is ₹14,44,08,730 divided into 1,44,40,873 Equity Shares of face value of ₹10 each. For further details, see "***Capital Structure***" beginning on page 92.

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM of shareholders held each financial year. Under the Companies Act, 2013, unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions specified under Section 123 of the Companies Act, 2013 and the rules made thereunder no dividend can be declared or paid by a company for any financial year except (a) out of the profits of the company for that year after providing depreciation, calculated in accordance with the provisions of the , 2013; or (b) out of the profits of the company for any previous financial year(s) arrived at in accordance with the Companies Act, 2013 and remaining undistributed; or (c) out of both; or (d) out of money provided by the Central Government or a state Government for payment of dividend by the Company in pursuance of a guarantee given by that Government.

Further, as per the Companies Act, 2013, read with the Companies (Declaration and Payment of Dividend) Rules, 2014, in case of the inadequacy or absence of profits in any year, a company may declare dividend out of the accumulated profits earned in previous years and transferred to the free reserves, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; provided, this rule shall not apply to a company, which has not declared any dividend in each of the three preceding financial years; (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of the paid up share capital of the company and free reserves as per its most recent audited financial statements; (c) the amount so drawn shall be first utilised to set off the losses incurred by the company in the financial year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of the reserves of our Company after such withdrawal shall not fall below 15% of the company's paid up share capital as per its most recent audited financial statements.

These dividends are required to be deposited into a separate bank account within five days of the declaration of such dividend and paid to shareholders within 30 days of the date of its declaration.

The Articles of Association provide that our Company in its general meeting may declare dividends to be paid to the members according to their shareholding. The dividend shall not exceed the amount recommended by our Board, but the Company, in a general meeting, may declare lesser dividend. Further, our Board may from time to time pay the members interim dividend of such amount on such shares and at such times as it may think fit. No dividend may be paid otherwise than out of the profits of our Company, arrived at in the manner provided under the Companies Act, 2013.

The dividends of our Company shall be divisible among the members in proportion of the amount of capital paid up or credited as paid-up on the Equity Shares, held by them for the respective period of the holding of the Equity Shares or both. However, our Board may retain any dividends on which our Company may have a lien and may apply the same towards the satisfaction of the debts or liabilities in respect of which the lien exists. All dividends shall be apportioned and paid on the amounts paid or credited as paid on the Equity Shares during any portion or portions of the period in respect of which the dividend is paid but if any Share is issued on terms providing that it shall rank for dividends as from a particular date, such Share shall rank for dividend accordingly. No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his Equity Shares while any money may be due or owing from him to the company and our Board may deduct from the interest or dividend to any member all such sums of money so due from him to our Company. A transfer of Equity Shares shall not pass the right to any dividend declared therein before the registration of the transfer.

The Companies Act, 2013 states that any dividends that remain unpaid or unclaimed after that period are to be transferred to a special bank account. Any dividend amount (along with interest) that remains unpaid or unclaimed for seven years from the date of such transfer is to be transferred by our Company to a fund, called the Investor Education and Protection Fund, created by the Government. In addition, all shares in respect of which dividend has not been paid or claimed for seven consecutive years, shall be transferred by the Company to the Investor Education and Protection Fund along with a statement containing requisite details.

Capitalisation of Profits and Issue of Bonus Shares

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act, 2013 permits the board of directors, if so approved by the shareholders in a general meeting, to capitalise its profits or reserves for the purpose of issuing fully paid-up bonus shares, which are similar to stock dividend. The Companies Act, 2013 permits the issue of fully paid-up bonus shares from its free reserves, securities premium account or capital redemption reserve account, provided that bonus shares shall not be issued by capitalising reserves created by revaluation of assets. These bonus Equity Shares must be distributed to shareholders in proportion to the number of Equity Shares owned by them as recommended by the board of directors.

Any issue of bonus shares by a listed company would be subject to the SEBI regulations. The relevant SEBI regulations prescribe that no company shall make a bonus issue of Equity Shares if it has outstanding fully or partly convertible debt instruments at the time of making the bonus issue, unless it has made reservation of the Equity Shares in the same class in favour of the holders of the outstanding convertible debt instruments in proportion to the convertible part thereof and the Equity Shares reserved for the holders of fully or partly convertible debt instruments shall be issued at the time of conversion of such convertible debt instruments on the same terms or same proportion on which the bonds were issued. Further, for issuance of such bonus shares, a company should not have defaulted in the payment of interest or principal in respect of fixed deposits and interest on existing debentures or principal on redemption of such debentures. The declaration of bonus shares in lieu of a dividend cannot be made. The bonus issuance shall be made out of free reserves built out of genuine profits or share premium collected in cash only. The reserves created by revaluation of fixed assets cannot be capitalised. Further, a company should have sufficient reason to believe that it has not defaulted in respect of the payment of statutory dues of the employees, such as contributions to provident funds, gratuities and/or bonuses.

The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend (or representing premium received on the issue of Equity Shares and standing to the credit of the Shares Premium Account) be capitalized and distributed among such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or debentures or debenture-stock and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus shares.

Alteration of Capital

Subject to the provisions of the Companies Act, 2013 our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by approval of our Shareholders in a General Meeting by way of an ordinary resolution, may determine. According to Section 62(1)(a) of the Companies Act, 2013 such new shares shall be offered to existing shareholders in proportion to the paid up share capital on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date or on receipt of earlier intimation from the persons to whom such notice is given that they decline to accept the shares offered, the Board may dispose of the shares offered in respect of which no acceptance has been received in a manner which shall not be disadvantageous to the shareholders of our Company. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person. private placement and public issues shall be undertaken pursuant to

Chapter III of the Companies Act, 2013.

Under the provisions of Section 62(1)(c) of the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014, new shares may be offered to any persons whether or not those persons include existing shareholders or employees to whom shares are allotted under a scheme of employees stock options, either for cash or for consideration other than cash, if a special resolution to that effect is passed by our Company's shareholders in a general meeting. Our Company may, by a resolution passed in a general meeting, from time to time, increase the share capital by the creation of new Equity Shares of such amount as may be deemed expedient and specified in the resolution. Such increase in the share capital shall be subject to compliance with the provision of the Companies Act, 2013 and of any other laws that may be in force. New Equity Shares shall be issued upon such terms and conditions and with such rights and privileges attached thereto as are consistent with provisions of the Companies Act, 2013 and which the general meeting, resolving upon the creation thereof shall direct and if no direction be given, as our Board shall determine, and in particular such Equity Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of our Company and with a special or without any right of voting, subject to the conditions prescribed under the Companies Act, 2013.

Our Company may by ordinary resolution:

(i) Increase the share capital by such sum, to be divided into shares of such amount, as it thinks expedient;

(ii) Consolidate and divide all or any its Equity Shares into shares of larger amount than its existing Equity Shares; subject to the applicable approvals under the Companies Act, 2013 for any consolidation and division which results in changes in the voting percentage of members;

(iii) Subdivide its existing Equity Shares or any of them into Equity Shares of smaller amount than is fixed originally by the Memorandum of Association;

(iv) Convert all or any of its fully-paid up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(v) Cancel any Equity Shares which at the date of the passing of the ordinary resolution, have not been taken or agreed to be taken by any person.

Further, our Company may, from time to time, by special resolution, reduce its share capital or any share premium account in any manner, subject to any incident authorized and consent required by law.

General Meetings of Shareholders

Every year our Company is required to hold an annual general meeting in addition to any other meetings. Further, our Board may, whenever it thinks fit, call an extraordinary general meeting and shall, on the requisition of a number of members who constitute not less than one-tenth of the paid-up capital of our Company, proceed to call an extraordinary general meeting. Not less than 21 days' clear notice in writing of the general meeting is to be given, but shorter notice may be given if consent in writing is accorded by all the members entitled to vote and in case of any other meetings, with the consent of members holding not less than 95 per cent of such part of the paid-up Share capital of our Company which gives a right to vote at the meeting. For a meeting of the shareholders, (i) five shareholders present in person, if the number of shareholders as on the date of meeting is not more than 1,000; (ii) 15 shareholders present in person, if the number of shareholders as on the date of the meeting is more than 1,000 but up to 5,000; and (iii) 30 shareholders present in person, if the number of shareholders as on the date of meeting exceeds 5,000, shall constitute a quorum for a general meeting of our Company, whether AGM or EGM. No business is to be transacted at the general meeting unless the requisite quorum is present at the commencement of the same. If the quorum is not present within half an hour of the time appointed for a meeting, the meeting, if convened upon such requisition as aforesaid, shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week at the same time and place. The Articles of Association further provide that no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

The Chairman of our Board shall be entitled to take the chair at every general meeting or, if there is no such chairman, or if at any general meeting he is not present within fifteen minutes after the time appointed for holding such general meeting or is unwilling to act as Chairman, the Directors present shall elect one of them to be the chairman of the meeting. If no Director is present or if all the Directors present decline to take the chair, then the members present shall choose one amongst themselves to be chairman of the general meeting.

A company intending to pass a resolution relating to matters such as, but not limited to, amendments to the objects clause of the Memorandum of Association, a variation of the rights attached to a class of shares or debentures or other securities, buy-backs of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in our Company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the notice. Postal ballot includes voting by electronic mode.

Voting Rights

Every member present in person shall have one vote on poll and the member present in person or by proxy shall have one vote for each Share of our Company held by him, subject to any rights or restrictions for the time being attached to any class or classes of Equity Shares. The Articles of Association provide that 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 proxy on his behalf, for that meeting. The manner of giving proxies is provided in detailed in the Articles of Association of the Company.

The instrument appointing a proxy is required to be lodged at the registered office at least 48 hours before the time of 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. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument or transfer of the Share in respect of which the vote is given provided no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office of our Company before the general meeting. Provided never the less that the chairman of any general meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.

No member is entitled to be present or to vote on any question either personally or by proxy or as proxy for another member at any general meeting or upon a poll or to be reckoned in a quorum while any call or other sum payable to our Company in respect of any of the Equity Shares of such member shall remain unpaid, and no member is entitled to be present or to vote at any general meeting in respect of any Equity Share that he has acquired by transfer unless his name is entered as the registered holder of the Equity Share in respect of which he claims to vote, but this shall not affect Equity Shares acquired under a testamentary disposition or by succession to an intestate or under an insolvency or liquidation.

Ordinary resolutions may be passed by simple majority of those present and voting and those voting electronically. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution.

Directors

The Articles of Association provide that the number of Directors shall not be less than three and not be more than fifteen. The Directors shall be appointed by our Company in the general meeting subject to the provisions of the Companies Act, 2013 and the Articles of Association. The Companies Act, 2013 provides that not less than one-thirds of the total number of directors on the board of a company, excluding the independent directors, shall be liable to retire by rotation. One-third of the directors shall automatically retire every year at the annual general meeting and shall be eligible for re-appointment. The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation. The independent directors may be appointed for a maximum of two terms of up to five consecutive years each; however, such directors are eligible for re-appointment after the expiry of three years of ceasing to be an independent director provided that such directors were not, during the three years period, appointed in or associated with the company in any other capacity, either directly or indirectly. Any reappointment of independent directors, inter alia, shall be on the basis of performance evaluation report and requires the approval of the shareholders by way of a special resolution.

Our Board is required to meet at least once every 120 days for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit provided that at least four such meetings shall be held in every year. The quorum for a meeting of our Board is one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher. However, where it involves a decision on an affirmative vote item, the quorum is required to include an investor Director.

Buy-back

Our Company may buy back its own Equity Shares or other specified securities subject to the provisions of the Companies Act, 2013 and the related SEBI guidelines issued in connection therewith.

Transfer and transmission of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system.

Transfers of beneficial ownership of shares held through a depository are subject to STT (levied on and collected by the stock exchanges on which such equity shares are sold), however, are exempt from stamp duty. Our Company has entered into an agreement for such depository services with NSDL and CDSL.

SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. Our Company shall keep a book in which every transfer or transmission of shares will be entered. Pursuant to the SEBI Listing Regulations, except in case of transmission or transposition of Equity Shares, requests for effecting transfer of Equity Shares shall not be processed unless the Equity Shares are held in dematerialized form with a depository. The Equity Shares shall be freely transferable, subject to applicable laws.

Winding up

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. 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.

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.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,

The Board of Directors
PTC Industries Limited
Advanced Manufacturing & Technology Centre,
NH25A, Sarai Shahjadi, Lucknow 227101
Uttar Pradesh, India

ITI Capital Limited
ITI House 36,
Dr. R. K. Shirodkar Marg, Parel,
Mumbai – 400 012

Dear Sirs/Madams,

Sub: Qualified institutions placement of equity shares of face value of ₹10 each ("Equity Shares") under Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations") and applicable provisions of the Companies Act, 2013, and the rules framed thereunder, each as amended ("Companies Act") by PTC Industries Limited (the "Company", and such qualified institutions placement, the "Issue")

We, the statutory auditors of the Company, have been requested by the Company to issue a report on the special tax benefits (referred to as "**Statement**") available to the Company, its Subsidiary and its Shareholders attached for inclusion in the Placement Documents ("*defined below*") in connection with the proposed qualified institutions placement of the equity shares of the Company under Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and applicable provisions of the Companies Act, 2013, and the rules framed thereunder, each as amended. The Statement has been prepared by the management of the Company and stamped by us for identification purposes only.

The Statement showing the current position of tax benefits available to the Company, its Subsidiary and the shareholders of the Company as per the provisions of Indian direct tax and indirect tax laws including the Income Tax Act, 1961 and the Income-tax Rules, 1962("**IT Act**"), the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 and Customs Act, 1962 each as amended (collectively, the "**Tax Laws**") including the rules, regulations, circulars and notifications issued in connection with the Tax Laws as presently in force in India and applicable to the assessment year 2025-2026 relevant to the financial year 2024 - 2025 for inclusion in the Placement Documents. These benefits are dependent on the Company, its subsidiary or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company, its subsidiary or its shareholders to derive the stated tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill. Further, certain tax benefits may be optional, and it would be at the discretion of the Company, its Subsidiary or its Shareholders to exercise the option by fulfilling the conditions prescribed under Tax laws.

The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company, its subsidiary and its shareholders and do not cover any general tax benefits available to them.

In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

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 the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest money based on this statement.

We conducted our examination of the statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India (the "Guidance Note"). The Guidance Note requires that we comply with the 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 Performs Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements.

We do not express any opinion or provide any assurance as to whether:

i) the Company, its Subsidiary or its shareholders will continue to obtain these benefits in future; or
ii) the conditions prescribed for availing the benefits have been/would be met with.
iii) The revenue authorities / courts will concur with the views expressed therewith.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

The Statement is intended solely for the information and inclusion in the Placement Document in connection with the proposed issue of equity shares of the Company and is not to be used, referred to, or distributed for any other purpose, without our prior consent, provided the below statement of limitation is included in the Placement Documents.

Limitation:

Our views expressed in the Statement enclosed are based on the facts and assumptions indicated above. Our views are based on the existing provisions of the Tax laws presently in force in India 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.

This report is addressed to the Board of Directors of the Company for inclusion of this report along with the accompanying Statement in the placement document and placement document to be submitted by the Company with the Securities and Exchange Board of India and BSE Limited or any other regulatory or statutory authority and/or in any other material used in connection with the Issue ("**Placement Documents**"), prepared in connection with the Issue and should not be used by any other person or for any other purpose.

We hereby give our consent to include this report and the enclosed Statement regarding the tax benefits available to the Company, its subsidiary and its shareholders in the Placement Documents, provided that the above statement of limitation/ restriction on distribution or use is included in the Placement Documents.

Yours sincerely,

For S.N Dhawan & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 000050N/N500045

Rajeev Kumar Saxena
Partner
Membership No: 077974
UDIN: 24077974BKEZWE8688

Place: Gurugram
Date: August 28, 2024

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO PTC INDUSTRIES LIMITED (THE "COMPANY") ITS WHOLLY OWNED SUBSIDIARY (NAMELY:-AEROLLOY TECHNOLOGIES LIMITED) AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the special tax benefits available to the Company and its shareholders under the Act applicable for the Financial Year 2024-25 as amended by Finance No.2 Act 2024 dated 16 August 2024. These possible special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act.

I. Under the Income -tax Act, 1961 (the IT Act)

A. Special tax benefits available to the Company.

1. Concessional corporate tax rates - Section 115BAA of the IT Act

   The company has adopted section 115BAA wherein domestic companies are entitled to avail a concessional tax rate of 22% (plus applicable surcharge and cess) i.e. 25.168%, on fulfillment of certain conditions. The option once exercised shall apply to subsequent AYs. The concessional rate is subject to a company not availing any of the following deductions under the provisions of the IT Act:

   - Section10AA: Tax holiday available to units in a Special Economic Zone.
   - Section 32(1)(iia): Additional depreciation;
   - Section 32AD: Investment allowance.
   - Section 33AB/3ABA: Tea coffee rubber development expenses/site restoration expenses
   - Section 35(1)/35(2AA)/ 35(2AB): Expenditure on scientific research.
   - Section 35AD: Deduction for capital expenditure incurred on specified businesses.
   - Section 35CCC/35CCD: expenditure on agricultural extension /skill development.
   - Chapter VI-A except for the provisions of section 80JJAA and section 80M.

   Further, provisions of Minimum Alternate Tax ('MAT') under section 115JB of the IT Act shall not be applicable to companies availing section 115BAA of the IT Act.

2. Deduction with respect to inter-corporate dividends – Section 80M of the IT Act

   As per the provisions of section 80M of the IT Act, a domestic company shall be allowed to claim a deduction of divided income earned from any other domestic company or a foreign company or a business trust, to the extent such dividend is distributed by it on or before the due date. In this case, due date means one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act.

   The amount of deduction so claimed should not exceed the amount of dividend distributed by it and is subject to fulfilment of other conditions laid down therein.

B. Special tax benefits available to the wholly owned subsidiary, Aerolloy technologies limited.

3. Concessional corporate tax rates - Section 115BAB of the IT Act

   The company has adopted section 115BAB wherein domestic companies are entitled to avail a concessional tax rate of 15% (plus applicable surcharge and cess) i.e. 17.16%, on fulfillment of certain conditions. The option once exercised shall apply to subsequent AYs. The concessional rate is subject to a company not availing any of the following deductions under the provisions of the IT Act:

   - Section10AA: Tax holiday available to units in a Special Economic Zone.
   - Section 32(1)(iia): Additional depreciation;
   - Section 32AD: Investment allowance.
   - Section 33AB/3ABA: Tea coffee rubber development expenses/site restoration expenses
   - Section 35(1)/35(2AA)/ 35(2AB): Expenditure on scientific research.
   - Section 35AD: Deduction for capital expenditure incurred on specified businesses.
   - Section 35CCC/35CCD: expenditure on agricultural extension /skill development.
   - Chapter VI-A except for the provisions of section 80JJAA and section 80M.

Further, provisions of Minimum Alternate Tax ('MAT') under section 115JB of the IT Act shall not be applicable to companies availing Section 115BAB of the IT Act.

The provisions do not specify any limitation/condition on account of turnover, nature of business or date of incorporation for opting for the concessional tax rate. Accordingly, all existing as well as new domestic companies are eligible to avail this concessional rate of tax.

4. <u>Deduction with respect to inter-corporate dividends – Section 80M of the IT Act</u>

As per the provisions of section 80M of the IT Act, inserted with effect from 01 April 2021, a domestic company shall be allowed to claim a deduction of divided income earned from any other domestic company or a foreign company or a business trust, to the extent such dividend is distributed by it on or before the due date. In this case, due date means one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act.

The amount of deduction so claimed should not exceed the amount of dividend distributed by it and is subject to fulfilment of other conditions laid down therein.

C. Special tax benefits available to the shareholders.

1. Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in the case of a domestic corporate shareholder, benefit of deduction under Section 80M of the IT Act would be available on fulfilling the conditions.

2. As per Section 112A of the IT Act, long-term capital gains arising from the transfer of an equity share on which securities transaction tax ("STT") is paid at the time of acquisition and sale, shall be taxed at the rate of 12.5% (plus applicable surcharge and cess) (without indexation) of such capital gains. This is subject to fulfilment of prescribed additional conditions as per Notification No. 60/2018/F. No.370142/9/2017-TPL dated 01 October 2018. It is worthwhile to note that tax shall be levied where such aggregate capital gains exceed INR 1,25,000/- in a year.

3. As per Section 90(2) of the IT Act, non-resident shareholders will be eligible to take the beneficial provisions under the respective Double Taxation Avoidance Agreement ("DTAA"), if any, applicable to such non-residents. This is subject to fulfilment of conditions prescribed to avail treaty benefits.

4. Further, any income by way of capital gains accruing to non-residents may be subject to withholding tax per the provisions of the Act or under the relevant DTAA, whichever is more beneficial to such non-residents. However, where such non-resident has obtained a lower withholding tax certificate from the tax authorities, the withholding tax rate would be as per the said certificate. The non-resident shareholders can also avail credit of any taxes paid by them, subject to local laws of the country in which such shareholder is resident.

II. Indirect tax (indirect tax regulations)

The Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, including the relevant rules, notifications and circulars issued there under, the Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023) (collectively referred as "Indirect Tax Regulations")

A. Special tax benefits available to the Company.

1. <u>Remission of Duties and Taxes on Exported Products Scheme (RoDTEP)</u>

The Remission of Duties and Taxes on Exported Products (RoDTEP) scheme was announced by Government of India (GOI) 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.

The Company has been availing benefit of this scheme on products exported out of India as per rates prescribed.

2. Benefits available to the Company under Duty Drawback Scheme

Duty Drawback Scheme provides refund/recoupment of custom duties paid on inputs or raw materials and goods and service tax paid on the input services used in the manufacture of exported goods.

The Company has been availing benefit of this scheme and has been availing duty drawback as per the rates prescribed.

3. Benefits available to the company under Export Promotion Capital Goods Scheme (EPCG)

The objective of the Export Promotion Capital Goods (EPCG) Scheme is to facilitate import of capital goods for producing quality goods and services and enhance India's manufacturing competitiveness.

EPCG Scheme allows import of capital goods for pre-production, production, and post-production at zero customs duty.

The Company has been availing benefit under this scheme.

4. Benefits available to the company from Zero Rated Supply as per GST Law

Under the GST regime, all supplies of goods and services which qualify as export of goods or services are zero-rated, that is, these transactions attract a GST rate of zero per cent.

On account of zero rating of supplies, the supplier will be entitled to claim input tax credit in respect of goods or services used for such supplies and can seek refund of accumulated/unutilized ITC.

There are two mechanisms for claiming refund of accumulated ITC against export. Either person can export under Bond/LUT as zero-rated supply and claim refund of accumulated Input Tax Credit or person may export on payment of integrated tax and claim refund thereof as per the provisions of Section 54 of CGST Act, 2017.

The Company has been engaged in the export of goods on payment of IGST and claiming a refund for the same.

B. Special tax benefits available to the wholly owned subsidiary, Aerolloy technologies limited.

1) Remission of Duties and Taxes on Exported Products Scheme (RoDTEP)

The Remission of Duties and Taxes on Exported Products (RoDTEP) scheme was announced by Government of India (GOI) 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.

The Company has been availing benefit of this scheme on products exported out of India as per rates prescribed.

2) Benefits available to the Company under Duty Drawback Scheme

Duty Drawback Scheme provides refund/recoupment of custom duties paid on inputs or raw materials and Goods and service tax paid on the input services used in the manufacture of exported goods.

The Company has been availing benefit of this scheme and has been availing duty drawback as per the rates prescribed.

3) Benefits available to the company under Export Promotion Capital Goods Scheme (EPCG)

The objective of the Export Promotion Capital Goods (EPCG) Scheme is to facilitate import of capital goods for producing quality goods and services and enhance India's manufacturing competitiveness.

EPCG Scheme allows import of capital goods for pre-production, production, and post-production at zero customs duty.

The Company has been availing benefit under this scheme.

4) Benefits available to the company from Zero Rated Supply as per GST Law

Under the GST regime, all supplies of goods and services which qualify as export of goods or services are zero-rated, that is, these transactions attract a GST rate of zero per cent.

On account of zero rating of supplies, the supplier will be entitled to claim input tax credit in respect of goods or services used for such supplies and can seek refund of accumulated/unutilized ITC.

There are two mechanisms for claiming refund of accumulated ITC against export. Either person can export under Bond/LUT as zero-rated supply and claim refund of accumulated Input Tax Credit or person may export on payment of integrated tax and claim refund thereof as per the provisions of Section 54 of CGST Act, 2017.

The Company has been engaged in the export of goods on payment of IGST as well as under Bond/LUT and claiming a refund for the same.

C. Special tax benefits available to shareholders of the Company under indirect tax regulations in India

The shareholders of the Company are not eligible to any special tax benefits under Indirect Tax Regulations.

Notes:

1. The ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

2. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences aid the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

3. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing shares.

4. The Statement is prepared on the basis of information available with the management of the Company and there is no assurance that:

    - the Company or its shareholders will continue to obtain these benefits in future;
    - the conditions prescribed for availing the benefits have been/ would be met with; and
    - the revenue authorities/courts will concur with the view expressed herein.

5. The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time.

6. The above Statement of Special Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

For and on behalf of the Board of Directors

(Authorised Signatory)

Place:
Date:

LEGAL PROCEEDINGS

We are involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of tax disputes, criminal and civil proceedings, which are pending before various adjudicating forums.

*Except as disclosed below, in terms of our Company's "Policy for Determination of Materiality of Events/information" ("**Materiality Policy**") framed in accordance with Regulation 30 of the SEBI Listing Regulations, there are no outstanding litigations involving our Company that have been disclosed to the Stock Exchanges, and accordingly, there is no such outstanding litigation involving our Company that requires disclosure in this Placement Document.*

*However, solely for the purpose of the Issue, our Company has disclosed in this section, to the extent applicable (i) all outstanding criminal proceedings involving our Company, our Subsidiary, our Directors and our Promoters; (ii) all outstanding actions by statutory or regulatory authorities against our Company, our Subsidiary, our Directors and our Promoters;; (iii) outstanding civil proceedings against our Company, our Subsidiary, our Promoters and our Directors which involve an amount equivalent to or above ₹134 lakhs, which is 5% of average of profit after tax as per the last three Audited Consolidated Financial Statements ("**Materiality Threshold**"); (iv) consolidated disclosure of the direct and indirect tax matters involving the Company and our Subsidiary; and (v) any other outstanding litigation involving our Company, our Subsidiary, our Directors and our Promoters wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could materially and adversely affect the reputation, operations or financial position of our Company.*

(i) There is no litigation or legal action pending or taken by any ministry or department of the government or a statutory authority against any of our Promoters during the last three years immediately preceding the year of circulation of this Placement Document and no directions have been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of circulation of this Placement Document involving our Company or our Subsidiary, nor are there any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Placement Document involving our Company or our Subsidiary; (iii) there are no defaults in repayment of (a) statutory dues; (b) debentures and interests thereon; (c) deposits and interests thereon; and (d) loan obtained from any bank or financial institution and interest thereon by our Company, as of the date of this Placement Document; (iv) there are no material frauds committed against us in the last three years; (v) there are no defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder; (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; or (vii) there are no reservations, qualifications or adverse remarks of auditors in the last five Fiscal Years immediately preceding the year of circulation of this Placement Document.

It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company, our Subsidiary, our Directors and/or our Promoters from third parties (excluding statutory / regulatory /governmental authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of our Company, our Subsidiary, our Directors and/or our Promoters, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.

1. Litigation involving our Company

Material civil proceedings involving our Company

A. Civil Proceedings filed by our Company

As on date of this Placement Document, there are no outstanding material civil proceedings initiated by our Company.

B. ***Civil Proceedings filed against our Company***

As on the date of this Placement Document, there are no outstanding material civil proceedings initiated against our Company.

Criminal Proceedings involving our Company

A. ***Criminal Proceedings filed by our Company***

As on the date of this Placement Document, there are no outstanding material criminal proceedings initiated by our Company.

B. ***Criminal Proceedings filed against our Company***

As on the date of this Placement Document, there are no outstanding criminal proceedings filed against our Company.

Actions taken by statutory or regulatory authorities against our Company

1. Umashankar Mishra, the President of the U.P. Steel Metal and Engineering Workers Union (Affiliated Hind Mazdoor Sabha) ("Complainant") has filed a complaint dated August 26, 2023, against our Company alleging that our Company is not paying variable dearness allowance to its employees on their full basic salary before the Labour Commissioner, Uttar Pradesh. The Office of Additional Labour Commissioner, Lucknow directed both the parties to appear before it. Our Company replied by a letter dated September 26, 2023, and the matter is currently pending.

2. Employee State Insurance Corporation ("ESIC") issued an order against our Company dated April 6, 2022, on the basis of balance sheet and profit and loss account stating that our Company is liable to pay a sum of ₹ 306.02 lakhs as ESI dues. Our Company has filed an appeal against the order under section 45AA of the Employee' State Insurance Act, 1948, praying to hold that no ESI contribution is due and to refund ₹ 76.50 lakhs deposited by the Company to ESIC. The matter is currently pending.

3. Our Company ("Applicant") had executed a sale deed for certain immovable property ("Land") by paying the stamp duty. The Sub-registrar, Pancham, Lucknow, after inspecting the said Land alleged the payment of insufficient stamp duty and initiated the proceedings under the U.P. stamp (Property Valuation) Rules, 1997. Orders dated September 12, 2022, and November 31, 2022, were passed to recover an amount of ₹ 13.09 lakhs. Our Company has filled a restoration application dated January 13, 2023, against the impugned orders before the Court of Assistant Commissioner (Stamps), Lucknow.

Tax proceedings involving our Company

We have set out below claims relating to direct and indirect taxes involving our Company in a consolidated manner giving details of number of cases and total amount involved in such claims (Net of Provision):

Nature of case	Number of cases	Amount Involved (Net of Provision) (in ₹ lakhs)
Direct Tax	0	0
Indirect Tax	3	16.59

2. Litigation involving our Subsidiary

Material civil proceedings involving our Subsidiary

A. ***Civil Proceedings filed by our Subsidiary***

As on the date of this Placement Document, there are no outstanding material civil proceedings by our Subsidiary.

B. ***Civil Proceedings filed against our Subsidiary***

As on the date of this Placement Document, there are no outstanding material civil proceedings against our Subsidiary.

Criminal proceedings involving our Subsidiary

A. Criminal Proceedings filed by our Subsidiary

As on the date of this Placement Document, there are no outstanding criminal proceedings by our Subsidiary.

B. Criminal Proceedings filed against our Company

As on the date of this Placement Document, there are no outstanding criminal proceedings against our Subsidiary.

Actions taken by statutory or regulatory authorities against our Subsidiary

As on the date of this Placement Document, there are no pending actions taken by statutory or regulatory authorities against our Subsidiary.

Tax proceedings involving our Subsidiary

As on the date of this Placement Document, there are no tax proceedings involving our Subsidiary.

3. Litigation involving our Directors

Material civil proceedings involving our Directors

A. ***Civil Proceedings filed by our Directors***

As on the date of this Placement Document, there are no outstanding material civil proceedings by our Directors.

B. ***Civil Proceedings filed against our Directors***

As on the date of this Placement Document, there are no outstanding material civil proceedings against our Directors.

Criminal proceedings involving our Directors

A. ***Criminal Proceedings filed by our Directors***

As on the date of this Placement Document, there are no outstanding criminal proceedings by our Directors.

B. ***Criminal Proceedings filed against our Directors***

As on the date of this Placement Document, there are no outstanding criminal proceedings against our Directors.

Actions taken by statutory or regulatory authorities against our Directors

As on the date of this Placement Document, there are no pending actions taken by statutory or regulatory authorities against our Directors.

4. Litigation involving our Promoters

Material civil proceedings involving our Promoters

A. Civil Proceedings filed by our Promoters

As on the date of this Placement Document, there are no outstanding material civil proceedings by our Promoters.

B. Civil Proceedings filed against our Promoters

As on the date of this Placement Document, there are no outstanding material civil proceedings against our Promoters.

Criminal proceedings involving our Promoters

A. ***Criminal Proceedings filed by our Promoters***

As on the date of this Placement Document, there are no outstanding criminal proceedings by our Promoters.

B. ***Criminal Proceedings filed against our Promoters***

As on the date of this Placement Document, there are no outstanding criminal proceedings against our Promoters.

Actions taken by statutory or regulatory authorities against our Promoters

As on the date of this Placement Document, there are no pending actions taken by statutory or regulatory authorities against our Promoters.

5. Inquiries, inspections, or investigations under the Companies Act initiated or conducted in the last three years

There have been no inquiries, inspections or investigations initiated or conducted against our Company or our Subsidiary under the Companies Act, 1956 or the Companies Act, 2013 in the last three years immediately preceding the year of issue of this Placement Document, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Placement Document involving our Company or our Subsidiary.

6. Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company

There have been no material frauds committed against our Company in the last three years preceding the date of this Placement Document.

7. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon

As on the date of this Placement Document, our Company has no outstanding defaults in repayment of statutory dues, dues payable to holders of any debentures and interest thereon, deposits and interest thereon and loans and interest thereon from any bank or financial institution.

8. Details of defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder

As on the date of this Placement Document, our Company has not made any default in filings of our Company under the Companies Act, 2013 and the rules made thereunder.

9. Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operation.

There are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

10. Reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of issue of this Placement Document and their impact on the financial statements and financial positions of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks.

There are no reservations, qualifications or adverse remarks of our auditors in their respective reports on our audited consolidated financial statements for the last five Fiscals preceding the date of this Placement Document, except the matter of emphasis as mentioned in "***Management's Discussion on Financial Condition and Results of Operations – Auditor's Observations***" on page 120.

OUR STATUTORY AUDITOR

M/s S. N. Dhawan & Co. LLP, Chartered Accountants, are the current independent Statutory Auditors with respect to our Company as required by the Companies Act, 2013 and in accordance with the guidelines prescribed by ICAI. M/s S. N. Dhawan & Co. LLP, Chartered Accountants, have been appointed as the Statutory Auditors of our Company, pursuant to the approval of the Shareholders of our Company at the AGM held on September 22, 2023, for a term of 5 years commencing from the conclusion of the 60th AGM of the Company till the conclusion of the 65th AGM.

M/s S. N. Dhawan & Co. LLP , Chartered Accountants, have performed a review of the Consolidated Unaudited Financial Results in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the ICAI and have issued reports dated July 30, 2024 on the Consolidated Unaudited Financial Results which is included in this Placement Document in "Financial Information" on page 311.

Our statutory auditor, M/s S. N. Dhawan & Co. LLP, Chartered Accountants, have audited Fiscal 2024 Audited Consolidated Financial Statements, have issued their audit report on such financial statements which are included in this Placement Document in "*Financial Information*" on page 311.

Our erstwhile statutory auditor, M/s Walker Chandiok & Co LLP, Chartered Accountants, have performed a review of the Consolidated Unaudited Financial Results in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the ICAI and have issued reports dated August 12, 2023 on the Consolidated Unaudited Financial Results, Fiscal 2023 Audited Consolidated Financial Statements and Fiscal 2022 Audited Consolidated Financial Statements, which is included in this Placement Document in "Financial Information" on page 311.

GENERAL INFORMATION

1. PTC Industries Limited ("**Issuer**" or our "**Company**") was originally incorporated as "*Precision Tools & Castings Private Limited* on March 20, 1963 as a private limited company, under the Companies Act, 1956 and was granted a certificate of incorporation by the Registrar of Companies, Uttar Pradesh at Kanpur. Thereafter, our Company was converted into a public limited company and subsequently the name of our Company was changed to "*Precision Tools & Castings Limited*" and a fresh certificate of incorporation was issued by the Registrar of Companies, Uttar Pradesh at Kanpur consequent upon change of name of our Company on October 25, 1994. Further, the name of our Company was to '*PTC Industries Limited'* pursuant to special resolution of our Shareholders passed at the EGM of our Company dated December 28, 1998 and a fresh certificate of incorporation dated January 22, 1999, consequent to such name change was issued to our Company by the Registrar of Companies, Uttar Pradesh at Kanpur.

2. Our registered office is located at Advanced Manufacturing & Technology Centre, NH 25A, Sarai Shahjadi, Lucknow 227101, Uttar Pradesh, India.

3. Our corporate identification number is L27109UP1963PLC002931. The website of our Company is www.ptcil.com.

4. The Issue was authorized and approved by our Board of Directors on July 13, 2024 and approved by the Shareholders of our Company pursuant to a special resolution passed at the EGM of our Company on August 8, 2024.

5. The Equity Shares are listed on BSE and NSE. Our Company has received in-principal approvals in terms of Regulation 28(1) of the SEBI Listing Regulations from each of BSE and NSE on August 28, 2024 to list the Equity Shares issued pursuant to the Issue on the Stock Exchange. We will apply for final listing and trading approvals of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges after Allotment of the Equity Shares in the Issue.

6. Copies of our Memorandum of Association and Articles of Association will be available for inspection between 10.00 am to 5.00 pm on all working days, (except Saturdays and public holidays) during the Bid/ Issue Period at our Registered Office.

7. Except as disclosed in this Placement Document, there has been no material adverse change in our financial or trading position since the date of the Consolidated Unaudited Financial Results, which has been included in this Placement Document.

8. Except as disclosed in this Placement Document, there are no litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see "*Legal Proceedings*" on page 302.

   The Floor Price is ₹13,894.42 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations. Our Company has offered a discount of 5% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations in accordance with the special resolution of our Shareholders passed at the EGM of our Company on August 8, 2024.

9. Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.

10. Our Company has obtained necessary consents, approvals and authorizations as may be required in connection with the Issue.

11. Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk.

12. Pragati Gupta Agarwal is the Company Secretary and Compliance Officer of our Company. Her details are as follows:

Pragati Gupta Agarwal
Company Secretary and Compliance Officer
PTC Industries Limited
Address: Advanced Manufacturing & Technology Centre
NH 25A, Sarai Shahjadi, Lucknow 227 101
Uttar Pradesh, India
Tel: 0522 7111017
Email: companysecrtary@ptcil.com

DETAILS OF PROPOSED ALLOTTEES IN THE ISSUE

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Lead Manager, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees and the percentage of post-Issue share capital that may be held by them is set forth below. These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, will be included in the Placement Document to be sent to such proposed Allottees.

S. No.	Name of the proposed Allottees	Percentage of the post-Issue share capital held (%)^
1.	MOTILAL OSWAL LONG TERM EQUITY FUND	0.40
2.	MOTILAL OSWAL LARGE AND MIDCAP FUND	0.67
3.	MOTILAL OSWAL MANUFACTURING FUND	0.09
4.	BANDHAN INFRASTRUCTURE FUND	0.15
5.	HSBC SMALL CAP FUND	0.40
6.	HSBC AGGRESSIVE HYBRID FUND	0.25
7.	INVESCO INDIA MANUFACTURING FUND	0.02
8.	ITPL INVESCO INDIA INFRASTRUCTURE FUND	0.15
9.	INVESCO INDIA ELSS TAX SAVER FUND	0.15
10.	INVESCO TR PVT LTD AC INVESCO INDIA SMALLCAP FUND	0.15
11.	ITPL INVESCO INDIA LARGECAP FUND	0.05
12.	MAHINDRA MANULIFE SMALL CAP FUND	0.15
13.	MAHINDRA MANULIFE LARGE & MID CAP FUND	0.10
14.	MAHINDRA MANULIFE MANUFACTURING FUND	0.09
15.	MAHINDRA MANULIFE MULTI ASSET ALLOCATION FUND	0.01
16.	MAHINDRA MANULIFE EQUITY SAVINGS FUND	0.01
17.	ITI MULTI CAP FUND	0.07
18.	ITI FLEXI CAP FUND	0.06
19.	ITI SMALL CAP FUND	0.11
20.	ITI MID CAP FUND	0.06
21.	ITI VALUE FUND	0.02
22.	SOCIETE GENERALE - ODI	0.56
23.	BNP PARIBAS FINANCIAL MARKETS	0.58

^ *Based on beneficiary position as on September 02, 2024(adjusted for Equity Shares Allocated in the Issue).*

FINANCIAL INFORMATION

S. No.	Financial Information
1.	Consolidated Unaudited Financial Results for the three-month period ended June 30, 2024 along with the limited review report issued
2.	Consolidated Unaudited Financial Results for the three-month period ended June 30, 2023 along with the limited review report issued
3.	Audited consolidated financial statements for Fiscal 2024 along with audit report issued
4.	Audited consolidated financial statements for Fiscal 2023 along with audit report issued
5.	Audited consolidated financial statements for Fiscal 2022 along with audit report issued

S.N. Dhawan & CO LLP
Chartered Accountants

2nd floor, 51-52, Sector 18,
Phase IV, Udyog Vihar, Gurugram,
Haryana 122016, India

Tel: +91 124 481 4444

Independent Auditors' Review Report on the Unaudited Consolidated Financial Results of PTC Industries Limited for the Quarter Ended 30 June 2024 pursuant to the Regulation 33 of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of PTC Industries Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of PTC Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as " the Group") for the quarter ended 30 June 2024 ("the Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in accordance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No CIR/CFD/CMD1/44/ 2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the Listing Regulation, to the extent applicable.

4. The Statement includes the result of the following entities:-
(i) PTC Industries Limited (Holding company)
(ii) Aerolloy Technologies Limited (Wholly owned subsidiary company)

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard specified under section 133 of the Companies Act,2013 as amended, read with the relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

S. N. DHAWAN & CO LLP
GURUGRAM
CHARTERED ACCOUNTANTS

6. The comparative financial information of the Group for the corresponding quarter ended 30 June 2023, included in the Statement, was reviewed by the predecessor auditor who expressed an unmodified conclusion on those financial results vide their review report dated 12 August 2023.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm's Registration No.: 000050N/ N500045

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

Rajeev Kumar Saxena
Partner
Membership No: 077974
UDIN: 24077974BKEZVV3631

Place: Gurugram
Date: 30 July 2024

PTC INDUSTRIES

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(Website: www.ptcil.com; email: ptc@ptcil.com; CIN: L27109UP1963PLC002931)

Statement of consolidated financial results for the quarter ended 30 June 2024

(₹ in lakhs, except per share data)

	Particulars	3 months ended 30 June 2024	Preceding 3 months ended 31 March 2024	Corresponding 3 months ended in the previous year 30 June 2023	Year ended 31 March 2024
1	**Income**				
	(a) Revenue from operations	4,686.63	7,241.20	7,150.69	25,687.92
	(b) Other income	365.17	408.67	290.94	1,337.92
	Total income	**5,051.80**	**7,649.87**	**7,441.63**	**27,025.84**
2	**Expenses**				
	(a) Cost of materials consumed	1,941.93	1,720.91	1,577.13	5,682.02
	(b) Changes in inventories of finished goods and work-in-progress	(1,358.45)	(116.75)	344.64	494.93
	(c) Employee benefits expense	791.28	897.98	752.57	3,159.83
	(d) Finance costs	318.54	341.46	366.88	1,524.79
	(e) Depreciation and amortisation expense	414.88	418.22	413.42	1,662.93
	(f) Other expenses	2,307.61	2,663.00	2,500.70	9,086.55
	Total expenses	**4,415.79**	**5,812.82**	**5,955.34**	**21,611.05**
3	**Profit before tax (1-2)**	**636.01**	**1,837.05**	**1,486.29**	**5,414.79**
4	**Tax expense:**				
	(a) Current tax	128.71	278.59	310.04	1,014.34
	(b) Current tax-earlier years	-	-	-	-
	(c) Deferred tax	17.73	86.77	48.34	178.87
	Total tax expense	**146.44**	**365.36**	**358.38**	**1,193.21**
5	**Profit for the period/ year (3-4)**	**489.57**	**1,471.69**	**1,127.91**	**4,221.58**
6	Other comprehensive income				
	(i) Items that will not be reclassified to the statement of profit and loss	(8.63)	(26.80)	(2.58)	(34.53)
	(ii) Income-tax relating to items that will not be reclassified to the statement of profit and loss	2.00	6.07	0.64	7.99
	Total other comprehensive income	**(6.63)**	**(20.73)**	**(1.94)**	**(26.54)**
7	**Total comprehensive income for the period (comprising profit and other comprehensive income for the period/ year) (5+6)**	**482.94**	**1,450.96**	**1,125.97**	**4,195.04**
8	Paid-up equity share capital (₹ 10 per share)	1444.09	1444.09	1336.23	1444.09
9	Other equity as per balance sheet				63,115.88
10	**Earnings per share** **(Face value of ₹ 10/- each):**				
	(a) Basic*	3.39	10.29	8.43	30.83
	(b) Diluted*	3.38	10.26	8.36	30.35

* not annualised

PTC INDUSTRIES LIMITED

GURUGRAM

PTC INDUSTRIES

ASPIRE • INNOVATE • ACHIEVE

(Regd.Off.: NH 25A, Sarai Shahjadi, Lucknow- 227101, Ph: 0522-711 1017, Fax : 0522-711 1020)
(Website: www.ptcil.com; email: ptc@ptcil.com; CIN: L27109UP1963PLC002931)

Notes:

1. The unaudited consolidated financial results of the Company for the quarter ended 30 June 2024 have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 30 July 2024. The unaudited consolidated financial results for the current period, have been subjected to limited review by the Statutory Auditors of the Company. The Statutory Auditors have expressed an unmodified opinion in the review report on these results.

2. The unaudited consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 – Interim Financial Reporting, notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

3. The Company is primarily engaged in the manufacturing of metal components and there are no separate reportable segments identified as per Ind AS 108- Operating Segments.

4. Board of directors of the company on its meeting held on 13 July 2024 has approved to raise capital by way of a qualified institution placement to eligible investors through issuance of equity shares and/or other eligible securities not exceeding INR 70000 Lakhs.

5. The figures for the last quarter of the previous financial year are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of third quarter of the previous financial year which were subjected to limited review by statutory auditors.

6. The comparative financial information of the Company as at and for the quarter and year ended 30 June 2023 included in the financial results have been audited by the predecessor auditor, who expressed an unmodified opinion on the financial results vide their report dated 12 August 2023.

7. The figures for the previous periods/year have been re-grouped/re-arranged wherever necessary to conform to the current period presentation.

For and on behalf of the Board of Directors

S. N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

PTC INDUSTRIES LIMITED LUCKNOW

(Sachin Agarwal)
Chairman and Managing Director

Place: Lucknow
Date: 30 July 2024

Walker Chandiok & Co LLP

Walker Chandiok & Co LLP

B-309, 3rd Floor,
Elante Office Building,
Industrial Area, Phase I,
Chandigarh - 160 002
India

T +91 172 4338000

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of PTC Industries Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of PTC Industries Limited ('the Holding Company') and its subsidiary, Aerolloy Technologies Limited (the Holding Company and its subsidiary together referred to as 'the Group'), for the quarter ended 30 June 2023, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').

2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the Listing Regulation, to the extent applicable.

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review report of the other auditor referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We did not review the interim financial results of subsidiary included in the Statement, whose financial information reflects total revenues of ₹ 564.49 lacs, total net profit after tax of ₹ 202.36 lacs, total comprehensive income of ₹ 202.26 lacs for the quarter ended 30 June 2023, as considered in the Statement. These interim financial results have been reviewed by other auditor whose review report has been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the review report of such other auditor and the procedures performed by us as stated in paragraph 3 above.

   Our conclusion is not modified in respect of this matter with respect to our reliance on the work done by and the report of the other auditor.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Sandeep Mehta
Partner
Membership No. 099410
UDIN: 23099410BGYGTB1905

Place: Chandigarh
Date: 12 August 2023

PTC INDUSTRIES

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(Website: www.ptcil.com; email: ptc@ptcil.com; CIN: L27109UP1963PLC002931)

Statement of unaudited consolidated financial results for the quarter ended 30 June 2023

(₹ in lakhs, except per share data)

	Particulars	3 months ended 30 June 2023	Preceding 3 months ended 31 March 2023	Corresponding 3 months ended in the previous year 30 June 2022	Year ended 31 March 2023
		(Unaudited)	(Audited) (Refer note 6)	(Unaudited)	(Audited)
1	**Income**				
	(a) Revenue from operations	7,150.69	6,223.43	4,605.21	21,926.21
	(b) Other income	290.94	45.10	112.66	747.27
	Total income	**7,441.63**	**6,268.53**	**4,717.87**	**22,673.48**
2	Expenses				
	(a) Cost of materials consumed	1,577.13	986.05	1,189.10	5,475.50
	(b) Changes in inventories of finished goods and work-in-progress	344.64	102.61	219.92	(36.30)
	(c) Employee benefits expense	752.57	776.67	547.88	2,521.84
	(d) Finance costs	366.88	334.15	379.81	1,577.74
	(e) Depreciation and amortisation expense	413.42	416.05	415.11	1,666.92
	(f) Other expenses	2,500.70	2,509.22	1,560.15	8,101.92
	Total expenses	**5,955.34**	**5,124.75**	**4,311.97**	**19,307.62**
3	**Profit before tax (1-2)**	**1,486.29**	**1,143.78**	**405.90**	**3,365.86**
4	**Tax expense:**				
	(a) Current tax	310.04	179.50	89.15	661.22
	(b) Current tax-earlier years	-	(29.93)	-	(29.93)
	(c) Deferred tax	48.34	74.08	29.14	153.06
	Total tax expense	**358.38**	**223.65**	**118.29**	**784.35**
5	**Profit for the period (3-4)**	**1,127.91**	**920.13**	**287.61**	**2,581.51**
6	Other comprehensive income				
	(i) Items that will not be reclassified to the statement of profit and loss	(2.58)	(9.83)	(0.16)	(10.31)
	(ii) Income-tax relating to items that will not be reclassified to the statement of profit and loss	0.64	2.52	0.04	2.56
	Total other comprehensive income	**(1.94)**	**(7.31)**	**(0.12)**	**(7.75)**
7	**Total comprehensive income for the period (comprising profit and other comprehensive income for the period) (5+6)**	**1,125.97**	**912.82**	**287.49**	**2,573.76**
8	Paid-up equity share capital (₹ 10 per share)	1338.23	1338.23	523.91	1338.23
9	Other equity as per balance sheet				29,328.19
10	**Earnings per share (Refer note-5)** **(Face value of ₹ 10/- each):**				
	(a) Basic*	8.43	6.88	2.20	19.60
	(b) Diluted*	8.36	6.83	2.20	19.54

* not annualised (except for year ended 31 March 2023)

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ASPIRE • INNOVATE • ACHIEVE
(Regd.Off.: NH 25A, Sarai Shahjadi, Lucknow-227101, Ph: 0522-711 1017, Fax : 0522-711 1020)
(Website: www.ptcil.com; email: ptc@ptcil.com; CIN: L27109UP1963PLC002931)

Notes:

1 The above unaudited consolidated financial results were reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 12 August 2023. The unaudited consolidated financial results for the current period, have been subjected to limited review by the Statutory Auditors of the Company. The unmodified review report of the Statutory Auditors is being filed with the Bombay Stock Exchange of India Limited and National Stock Exchange of India. For more details on the unaudited consolidated financial results, visit 'Financial Results' section of our website at www.ptcil.com and 'Financial Results' in 'Corporates' section of www.bseindia.com and www.nseindia.com.

2 The above unaudited consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.

3 The Group's primary business segment is reflected based on the principal business activities carried on by the Group. The Chairman and Managing Director has been identified as the Chief Operating Decision Maker ('CODM') who evaluates the Group's performance and allocates resources based on the analysis of various performance indicators of the Group as a single unit i.e. Engineering and Allied Activities. Consequently, the information presented in these unaudited consolidated financial results represents this segment and as such there are no separate reportable segments as per the Indian Accounting Standards 108, 'Operating Segments'.

4 On June 8, 2023, the Board of Directors of the Holding Company had considered and approved the Preferential Issue of up to 1,80,000 Equity Shares of face value of Rs. 10/- per share at an issue price of Rs. 2,500/- per Equity Share to person belonging to Non-Promoter Category which was subsequently approved by the members through special resolution in Extra-ordinary general meeting dated July 8, 2023.
Subsequently on July 19, 2023 Listing Committee of the Board of Directors of the Holding Company has issued and alloted 1,80,000 Equity Shares of face value of Rs. 10/- per Equity Share at an issue price of Rs. 2,500/- per Equity Share aggregating to Rs. 4,500 lacs on a preferential basis to the person belonging to the Non-Promoter category.

5 On March 30, 2022 the Listing Committee of Board of Directors ("the Committee") had approved for issue of three new equity shares, at its face value of Rs. 10/- each, on a right basis, for every two equity shares of the Holding Company held by the eligible shareholders on the record date. Subsequently, in its meeting held on July 15, 2022, the Committee had fixed the record date as July 22, 2022 for the purposes of determining the names of eligible shareholders to apply for right issue.
Up to 78,58,594 Fully Paid-Up Equity Shares, Face Value of Rs. 10/- each, for cash at a price of Rs. 10/- each aggregating up to Rs. 785.86 lacs have been offered on a right basis to the eligible equity shareholders of the Holding Company in the ratio of 3 (Three) right shares for every 2 (Two) fully paid-up equity shares held by the eligible shareholders on the record date, that is, on July 22, 2022 during the issue period between August 3, 2022 to August 12, 2022.Consequently, pursuant to Ind AS 33, basic and diluted earning per share for the periods presented in the unaudited consolidated financial results have been adjusted after giving the impact for the bonus element in respect of the aforesaid rights issue.

6 The figures for the quarter ended 31 March 2023, as reported in these unaudited consolidated financial results, are the balancing figures between audited figures in respect of the full financial year and the published year to date unaudited figures upto the end of third quarter of the relevant financial year. Also, the figures upto the end of the third quarter had only been reviewed and not subjected to audit.

7 The CEO and CFO have certified these results under Regulation 33(2) of SEBI (LODR) Regulations, 2015.

8 The figures for the previous period have been re-classified/ re-grouped wherever necessary, the impact of such reclassification/ regroupings are not material to unaudited consolidated financial results.

For and on behalf of the Board of Directors

(Sachin Agarwal)
Chairman and Managing Director

Place: Lucknow
Date: 12 August 2023

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

S.N. Dhawan & CO LLP

Chartered Accountants

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Udyog Vihar, Phase IV,
Sector - 18, Gurugram
Haryana 122016, India

Tel: +91 124 481 4444

INDEPENDENT AUDITOR'S REPORT

To the Members of PTC Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of PTC Industries Limited ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together are referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and summary of material accounting policies information and other explanatory information (the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Group as at 31 March 2024, and its consolidated profit, consolidated total comprehensive income, the consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibility for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr.No.	Key Audit Matter	Auditor's Response
1.	**Inventory Valuation:** (Refer Note 4(e) and 14 of the consolidated financial statements) Determination of cost of inventory involves allocation of various production and administration overheads incurred to bring the inventory to its present location and condition, which involves management judgement and estimation.	**Principal audit procedures performed:** • Obtained an understanding of the management's process of valuation of inventory. We evaluated the design, implementation and operating effectiveness (wherever applicable) of key internal controls over recognition of revenue.

	Amongst the other overheads, fixed production overheads are allocated to the costs of conversion based on the normal capacity of the production facilities in accordance with the principles of Ind AS- 2, Inventories Further, at the end of each reporting period, the management of the Holding Company and subsidiary also assesses whether there is any objective evidence that net realisable value of any item of inventory is below the carrying value. If so, such inventories are written down to their net realisable value in accordance with Ind AS 2, Inventories. In addition to the above, the complexities and judgement involved in inventory valuation includes: Estimate involved in computing input-output ratio used for computing the average rate of overheads which is to be added to the cost of inventory. Estimate involved in allocation of expenses through various stages of production. Inventory valuation was considered a risk of material misstatement because variable and fixed costs are allocated to Inventory. Considering the aforesaid complexities, significant management judgements, and estimates involved and materiality of the amounts involved, this matter has been determined to be as a key audit matter for the current year audit.	• Evaluated the design and tested the operating effectiveness of key controls around valuation including around estimates, stage of completion and overhead computations and determination of net realizable value of Inventory items. • Evaluated the appropriateness of the Group's accounting policy and valuation method of inventory in accordance with the applicable accounting standards. • Verified the expenses considered as cost of conversion including estimates for apportionment of the conversion on the different classes of finished goods and work in progress and recomputed the arithmetical accuracy thereof for calculating the conversion cost considered as part of the finished goods and work in progress. • Recomputed the net realisable value of the finished goods and reviewed the management assessment for carrying inventory at lower of cost and net realisable value. • Discussed with management the rationale supporting assumptions and estimates used in carrying out the inventory valuation and corroborated the same to our understanding of the business. Tested the computation of various overhead absorption rates by tracing the underlying data to audited historical operational results of the Group. • Evaluated the appropriateness and adequacy of the disclosures made by the Group in accordance with the requirements as specified in the Ind AS-2 'Inventories' and Schedule III of the Companies Act, 2013.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board Report but does not include the consolidated financial statements and our auditor's report thereon. The Board report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

S.N. Dhawan & CO LLP Gurugram Chartered Accountants

When we read the Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act, that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Indian accounting standards specified under section 133 of the Act. The respective board of directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective board of directors of the companies included in the group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so

The respective board of directors of the companies included in the group are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we

Dhawan & Co LLP Gurugram Chartered Accountants conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and other entity included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The comparative financial information of the Group as at and for the year ended 31 March 2023 included in the consolidated financial statements have been audited by the predecessor auditor, who expressed an unmodified opinion on the consolidated financial statements vide their report dated 30 May 2023

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' report of holding company and subsidiaries incorporated in India, we report the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable:

(xxi) Qualifications or adverse remarks by the respective auditors of the Company and its associates incorporated in India, in the Companies (Auditor's Report) Order (CARO) reports of such Company and its associates included in the Consolidated Financial Statements, are given below.

S. No	Name	CIN	Holding company/ Subsidiary	Clause number of the CARO report which is qualified or adverse
1	PTC Industries Limited	L27109UP1963PLC002931	Holding Company	iii
2	Aeroflоy Technologies Limited	U27200UP2020PLC127120	Subsidiary Company	iii

Gurugram Chartered Accountants

2. As required by Section 143(3) of the Act, we report to the extent applicable that

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books, except for keeping backup on daily basis of such books of account maintained in electronic mode in a server physically located in India (refer Note 68 to the Consolidated Financial Statements).

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid consolidated financial statements comply with the Indian accounting standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of Holding Company and subsidiary company as on 31 March 2024 taken on record by the Board of Directors of Holding Company and subsidiary company, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act.

g) With respect to the adequacy of internal financial controls with reference to financial statements of companies incorporated in India and included in the Group, and the operating effectiveness of such controls with respect to holding company and its subsidiaries, refer to our separate report in Annexure A.

h) The remuneration including commission paid by the Holding Company to its directors is in accordance with the approval of the shareholders in a general meeting in terms of the provisions of Section 197 read with Schedule V of the Companies Act, 2013

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us.

i The Group has disclosed the impact of pending litigations on its consolidated financial statements (Refer Note 44(ii) to the consolidated financial statements)

ii The Group has made provision, as required under applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. (Refer Note 11(b) to the consolidated financial statements)

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group. (Refer Note 59 to the consolidated financial statements)

iv. (a). On the basis of representation received from the directors of the holding company and subsidiary company as on 31 March 2024, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded

Gurugram

writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer note 52(a) to the consolidated financial statements)

(b) On the basis of representation received from the directors of the holding company and its subsidiary as on 31 March 2024, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company such subsidiary shall, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer note 52(b) to the consolidated financial statements)

(c). Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The Holding Company or the subsidiary has not declared or paid any dividend during the year.

vi. Based on our examination which included test checks the Holding Company and its subsidiary has used accounting softwares for maintaining its books of account for the financial year ended 31 March 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Holding Company and its subsidiary only w.e.f. 1 April 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, on preservation of audit trail as per the statutory requirements for record retention is not applicable for financial year ended 31 March 2024.

For S.N. Dhawan & CO LLP
Chartered Accountants
(Firm's Registration No. 000050N/N500045)

S.N. DHAWAN & CO. LLP
Gurugram
Chartered Accountants

Rajeev Kumar Saxena
Partner
Membership No 077974
UDIN: 24077974BKEZUT4084

Place: Gurugram
Date: 28 May 2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub- section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the holding company as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of PTC Industries Limited ("the Holding Company") and its subsidiary, which are companies incorporated in India, as of that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to financial statements criteria established by the holding company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance note") issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the respective company's policies, the safeguarding of the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Holding Company and its subsidiary as aforesaid.

Meaning of Internal Financial Controls with reference to consolidated Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and

Gurugram

expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.N. Dhawan & CO LLP
Chartered Accountants
(Firm's Registration No. 000050N/N500045)

S.N. DHAWAN & CO LLP Gurugram Chartered Accountants

Rajeev Kumar Saxena
Partner
Membership No. 077974
UDIN: 24077974BKEZUT4084

Place: Gurugram
Date: 28 May 2024

PTC Industries Limited
Consolidated Balance Sheet as at 31 March 2024
(All amounts in ₹ lakhs, unless stated otherwise)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	5	25,015.02	22,558.72
Capital work-in-progress	6	15,818.40	6,043.08
Investment property	7	171.69	170.52
Other intangible assets	8	51.42	85.51
Financial assets			
(i) Investments	9(a)	0.50	0.50
(ii) Other financial assets	11(a)	2,343.16	246.60
Non current tax assets (net)	12	373.87	164.51
Other non current assets	13	4,106.55	5,450.54
Total non-current assets		48,010.62	35,655.65
Current assets			
Inventories	14	7,466.06	7,272.20
Financial assets			
(i) Investments	9(b)	9.09	7.18
(ii) Trade receivables	15	11,085.79	6,368.71
(iii) Cash and cash equivalents	16	13,420.12	659.47
(iv) Bank balances other than (iii) above	17	2,346.90	2,521.74
(v) Loans	10	101.61	59.86
(vi) Others financial assets	11(b)	3,588.44	181.02
Other current assets	18	3,547.70	2,495.40
Total current assets		41,557.95	19,635.60
TOTAL ASSETS		89,568.57	55,291.25
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	1,444.09	1,338.23
Other equity	20	63,115.88	29,328.19
Total equity		64,559.97	30,666.42
Non-current liabilities			
Financial liabilities			
(i) Borrowings	21(a)	8,100.12	9,035.44
(ii) Other financial liabilities	22	46.25	233.78
Provisions	23	107.82	90.54
Deferred tax liabilities (net)	24	1,896.36	1,526.04
Other non-current liabilities	25	768.56	835.60
Total non-current liabilities		10,719.31	12,329.85
Current liabilities			
Financial liabilities			
(i) Borrowings	21(b)	10,089.01	8,036.34
(ii) Trade payables	26		
total outstanding dues of micro enterprises and small enterprises		438.86	610.32
total outstanding dues of creditors other than micro enterprises and small enterprises		1,101.12	1,493.22
(iii) Other financial liabilities	27	1,105.98	1,135.70
Other current liabilities	28	1,420.75	916.55
Provisions	23	56.79	31.54
Current tax liabilities (net)	29	76.78	67.83
Total current liabilities		14,289.29	12,294.98
TOTAL EQUITY AND LIABILITIES		89,568.57	55,291.25

Notes 1 to 48 form an integral part of these consolidated financial statements
This is the Consolidated Statement of Balance Sheet referred to in our report of even date

For S.N. Dhawan & CO LLP
Chartered Accountants
(Firm Registration No. 000050N/N500045)

Rajeev Kumar Saxena
Partner
Membership No. 077974

Place: Gurugram
Date: 28 May 2024

For and on behalf of the Board of Directors of
PTC Industries Limited

Sachin Agarwal
Chairman and Managing Director
DIN No.: 00142885

Alok Agarwal
Director (Quality & Technical)
DIN No.: 00129260

Smita Agarwal
Director and Chief Financial Officer
DIN No.: 00276903

Pragati Gupta Agarwal
Company Secretary
Mem. No.: ACS61754

Place: Lucknow
Date: 28 May 2024

S.N. DHAWAN & CO LLP
GURUGRAM
CHARTERED ACCOUNTANTS

PTC INDUSTRIES LIMITED
LUCKNOW

PTC Industries Limited

Consolidated statement of Profit and Loss for the year ended 31 March 2024

(All amounts in ₹ lakhs, unless stated otherwise)

Particulars	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
Income			
Revenue from operations	30	25,687.92	21,926.21
Other income	31	1,337.92	747.27
Total income		27,025.84	22,673.48
Expenses			
Cost of materials consumed	32	5,282.00	5,475.50
Changes in inventories of finished goods and work-in-progress	33	404.93	(36.30)
Employee benefits expense	34	3,159.83	2,621.84
Other expenses	35	9,086.57	8,001.92
Total expenses		18,423.33	16,062.96
Profit before finance cost, depreciation and amortisation and tax		8,602.51	6,610.52
Finance costs	37	1,574.70	1,577.74
Depreciation and amortisation expense	38	1,602.95	1,666.92
Profit before tax		5,414.79	3,365.86
Tax expense:	39		
Current tax - current year		1,014.34	661.23
Current tax - earlier years		-	(29.93)
Deferred tax charge		173.87	153.05
Total tax expenses		1,193.21	784.35
Profit for the year		4,221.58	2,581.51
Other comprehensive income			
A) Items that will not be reclassified to profit or loss			
i) Remeasurement of defined benefit plan		(34.53)	(10.31)
ii) Income tax relating to items that will not be reclassified to profit or loss		7.99	2.56
Other comprehensive (loss) for the year (net of tax)		(26.54)	(7.75)
Total comprehensive income for the year		4,195.04	2,573.76
Earnings per equity share [Nominal value ₹10]	40		
Basic (₹)		30.85	19.50
Diluted (₹)		30.35	19.54

Notes 1 to 68 form an integral part of these consolidated financial statements

This is the Consolidated Statement of Profit and Loss referred to in our report of even date

For S.N. Dhawan & CO LLP
Chartered Accountants
(Firm Registration No. 000050N/N500045)

Rajeev Kumar Saxena
Partner
Membership No. 077974

Place: Gurugram
Date: 28 May 2024

For and on behalf of the Board of Directors of
PTC Industries Limited

Sachin Agarwal
Chairman and Managing Director
DIN No: 00142885

Alok Agarwal
Director (Quality & Technical)
DIN No.: 00129260

Smita Agarwal
Director and Chief Financial Officer
DIN No.: 00276903

Pragati Gupta Agarwal
Company Secretary
Mem. No: AC50175

Place: Lucknow
Date: 28 May 2024

PTC Industries Limited
Consolidated Statement of cash flows for the year ended 31 March 2024
(All amounts in ₹ lacs, unless stated otherwise)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A Cash flow from operating activities		
Net profit before tax	5,414.70	3,305.36
Adjustments for:		
Depreciation and amortisation expense	1,062.55	1,566.02
Unrealised foreign exchange fluctuation loss (gain)	(36.24)	(55.49)
(Gain)/loss on disposal/discard of property, plant and equipment (net)	11.35	(5.46)
Amortisation of deferred income- government grant	(66.67)	(66.67)
Dividend income	-	(0.02)
(Gain)/loss on MTM foreign exchange derivatives	(244.20)	156.37
Interest expense	1,342.03	1,610.97
Share based payment expense	133.05	104.21
Remeasurement of defined benefit plan	(34.75)	-
(Gain)/loss on investments at fair value through profit or loss (net)	(1.97)	-
Interest from financial assets at amortised cost	(431.21)	(71.39)
Operating profit before working capital changes (current and non-current)	7,747.87	6,955.10
Inflow and outflow on account of:		
Changes in trade receivables	(4,478.41)	(753.40)
Changes in inventories	526.14	(1,281.45)
Changes in other financial assets	(10,532.45)	148.12
Changes in other assets	(1,195.77)	(395.08)
Changes in financial assets-loans	(42.01)	3.10
Changes in provisions	42.38	(8.79)
Changes in trade and other payables	(597.10)	237.85
Changes in other financial liabilities	(417.56)	(5.48)
Changes in other liabilities	757.05	260.33
Cash generated from/ (used in) operations before tax	(8,593.44)	5,248.52
Income taxes paid (net)	(1,034.47)	(567.51)
Net cash generated from/ (used in) operating activities (A)	(9,627.91)	4,681.01
B Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets (including capital advances and payments for capital goods)	(11,554.52)	(9,022.30)
Proceeds from sale of property, plant and equipment	13.20	47.82
Investments made	-	(0.51)
Interest received	431.21	71.63
Other bank balances not considered as cash and cash equivalents (net)	5,165.80	(2,651.17)
Dividend received	-	0.02
Net cash used in investing activities (B)	(5,944.31)	(11,554.51)
C Cash flow from financing activities		
Proceeds from long-term borrowings	146.57	4,856.15
Repayment of long-term borrowings	(1,324.07)	(5,745.22)
Proceeds / (Repayment) of short-term borrowings (net)	1,312.08	(1,040.24)
Repayment of lease liability	(21.77)	
Finance cost paid	(1,340.07)	(1,610.82)
Proceeds from issue of equity shares (net of share issue expenses)	29,564.55	2,771.11
Proceeds from issue of share warrants	-	3,726.40
Net cash generated from financing activities (C)	28,413.08	7,430.20
D Net (decrease)/increase in cash and cash equivalents (A+B+C)	12,790.67	554.71
E Cash and cash equivalents at the beginning of the year	669.43	134.76
Closing balance of cash and cash equivalents (D+E)	13,460.10	689.47

	As at 31 March 2024	As at 31 March 2023
Components of cash and cash equivalents (refer note 16):		
Balances with banks	140.73	175.76
Cash on hand	8.25	9.63
Balance in deposit account with original maturity upto three months	13,261.56	504.08
	13,460.10	689.47

Notes 1 to 48 form an integral part of these consolidated financial statements.
This is the Consolidated Statement of Cash Flow Statement referred to in our report of even date.

For S.N. Dhawan & CO LLP
Chartered Accountants
(Firm Registration No. 000050N/N500045)

Rajeev Kumar Saxena
Partner
Membership No. 077974

For and on behalf of the Board of Directors of
PTC Industries Limited

Sachin Agarwal
Chairman and Managing Director
DIN No.: 00142885

Alok Agarwal
Director (Quality & Technical)
DIN No.: 00129260

Smita Agarwal
Director and Chief Financial Officer
DIN No.: 00276903

Pragati Gupta Agarwal
Company Secretary
Mem. No.: ACS51754

Place: Gurugram
Date: 28 May 2024

Place: Lucknow
Date: 28 May 2024

S.N. DHAWAN & CO. LLP ★ CHARTERED ACCOUNTANTS ★ GURUGRAM

P.T.C. INDUSTRIES LIMITED ★ LUCKNOW ★

PTC Industries Limited
Consolidated statement of changes in equity as at 31 March 2024
(All amounts in ₹ lakhs, unless stated otherwise)

A. Equity share capital

	No. of shares	Amount
Balance as at 1 April 2022	52,37,551	523.[illegible]
Changes in equity share capital during the year	81,47,[illegible]	814.[illegible]
Balance as at 1 April 2023	1,33,85,250	1,338.[illegible]
Changes in equity share capital during the year	10,58,[illegible]	[illegible]
Balance as at 31 March 2024	1,44,43,[illegible]	1,444.[illegible]

B. Other equity

	Reserves and Surplus				Other reserves			
	Capital reserve	Securities premium	General reserve	Retained earnings	Share Based payment Reserve Account	Equity instruments through other comprehensive income	Money received against Share warrants	Total
Balance as at 1 April 2022	1.35	4,130.72	4,634.17	7,358.41	45.[illegible]	0.31	-	16,[illegible]
Profit for the year	-	-	-	2,581.[illegible]				2,58[illegible]
Remeasurement of defined benefit plan	-	-	-	([illegible])	-		-	([illegible])
Money received against Share warrants	-	-	-	-		-	5,705.40	5,705.40
Securities premium	-	6,5[illegible]	-	-	-	-	-	6,5[illegible]
Share Based payment expense	-		-		102.[illegible]		-	[illegible]
Balance as at 1 April 2023	1.35	10,677.52	4,634.17	10,[illegible]	[illegible]	0.31	5,705.40	29,328.19
Profit for the year		-		4,227.[illegible]	-		-	4,22[illegible]
Share Based payment expense		-		-	[illegible]	-	-	[illegible]
Remeasurement of defined benefit plan	-		-	([illegible])	-	-	-	([illegible])
Money received against Share warrants	-		-	-	-	-	11,097.29	11,097.29
Share Warrants converted into Equity Share	-				-	-	(16,802.69)	(16,802.69)
Securities premium (Net of share issue expenses)	-	25,164.10		-	-	-	-	25,164.10
Balance as at 31 March 2024	1.35	41,841.62	4,634.17	14,[illegible]	[illegible]	0.31	-	[illegible]

Refer note 20 for nature of reserves

Notes 1 to 58 form an integral part of these consolidated financial statements
This is the Consolidated Statement of Changes in Equity referred to in our report of even date

For S.N. Dhawan & CO LLP
Chartered Accountants
(Firm Registration No. [illegible])

Rajeev Kumar Saxena
Partner
Membership No. [illegible]

GURUGRAM

Place: Gurugram
Date: 28 May 2024

For and on behalf of the Board of Directors of
PTC Industries Limited

Sachin Agarwal
Chairman and Managing Director
DIN No.: [illegible]

Alok Agarwal
Director (Quality & Technical)
DIN No.: [illegible]

Smita Agarwal
Director and Chief Financial Officer
DIN No.: [illegible]

Pragati Gupta Agarwal
Company Secretary
Mem. No.: [illegible]

Place: Gurugram
Date: 28 May 2024

1. Group information

PTC Industries Limited (the 'Company') is a public limited Group incorporated in India. The registered office and corporate office of the Company is situated in Lucknow, Uttar Pradesh, India. The Company is a leading manufacturer of metal components for critical and super critical applications. The Company's shares are listed on the Bombay Stock Exchange (BSE) in India.

2. General information and statement of compliance with Ind AS

These consolidated financial statements of PTC Industries Limited ('the holding Company') and its subsidiary, Aerolloy Technologies Limited (the Holding company and its subsidiary together referred to as 'the Group') have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The consolidated financial statements of the Group have been prepared in accordance with Ind AS notified by the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ('MCA')), as amended and other relevant provisions of the Act. The consolidated financial statements of PTC Industries Limited as at and for the year ended 31 March 2024 were approved and authorised for issue by the Board of Directors on 28 May 2024.

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest lakhs and two decimals thereof, unless otherwise indicated.

3. Basis of preparation and presentation

The consolidated financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India.

The consolidated financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value.

- Certain financial assets and liabilities (including derivatives instruments) at fair value.
- Defined benefit liabilities are measured at present value of defined benefit obligation.

Basis of consolidation

Subsidiary is the entity over which the holding Company has control. Control exists when the holding Company has power over the entity, is exposed, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. The financial statements of subsidiary is included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The financial statements of the holding Company and the subsidiary Company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intragroup balances and intra-group transactions in accordance with Indian Accounting Standard (Ind AS) 110 -"Consolidated Financial Statements".

As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements

Consolidated financial statements include consolidated balance sheet, consolidated statement of profit and loss, consolidated cash flow statement, consolidated statement of changes in equity and the summary of material accounting policies and other explanatory information that form an integral part thereof.

Consolidated subsidiary is having consistent reporting date of 31 March 2024.

Following are the details of the subsidiary consolidated in these financial statements.

Name of the entity	Country of incorporation	Principal Activities	Interest (in %)	
			31-03-2024	31-03-2023
Aerolloy Technologies Limited	India	Manufacturer of metal components	100%	100%

4. **Summary of material accounting policies**

The consolidated financial statements have been prepared using the material accounting policies and measurement basis summarized below.

a) **Current/non-current classification**

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Assets

An asset is classified as current when it satisfies any of the following criteria:
1) It is expected to be realised in, or is intended to be sold or consumed in, the Group's normal operating cycle;
2) It is held primarily for the purpose of being traded;
3) It is expected to be realised within twelve months after the reporting date; or
4) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:
1) It is expected to be settled in the Group's normal operating cycle;
2) It is held primarily for the purpose of being traded;
3) It is due to be settled within twelve months after the reporting date; or
4) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

b) **Property, plant and equipment**

Recognition, measurement and de-recognition

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.The Group identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the asset as a whole.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Foreign currency exchange differences are capitalized as per the policy stated in note 4(b) below.

Subsequent expenditure
Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the year during which such expenses are incurred

Depreciation

Depreciation on property, plant and equipment is provided on the straight-line method over their estimated useful lives, as determined by the management. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

Based on technical assessment made by technical expert and management estimate, the Group have assessed the estimated useful lives of certain property, plant and equipment that are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The estimated useful lives of items of property, plant and equipment are as follows:

Particulars	Management estimate of useful life (years)
Factory and non-factory Buildings	30 - 60
Plant and machinery	2 - 15
Furniture and fixtures	10
Vehicles	8 - 10
Office equipment	5
Computers	3 - 6
Electrical installations	10

Leasehold improvements are amortised over the period of lease or their useful lives, whichever is shorter

c) **Capital work-in-progress**

Capital work-in-progress represents expenditure incurred in respect of capital projects and are carried at cost. Cost comprises of purchase cost, related acquisition expenses, development / construction costs,

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borrowing costs and other direct expenditure

d) Intangible assets

Recognition, measurement and de-recognition

Intangible assets are stated at cost less accumulated amortisation and impairment losses (if any). Cost related to technical assistance for new projects are capitalised.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Subsequent expenditure

Subsequent expenditure related to an item of intangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses are charged to the Statement of Profit and Loss for the year during which such expenses are incurred.

Amortisation

Intangible assets include software that are amortised over the useful economic life of 6 years. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

e) Inventories

Inventories are stated at the lower of cost and net realisable value.

Raw materials, packing material, stores and spares and loose tools: The cost of inventories is calculated on first in and first out basis, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

Work-in-progress and manufactured finished goods: Cost includes raw material costs and an appropriate share of fixed production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

The comparison of cost and net realisable value is made on an item by item basis/contract basis depending on the nature of work.

f) Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Group's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

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For trade receivables only, the Group applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

g) **Foreign exchange transactions**

Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rates at the date the transaction first qualifies for recognition. All monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities if any that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

All exchange differences relating to foreign currency items are dealt with in the Statement of Profit and Loss in the year in which they arise.

h) **Employee benefits**

i. **Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. **Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. **Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

Entitlements to annual leave are recognised when they accrue to employees. Leave entitlements may be availed/encashed while in service or encashed at the time of retirement/termination of employment, subject to a restriction on the maximum number of accumulation. The Group determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the year end.

j) Revenue

i. Sale of goods

Revenue arises mainly from the sale of goods. To determine whether to recognise revenue, the Group follows a 5-step process:

(i) Identifying the contract with a customer
(ii) Identifying the performance obligations
(iii) Determining the transaction price
(iv) Allocating the transaction price to the performance obligations
(v) Recognising revenue when/as performance obligation(s) are satisfied.

The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both. Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers. A receivable is recognised when the goods are delivered as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

ii. Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

iii. Income from power generation:

Income from power generation from windmill located in district Kutch is recognised on the basis of the terms of the contract.

iv. **Export benefits/incentives**

Export entitlements from government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Group, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

j) **Borrowings**

Borrowing cost consists of interest and other costs incurred in connection with the borrowing of funds and also include exchange differences to the extent regarded as an adjustment to the same. Borrowing costs directly attributable to the acquisition and/ or construction of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

k) **Government grants**

Government grant is recognized only when there is a reasonable assurance that the entity will comply with the conditions attached to them and the grants will be received

Grants related to assets is recognized as deferred income which is recognized in the Statement of Profit and Loss on systematic basis over the useful life of the assets

l) **Right of use assets and lease liabilities**

For all existing and new contract, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

The Group as a lessee

Classification of lease

The Group enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

Recognition and initial measurement

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of use asset arising from the head lease.

For operating leases, rental income is recognised on a straight line basis over the term of the relevant lease.

m) Financial instruments

i. **Recognition and initial measurement**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

ii. Subsequent measurement

Financial assets
i. Financial assets carried at amortised cost – A financial instrument is measured at amortised cost if both the following conditions are met:
• The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
• Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.
After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

ii. Financial assets at fair value
• Investments in equity instruments other than above - Investments in equity instruments which are held for trading are generally classified as at fair value through profit or loss ("FVTPL"). For all other equity instruments, the Group makes irrevocable choice upon initial recognition, on an instrument to instrument basis, to classify the same either as at fair value through other comprehensive income ("FVOCI") or fair value through profit or loss FVTPL.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment.

However, the Group transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

De-recognition of financial assets
A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Impairment of financial assets
The Group assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 41 details how the Group determines whether there has been a significant increase in credit risk
For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities
Subsequent to initial recognition, all non-derivative financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liabilities
A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

n) Fair value measurement

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred

o) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments net of outstanding bank overdrafts and cash credit facilities as they are considered an integral part of the cash Management

p) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

q) **Provisions, contingent liabilities and contingent assets**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future obligations at pre-tax rate that reflects current market assessments of the time value of money risks specific to liability. They are not discounted where they are assessed as current in nature. Provisions are not made for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly with in the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made. Therefore, in order to determine the amount to be recognised as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management. In case of provision for litigations, the judgements involved are with respect to the potential exposure of each litigation and the likelihood and/or timing of cash outflows from the Group and requires interpretation of laws and past legal rulings.

r) Taxation

Income tax comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities

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relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

The Group's ability to recover the deferred tax assets is assessed by the management at the close of each financial year which depends upon the forecasts of the future results and taxable profits that Group expects to earn within the period by which such brought forward losses may be adjusted against the taxable profits as governed by the Income-tax Act, 1961. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset deferred tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle deferred tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's Board of Directors assesses the financial performance and position of the Group, and makes strategic decisions. The Board has been identified as the chief operating decision maker. The Group's business activity is organised and managed separately according to the nature of the products, with each segment representing a strategic business unit that offers different products and serves different market. The Group's primary business segment is reflected based on principal business activities carried on by the Group. As per Indian Accounting Standard 108, Operating Segments, as notified under the Companies (Indian Accounting Standards) Rules, 2015, the Group operates in one reportable business segment i.e., manufacturing and selling of metal components for critical and super critical applications. The geographical information analyses the Group's revenue and trade receivables from such revenue in India and other countries. In presenting the geographical information, segment revenue and receivables has been

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based on the geographic location of customers. Refer note 45 for segment information presented

t) Derivative financial instruments

The Group holds derivative financial instruments in the form of future contracts to mitigate the risk of changes in exchange rates on foreign currency exposure. The counterparty for these contracts are scheduled commercial banks / regulated brokerage firms. Although these derivatives constitute hedges from an economic perspective, they do not qualify for hedge accounting under Ind AS 109 'Financial Instruments' and consequently are categorized as financial assets or financial liabilities at fair value through profit or loss. The resulting exchange gain or loss is included in other income / expenses and attributable transaction costs are recognized in the Statement of Profit and Loss when incurred.

u) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956 (now Schedule III of Companies Act, 2013), the Group has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Group does not include depreciation and amortisation expense, finance costs and tax expense.

v) Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments.

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

PTC INDUSTRIES LIMITED LUCKNOW

PTC Industries Limited
Notes to Consolidated Financial Statements for the year ended 31 March 2024
(All amounts in ₹ lakhs, unless stated otherwise)

5 Property, plant and equipment

Particulars	Freehold land	Right of Use Assets: Leasehold land	Factory building	Plant and machinery	Computers	Moulds and dies	Vehicles	Furniture and fixtures	Office equipments	Research and development assets: Plant and machinery	Research and development assets: Computers	Research and development assets: Moulds and dies	Research and development assets: Vehicles	Total
Cost:														
As at 1 April 2022	1,204.23	-	4,724.55	24,100.31	248.04	1,984.22	359.90	182.18	197.83	255.63	1.18	111.77	6.35	33,353.56
Additions	397.10	-	8.26	25.59	15.42	172.42	66.46	0.56	11.75	-	-	-	-	799.09
Add/(Less): Adjustments	(1.61)	1.61	-	-		-	-		-	-	-	-	-	-
Less: Disposals/assets written off	-		-	150.35		-	15.26	-	-	-	-	-	-	175.92
Balance as at 31 March 2023	1,600.32	1.61	4,732.81	23,866.94	263.45	2,131.66	409.10	182.79	209.58	255.03	1.18	111.77	6.35	35,876.67
Additions	-	1,696.04	18.10	175.47	19.51	150.55	42.27	3.49	17.82	-	-		-	2,127.84
Disposals/assets written off	-	-		219.37	0.08	-	27.06		-	-	-	-	-	256.10
Classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-		-
Balance as at 31 March 2024	1,600.32	1,697.65	4,751.51	23,823.04	272.09	2,288.11	424.52	186.28	227.44	255.03	1.18	111.77	6.35	35,748.41
Accumulated depreciation														
As at 1 April 2022		-	702.18	6,952.19	200.57	1,318.50	166.84	113.61	140.22	182.56	1.06	107.24	3.78	9,809.56
Charge for the year	-	-	141.55	1,292.35	14.16	171.91	33.42	11.21	21.93	6.49	0.02	-	0.16	1,641.02
Adjustments for disposals		-	-	116.79		-	15.43	-	-	-	-	-	-	131.63
Balance as at 31 March 2023	-	-	844.03	8,127.75	214.95	1,490.41	184.83	124.82	161.95	189.05	1.10	107.24	3.94	11,337.56
Charge for the year	-	10.07	136.06	1,275.19	12.80	64.60	16.90	10.32	14.17	6.51	-	-		1,648.74
Adjustments for disposals	-	-	-	196.42	8.24		25.05	-		-	-	-		232.32
Balance as at 31 March 2024	-	10.09	980.07	9,206.50	219.51	1,485.86	211.33	135.14	176.12	195.56	1.10	107.24	3.84	12,754.37
Net block as at 31 March 2023	1,600.32	1.61	3,888.60	15,639.21	46.53	794.85	225.82	57.97	47.70	65.98	0.08	4.53	2.51	22,556.72
Net block as at 31 March 2024	1,600.32	1,687.56	3,771.44	14,616.54	52.57	802.35	213.21	51.14	51.33	59.48	0.08	4.53	2.51	23,095.03

Notes:
a) Refer note 41 "Assets pledged as security" for details regarding property, plant and equipment pledged as security.
b) Refer note 44(i) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
c) Plant and machinery includes assets amounting to ₹ 1,500 lakh, out of which ₹ 500 Lakhs was acquired under the Technology Development and Demonstration Programme (TDDP) project and ₹ 1,000 Lakhs was acquired under the Technology Acquisition and Fund Programme (TAFP) project. These assets have been used as per their respective project.
d) No proceeding has been initiated or pending against the company for holding any benami property under the Benami transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
e) Refer note 43 for disclosure related to leases.

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6 Capital work-in-progress

Particulars	Amount
Balance as at 1 April 2022	2,255.09
Additions	4,549.22
Capitalisation during the year	(145.45)
Balance as at 31 March 2023	6,663.86
Additions	9,277.74
Capitalisation during the year	(73.18)
Balance as at 31 March 2024	15,868.42

Notes:
1. Additions to capital work in progress include interest and processing charges of ₹ 309.03 lakhs (31 March 2023: ₹ 165.25 lakhs)

2. There has been no CWIP which is overdue or has exceeded its cost compared to its original plan.

(a) Capital-work-in progress ageing schedule as at 31 March 2024

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	9,204.55	4,408.30	1,020.65	1,234.92	15,868.42

Capital-work-in progress ageing schedule as at 31 March 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4,408.77	1,020.65	1,154.10	80.34	6,663.86

7 Investment Property

Particulars	Freehold land	Factory building	Total
Gross Block as on 01 April 2022	125.59	151.77	277.36
Additions	-	-	-
Gross Block as on 31 March 2023	125.59	151.77	277.36
Additions	-	-	-
Gross Block as on 31 March 2024	125.59	151.77	277.36
Accumulated depreciation			
As at 1 April 2022	-	94.30	94.30
Charge for the year	-	3.54	3.54
Balance as at 31 March 2023	-	97.84	97.84
Depreciation charge for the year	-	7.83	7.83
Balance as at 31 March 2024	-	105.67	105.67
Net block as at 31 March 2023	125.59	53.93	179.52
Net block as at 31 March 2024	125.59	46.10	171.69

Notes:
(i) Amount recognised in statement of profit and loss for investment property

	As at 31 March 2024	As at 31 March 2023
Rental income	53.10	48.40
Less: Depreciation and amortisation expense	7.83	3.54
Less: Direct operating expenses that generated rental income	-	-
Profit from leasing of investment property	45.27	44.86

(ii) The aforementioned investment property is leased to a tenant under short term operating lease agreement with rentals payable monthly. However, lease can be terminated by either of the parties during the term, hence considered as cancellable and accordingly no lease disclosure given, as required by Ind AS 116 "Leases".

(iii) Fair value of investment property

	As at 31 March 2024	As at 31 March 2023
Fair value	1,531.95	1,464.00

The Group obtains independent valuations for its investment property. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Group considers information from a variety of sources such as current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

Fair value is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.
These valuations are based on valuations performed by accredited independent valuer. Fair value is based on market value approach. The fair value measurement is categorised in level 3 of fair value hierarchy. There has been no restriction on disposal of property or remittance of income and proceeds of disposal.

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LUCKNOW LIMITED

(All amounts in ₹ lakhs, unless stated otherwise)

8 Other intangible assets

Particulars	Software	Licence	Research and development asset - Software	Total
Cost				
At 1 April 2022	219.69	39.70	4.72	264.11
Additions	38.56			38.56
Balance as at 31 March 2023	258.25	39.70	4.72	302.67
Additions	22.35			22.35
Balance as at 31 march 2024	280.60	39.70	4.72	325.02
Accumulated amortisation				
At 1 April 2022	151.65	39.70	4.44	195.79
Charge for the year	21.37	-	-	21.37
Balance as at 31 March 2023	173.02	39.70	4.44	217.16
Charge for the year	16.44			16.44
Balance as at 31 march 2024	189.46	39.70	4.44	233.60
Net block as at 31 March 2023	85.23		0.28	85.51
Net block as at 31 March 2024	91.14	-	0.28	91.42

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S.N. DHAWAN & CO LLP
GURUGRAM
CHARTERED ACCOUNTANTS

INDUSTRIES LIMITED

(All amounts in ₹ lakhs, unless stated otherwise)

9(a) Non-current investments

	As at 31 March 2024	As at 31 March 2023
Unquoted equity shares		
Investment in equity instruments (at cost)		
Communication, Automation Surveillance & Communication Sector Skill Council Equity fund 5,000 units of ₹ 10 each	0.50	0.50
	0.50	0.50
Aggregate amount of unquoted investments	0.50	0.50

Note:
Refer note 41 for disclosure of fair values in respect of financial assets measured at cost.

9(b) Current investments

	As at 31 March 2024	As at 31 March 2023
Quoted instruments		
Investment in mutual fund (at fair value through profit or loss)		
5,000 units (31 March 2023: 5,000 units) of ₹ 10 each of UTI Equity Fund (Prev. Mastergain1992 of UTI)	9.09	7.18
	9.09	7.18
Aggregate book value of quoted investments and market value thereof	9.09	7.18

Note:
Refer note 41 for disclosure of fair values in respect of financials assets measured at cost.

10 Current financial assets - loans

	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Loan to employees*	201.87	50.86
	201.87	50.86

* No loans and advances provided to promoters, directors & KMP.
Note:
Refer note 41 for disclosure of fair values in respect of financials assets measured at cost.

11(a) Non-current financial assets - others

	As at 31 March 2024	As at 31 March 2023
Deposits with banks with maturity more than 12 months*	2,195.41	175.94
Security deposits	186.75	163.31
Interest Accrued on Deposit	-	9.03
	2,382.16	348.28

* The above balance includes margin money deposits which are pledged with banks for issuance of bank guarantees and letter of credits.
Note:
Refer note 41 for disclosure of fair values in respect of financial assets measured at cost.

11(b) Current financial assets - others

	As at 31 March 2024	As at 31 March 2023
Export incentives receivable*	290.76	181.02
Receivable against forward contracts	125.35	-
Deposits with banks with original maturity more than 12 months#	3,153.33	
	3,569.44	181.02

*Export Incentive receivable movement summary

Particulars	Amount
Balance as on 1 April 2022	430.55
Income during the year	286.31
Amount utilised/refund received during the year	(535.84)
Balance as at 31 March 2023	181.02
Income during the year	473.34
Amount utilised/refund received during the year	(363.60)
Balance as at 31 March 2024	290.76

Note:
Refer note 41 for disclosure of fair values in respect of financial assets measured at cost.
The above balance includes margin money deposits which are pledged with banks for issuance of bank guarantees and letter of credits.

12 Income tax assets (net)

	As at 31 March 2024	As at 31 March 2023
Advance income-tax (net of provision for taxation)	373.67	364.81
	373.67	364.81

13 Other non-current assets

	As at 31 March 2024	As at 31 March 2023
Capital advances	6,063.53	5,601.92
Prepaid expenses	33.00	51.92
	6,096.53	5,653.84

S.N. DHAWAN & CO LLP GURUGRAM CHARTERED ACCOUNTANTS

INDUSTRIES LIMITED

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PTC Industries Limited
Notes to Consolidated Financial Statements for the year ended 31 March 2024
(All amounts in ₹ lakhs, unless stated otherwise)

14 Inventories

	As at 31 March 2024	As at 31 March 2023
(Valued at lower of cost or net realisable value)		
Raw materials	2,633.00	2,458.53
Work-in-progress	3,614.58	4,109.50
Finished goods	45.02	45.02
Stores and spares	1,036.67	990.64
Loose tools	115.79	138.51
	7,446.06	7,742.20

15 Trade receivables

	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good	11,085.77	6,568.73
Unsecured, considered doubtful	22.59	22.59
	11,108.36	6,591.32
Less: Provision for expected credit loss	(22.59)	(22.59)
	11,085.77	6,568.73

(i) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days
*Refer note-41 for ageing schedule of Trade receivables

16 Cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
Balances with banks	140.23	179.76
Cash on hand	8.37	9.63
Balances in deposit account with original maturity upto 3 months	13,261.50	500.08
	13,410.10	689.47

17 Other bank balances

	As at 31 March 2024	As at 31 March 2023
Deposits with original maturity more than 3 months but remaining less than 12 months*	2,174.26	2,235.46
Interest accrued on deposits	172.64	86.28
	2,346.90	2,321.74

* The above balance includes margin money deposits which are pledged with banks for issuance of bank guarantees and letter of credits

18 Other current assets

	As at 31 March 2024	As at 31 March 2023
Prepaid expenses	217.20	215.76
Balances with statutory and government authorities	2,075.43	1,173.15
Gratuity assets	8.31	12.28
Advance to suppliers	1,196.44	634.10
Other loans and advances	50.32	20.11
	3,547.70	2,055.40

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S.N. DHAWAN & CO. LLP * CHARTERED ACCOUNTANTS * GURUGRAM

PTC Industries Limited
Notes to Consolidated Financial Statements for the year ended 31 March 2024
(All amounts in ₹ lakhs, unless stated otherwise)

20 Equity share capital

	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Authorised:				
Equity shares of ₹ 10 each	2,00,00,000	2,000.00	2,00,00,000	2,000.00
	2,00,00,000	2,000.00	2,00,00,000	2,000.00
Issued, subscribed and fully paid up:				
Equity shares of ₹ 10 each	1,44,40,873	1,444.09	1,33,82,257	1,338.23
	1,44,40,873	1,444	1,33,82,257	1,338.23

a) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

Particulars	For the year ended 31 March 2024		For the year ended 31 March 2023	
	Number	Amount	Number	Amount
Outstanding at the beginning of the year	1,33,82,257	1,338.23	52,39,063	523.91
Add: Shares issued during the year				
i) Right issue of equity shares of ₹ 10 each		-	78,58,294	785.83
ii) Preferential issue of equity shares of ₹ 10 Each	4,15,415	41.54	2,84,900	28.49
iii) Conversion of warrants in equity shares of ₹ 10 Each	6,30,170	63.02	-	-
iv) ESOP issue of equity shares of ₹ 10 Each	13,031	1.30	-	-
Outstanding at the end of the year	1,44,40,873	1,444.09	1,33,82,257	1,338.23

b) Terms and rights attached to equity shares
The Group has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.
The Group declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% of the equity share capital

Particulars	For the year ended 31 March 2024		For the year ended 31 March 2023	
	Number	% of holding	Number	% of holding
Sachin Agarwal	28,55,491	19.77%	28,55,491	21.34%
Maple Commerce Private Limited	15,97,085	11.06%	15,97,085	11.93%
Nimb Merchants Private Limited	11,77,818	8.16%	11,77,818	8.80%
Priya Ranjan Agarwal	9,87,914	6.84%	9,87,914	7.38%
Sachin Agarwal HUF	6,70,207	4.64%	6,70,207	5.01%

d) Information regarding issue of shares in the last five years
i) The Group has not issued any shares without payment being received in cash in the last five years.
ii) There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the last 5 years.

*Refer note 49 for details of Employee Stock Option Plan of the Company.

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S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

PTC INDUSTRIES LIMITED LUCKNOW

PTC Industries Limited
Notes to Consolidated Financial Statements for the year ended 31 March 2025
(All amounts in ₹ lakhs, unless stated otherwise)

c) Disclosure of Shareholding of Promoters

Shares held by promoters at the end of the year as on 31 March 2025			
Promoter Name	No. of Shares	% of Total	% Change during the year
Sachin Agarwal	28,55,491	21.77%	0.00%
Mapple Commerce Private Limited	15,59,965	11.89%	0.00%
Nitesh Merchants Private Limited	11,77,856	8.98%	0.00%
Tara Ranjan Agarwal	9,32,914	7.11%	0.00%
Sachin Agarwal HUF	6,70,357	5.11%	0.00%
Alok Agarwal	5,51,799	4.21%	0.00%
Vivek Advisory Services Private Limited	4,33,329	3.30%	0.00%
Smita Agarwal	3,35,270	2.55%	0.00%
Aadhar Agarwal	1,59,148	1.21%	0.00%
Bela Agarwal	71,485	0.55%	0.00%
Kanchan Agarwal	54,256	0.41%	0.00%
Karan Arun Prasad	49,159	0.37%	0.00%
Satish Chandra Agarwal HUF	35,306	0.27%	-0.30%
Nita Agarwal	25,553	0.19%	0.00%
Rajiv Agarwal	25,553	0.19%	0.00%
Sarika Agarwal	21,000	0.16%	0.16%
Soham Agarwal	21,000	0.16%	0.16%
Reena Agarwal	10,237	0.08%	0.00%
Arun Joshi Prasad	5,119	0.04%	0.00%
Hamsika Metals and Alloys Private Limited	-	0.00%	0.00%
Precision ... private Limited	-	0.00%	0.00%
Total	84,00,551	62.??%	-

Shares held by promoters at the end of the year as on 31 March 2024			
Promoter Name	No. of Shares	% of Total	% Change during the year*
Sachin Agarwal	28,55,491	21.84%	155.94%
Mapple Commerce Private Limited	15,59,965	11.93%	155.94%
Nitesh Merchants Private Limited	11,77,818	8.99%	155.94%
Tara Ranjan Agarwal	9,32,914	7.13%	155.94%
Sachin Agarwal HUF	6,70,357	5.13%	155.94%
Alok Agarwal	5,51,799	4.22%	155.94%
Vivek Advisory Services Private Limited	4,33,329	3.31%	155.94%
Smita Agarwal	3,35,270	2.56%	155.94%
Aadhar Agarwal	1,59,148	1.22%	155.94%
Satish Chandra Agarwal HUF	77,805	0.60%	155.94%
Bela Agarwal	71,485	0.55%	155.94%
Kanchan Agarwal	54,256	0.41%	155.94%
Karan Arun Prasad	49,159	0.37%	155.94%
Nita Agarwal	25,553	0.20%	155.94%
Rajiv Agarwal	25,553	0.20%	155.94%
Reena Agarwal	10,237	0.08%	155.94%
Arun Joshi Prasad	5,119	0.04%	155.94%
Total	83,00,590	63.??%	

* The significant increase in % change in number of shares during the previous year is on account of issue of right shares during the previous year, in the ratio of three new equity shares for every two equity shares of the Holding Company held by the eligible shareholders on the record date.

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S.N. DHAWAN & CO LLP CHARTERED ACCOUNTANTS GURUGRAM

PTC INDUSTRIES LIMITED LUCKNOW

(All amounts in ₹ lakhs, unless stated otherwise)

20 Other equity

	As at 31 March 2024	As at 31 March 2023
a. Capital reserve		
Balance at the beginning of the year	1.75	1.75
Add: Additions during the year	-	-
Balance at the end of the year	1.75	1.75
b. Securities premium		
Balance at the beginning of the year	10,677.52	4,120.72
Add: Additions during the year		
i) Preferential issue of equity shares	-	6,556.80
ii) Conversion of warrants in equity shares	18,583.98	-
iii) ESOP issue of equity shares	14,739.08	-
	51.08	-
Less: Share issue expenses	(210.04)	-
Balance at the end of the year	43,841.62	10,677.52
c. General reserve		
Balance at the beginning of the year	4,624.17	4,624.17
Add: Additions during the year		-
Balance at the end of the year	4,624.17	4,624.17
d. Retained earnings		
Balance at the beginning of the year	10,312.18	7,658.42
Add: Additions during the year	4,221.59	2,661.51
Less: Remeasurement of defined benefit plan	(26.53)	(7.75)
Balance at the end of the year	14,507.24	10,312.18
e. Other comprehensive income		
Balance at the beginning of the year	0.01	0.01
Add: Additions during the year	-	-
Balance at the end of the year	0.01	0.01
f. Share based payment reserve		
Balance at the beginning of the year	207.16	43.21
Add: Additions during the year	134.14	163.95
Less: Transfer to General reserve		-
Less: Transfer to Securities premium	-	-
Balance at the end of the year	341.30	207.16
g. Share warrants (Refer note 58)		
Balance at the beginning of the year	5,705.40	-
Add: Amount received during the year	11,097.20	5,705.40
Less: Share Warrants converted into Equity Share	(16,802.60)	-
Balance at the end of the year	-	5,705.40
Total	63,316.09	31,528.19

Nature and purpose of other reserves

(a) **Capital reserve**
Capital reserve was created in respect of proceeds of forfeited shares.

(b) **Securities premium**
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

(c) **General reserve**
Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn.

(d) **Retained earnings**
Retained earnings refer to the net profit retained by the company for its core business activity.

(e) **Share Based Payment Reserve (SBP)**
This reserve has been created to meet the cost of Employee Stock Option Payment (ESOP) scheme.

(f) **Share Warrants**
Fully convertible warrants allotted to persons belonging to Non-Promoter category convertible into equivalent number of Equity Shares within a period of 18 months from the date of allotment.

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S.N. DHAWAN & CO. LLP
GURUGRAM
CHARTERED ACCOUNTANTS

LUCKNOW

(All amounts in ₹ lakhs, unless stated otherwise)

20(a) Non-current borrowings

	As at 31 March 2024	As at 31 March 2023
Secured		
Term loans from banks	9,487.74	10,434.17
Term loans from financial institutions		
Vehicle loans from banks and financial institutions	-	155.62
Un-Secured	148.77	145.61
Lease Liability (Refer Note 43)	607.52	-
Total Borrowings	9,535.04	10,755.80
Less: Current maturities of long term borrowings (refer note 20(b))	(1,934.48)	(1,117.56)
	8,100.12	9,638.14

Notes:

1. Term loans from banks and financial institutions carrying interest rate ranging from [illegible] to 11.25% p.a. (P.Y. 7.25% to 11.50% p.a.).
2. Term loans from banks in the holding company are secured by way of equitable mortgage on pari-passu basis on the land and building of Lucknow Plant 1, AMTC Plant (in village Sarai Shahzadi) and first pari-passu charge on the plant and equipment of the Lucknow Plant 1, AMTC Plant (in village Sarai Shahzadi) of the Company and second charge ranking pari-passu on the whole of the present and future current assets of the Company.

3. Term loans from banks in subsidiary are secured by way of equitable mortgage on first pari-passu basis on the entire fixed Assets (present & Future) created out of term finance along with hypothecation on Land and Buildings at Plot No. 81, Defence Industrial Corridor Lucknow of the Company and second charge ranking pari-passu on the whole of the present and future current assets of the Company.

4. Certain term loans from banks and financial institutions are secured by way of personal guarantee of the certain Directors of the Company.
5. Vehicle loans carry interest rate ranging from 8.25% to 9% p.a. (P.Y. 7.75% to 12.50% p.a.) and are secured by way of hypothecation charge on respective assets thus purchased.
6. Term loan from financial institution carry interest rate of [illegible] (P.Y. 11.35% p.a.).
7. Refer note 41 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profile.

20(b) Current borrowings

	As at 31 March 2024	As at 31 March 2023
Loans repayable on demand - from banks	7,417.07	5,916.87
Current maturity of Long term debt	1,934.85	1,117.56
Un-Secured		
Bill Discounted	852.86	1,002.11
Lease Liability (refer note 43)	38.18	-
	10,243.00	8,036.54

Notes:

1. Working capital facilities from banks in holding company carry interest rates ranging from 6.38% to 10.05% p.a. (P.Y. 6.25% to 11.85% p.a.) and are repayable on demand. These facilities are secured by way of first charge ranking pari-passu on the whole of the present and future current assets of the Company and further secured by second charge on equitable mortgage on pari-passu basis on the land and building of Lucknow Plant 1 and AMTC Plant (in village Sarai Shahzadi) and first second pari-passu charge on plant and equipment of the Lucknow Plant 1 and AMTC Plant (in village Sarai Shahzadi) of the Company.

2. Working capital loans from banks in subsidiary are secured by way of equitable mortgage on first pari-passu basis on the entire fixed Assets (present & Future) and Land & Building at Plot No. 81 Defence Industrial Corridor Lucknow of the Company and first charge ranking pari-passu on the whole of the present and future current assets of the Company.

3. Cash credit facilities are secured by way of personal guarantee of the certain Directors of the Company.
4. Refer note 41 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profile.
5. The Company has borrowings from banks on the basis of security of current assets and quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

C. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities

Particulars	Non-current borrowings	Current borrowings	Interest accrued
As at 1 April 2022	11,564.87	7,968.46	(16.50)
Add: Non cash changes due to:			
- Interest expense debited to statement of profit and loss	-	-	1,310.97
- Interest expense capitalised to capital work-in-progress		-	149.33
Add: Cash inflows during the year			
- Proceeds from non-current borrowings	4,836.17	-	
- Proceeds from current borrowings		-	
Less: Cash outflows during the year			
- Repayment of non-current borrowings	(5,645.23)	-	
- Repayment of current borrowings	-	(1,049.33)	
- Interest paid			(1,470.88)
As at 1 April 2023	10,755.80	6,918.96	-
Add: Non cash changes due to:			
- Interest expense debited to statement of profit and loss		-	1,542.65
- Interest expense capitalised to capital work-in-progress			-
Add: Cash inflows during the year			
- Proceeds from non-current borrowings	145.57		-
- Proceeds from current borrowings (Net)		3,342.98	
Less: Cash outflows during the year			
- Repayment of non-current borrowings	(1,264.50)	-	-
- Repayment of current borrowings	-	-	-
- Interest paid	-	-	(1,542.65)
Closing balance as on 31 March 2024	9,637.11	8,261.96	-

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS

PTC INDUSTRIES LIMITED LUCKNOW

(All amounts in ₹ lakhs, unless stated otherwise)

22 Other financial liabilities

	As at 31 March 2024	As at 31 March 2023
Security deposit	7.50	7.50
TDDP Grant (Non-current)*	38.75	252.28
	46.25	259.78

Note:
Refer note 41 for disclosure of fair value in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.
* TDDP grant refers to grant received under "Technology Development and Demonstration Programme" from National Research Development Corporation (NRDC) with the approval of Department of Scientific & Industrial Research (DSIR). Refer note 54 for further details.

23 Provisions

	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits				
- Provision for gratuity	-	-	35.31	11.22
Provision for compensated absences	89.27	90.54	21.45	20.32
Provision for CSR*	18.35	-	-	-
	107.62	90.54	56.76	31.54

*represents for previous year ended 31 March 2023

24 Deferred tax liabilities (net)

	As at 31 March 2024	As at 31 March 2023
Deferred tax liability arising on account of		
Difference between book balance and tax balance of property, plant and equipment	1,720.50	1,596.19
	1,720.50	1,596.19
Deferred tax asset arising on account of		
Provision for employee benefits	47.02	37.51
(Loss)/ Gain - Forward contracts	(25.16)	32.13
Provision for doubtful debts	5.58	5.58
	29.51	70.31
Net deferred tax liability	1,690.96	1,526.08

(A) Movement in deferred tax liabilities

Particulars	As at 1 April 2022	Recognised in statement of profit and (loss)	Recognised in other comprehensive income	As at 31 March 2023
Deferred tax liability arising on account of:				
Difference between book balance and tax balance of property, plant and equipment	1,418.70	182.61	-	1,601.45
Tax impact on allowance under tax exemptions/deductions	-	-	-	-
Fair valuation of derivative contracts	-	-	-	-
	1,418.70	182.65	-	1,601.45
Deferred tax asset arising on account of:				
Provision for employee benefits	11.07	(0.18)	2.56	37.39
Provision for doubtful debts	5.58	-	-	5.58
Tax impact on allowance under tax exemptions/deductions	(7.05)	21.35	-	32.90
Brought forward losses and unabsorbed depreciation	5.55	(0.55)		
	45.20	25.02	2.56	75.37
Net deferred tax liability	1,373.56	157.07	(2.56)	1,526.08

Movement in deferred tax liabilities

Particulars	As at 1 April 2023	Recognised in statement of profit and (loss)	Recognised in other comprehensive income	As at 31 March 2024
Deferred tax liability arising on account of:				
Difference between book balance and tax balance of property, plant and equipment	1,601.45	119.05	-	1,720.50
	1,601.45	119.05	-	1,720.50
Deferred tax asset arising on account of:				
Provision for employee benefits	37.39	1.74	7.91	47.02
Provision for doubtful debts	5.58		-	5.58
(Loss)/ Gain - Forward contracts	32.13	(57.29)	-	(25.16)
Brought forward losses and unabsorbed depreciation	-	-	-	-
	75.37	(55.83)	7.90	27.44
Minimum alternate tax (credit entitlement)	-	-	-	-
Net deferred tax liability	1,526.08	174.87	(7.90)	1,690.96

(B) Unrecognised deferred tax assets

	As at 31 March 2024		As at 31 March 2023	
	Gross amount	Tax effect	Gross amount	Tax effect
Brought forward long term capital losses	61.67	15.52	61.67	15.52
	61.67	15.52	61.67	15.52

S.N. DHAWAN & CO LLP * GURUGRAM * CHARTERED ACCOUNTANTS

PTC INDUSTRIES LIMITED * LUCKNOW *

(All amounts in ₹ lakhs, unless stated otherwise)

25 Other non-current liabilities

	As at 31 March 2024	As at 31 March 2023
Deferred Government grant	768.36	835.30
	768.36	835.30
(i) Reconciliation of deferred income		
Opening balance at the beginning of the year	835.30	901.[illegible]
Less: Transferred to the Statement of Profit and Loss	(66.94)	(66.[illegible])
Add: Others	0.00	
Closing balance at the end of the year	768.36	835.30

26 Trade payables

	As at 31 March 2024	As at 31 March 2023
Due to:		
Total outstanding dues of micro enterprises and small enterprises*	458.86	613.32
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,101.12	1,485.92
	1,559.98	2,099.54

Note:
Refer note 41 for disclosure of fair value in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

*Dues to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act (MSMED), to the extent identified and information available with the Group pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006, details are mentioned below:

Particulars	As at 31 March 2024	As at 31 March 2023
Principal amount and interest due thereon remaining unpaid to any supplier at the end of each accounting year	458.86	613.32
The amount of interest paid by the Group in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Trade Payables ageing schedule as at 31 March 2024*

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro enterprises and small enterprises	458.86			-	458.86
(ii) Others	1,041.35	[illegible]	[illegible]	[illegible]	1,101.12
Total	1,500.21	[illegible]	[illegible]	[illegible]	1,559.98

* There are no unbilled payables

Trade Payables ageing schedule as at 31 March 2023*

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	613.32	-			613.32
(ii) Others	1,436.90	[illegible]	8.75	-	1,485.92
Total	2,050.22	[illegible]	8.75	-	2,099.54

* There are no unbilled payables

27 Current financial liabilities - others

	As at 31 March 2024	As at 31 March 2023
TDDP Grant (Current)*	72.18	[illegible]
Others		
- payable to vendors for capital goods	471.71	[illegible]
- payable to employee related payables (Refer note 41)	341.43	[illegible]
- expenses payable	[illegible]	[illegible]
Other financial liability**	-	[illegible]
	[illegible]	[illegible]

* TDDP grant refers to grant received under "Technology Development and Demonstration Programme" from National Research Development Corporation (NRDC), an enterprise of Department of Scientific & Industrial Research (DSIR).

** Other financial liability [illegible]

Note:
Refer note 41 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

28 Other current liabilities

	As at 31 March 2024	As at 31 March 2023
Advance from customer	1,308.53	[illegible]
Statutory dues payable	[illegible]	[illegible]
	[illegible]	[illegible]

29 Current tax liabilities (net)

	As at 31 March 2024	As at 31 March 2023
Current tax liabilities (net of advance tax and TDS)	[illegible]	[illegible]
	[illegible]	[illegible]

(All amounts in ₹ lakhs, unless stated otherwise)

30 Revenue from operations

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of products	25,159.43	21,501.76
Other operating revenues (refer (a) below)	528.49	424.45
Revenue from operations	25,687.92	21,926.21
(a) Other operating revenues (Point in Time)		
Export incentives	473.14	386.31
Income from power generation	55.35	38.14
Total	528.49	424.45
Reconciliation of revenue recognised with contract price:		
Gross Revenue	25,687.92	21,926.21
Less: Rate difference adjustment	-	-
	25,687.92	21,926.21

31 Other income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest		
On bank deposits valued at amortised cost	431.21	71.03
Rent income from investment property and property plant equipment	55.10	49.41
Supply of services	-	3.42
Gain on foreign exchange fluctuation (net)	387.36	555.27
Fair value gain/(loss) on investments at fair value through profit or loss (net)	1.51	-
Dividend income on investments carried at Fair value through Profit & Loss		0.02
Mark to market gain on forward contracts measured at Fair value through PL	244.20	-
Amortisation of deferred income (refer note 25)	48.57	56.67
Profit on sale of assets	-	5.46
Liabilities no longer required written back	146.24	-
Miscellaneous income	17.83	15.44
	1,332.02	756.72

32 Cost of materials consumed

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Raw materials at the beginning of the year	2,488.51	2,541.40
Add: Purchases	5,825.49	5,422.53
Less: Closing stock	2,631.52	2,488.63
Cost of material consumed	5,682.48	5,475.30

33 Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Inventories at the beginning of the year		
Work-in-progress	4,109.50	4,073.20
Finished goods	45.02	45.02
	4,154.52	4,118.22
Inventories at the end of the year		
Work-in-progress	3,614.54	4,109.50
Finished goods	45.02	45.02
	3,659.56	4,154.52
Changes in inventories of finished goods and work-in-progress	494.96	(36.30)

34 Employee benefits expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus*	2,702.00	2,202.24
Contribution to provident and other funds	185.73	142.55
Gratuity expense (refer note 42)	47.14	42.03
Staff welfare expenses	91.00	73.73
Employee stock option payment expenses	133.94	161.31
	3,159.81	2,621.84

* The remuneration including commission paid by the Holding Company to its directors is in accordance with the approval of the shareholders in a general meeting in terms of the provisions of Section 197 read with Schedule V of the Companies Act, 2013

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35 Other expenses

	For the year ended 31 March 2024	For the year ended 31 March 2023
Manufacturing expenses		
Stores and spares consumed	3,210.61	2,697.85
Power and fuel	1,180.58	1,353.04
Repairs and maintenance		
- plant and machinery	190.60	267.72
- building	40.15	34.56
Packing and general consumables	246.85	210.58
Processing and work charges	2,024.79	862.54
Freight Expenses	35.53	41.45
Contracted services	271.75	67.34
Testing and inspection charges	513.13	91.04
Sub-total (A)	7,132.28	4,444.70
Administrative, selling and other expenses		
Rent	25.40	24.33
Rates and taxes	20.03	154.80
Insurance expenses	100.00	85.43
Security expenses	112.95	107.16
Legal and professional expenses	431.59	161.32
Payment to Auditors (refer note 36)	36.50	32.82
Travelling and conveyance	305.96	320.54
Vehicle running and maintenance	140.47	140.02
Communication expenses	37.44	30.55
Printing and stationery	31.06	17.19
Training and Recruitment	37.13	22.02
Seminar, Conferences and Exhibitions	32.75	31.35
Financial instruments measured at fair value	-	456.37
Freight and clearing	132.00	258.48
Sales commission	3.37	-
Work Charges - Customer end	101.73	252.71
Late Delivery charges	7.55	6.55
Advertisement and promotion	7.35	7.60
Donation and charity	4.05	0.05
Loss on sale of assets (net)	17.05	-
Computer expenses	87.47	43.64
Corporate social responsibility expenses	42.02	36.15
Bad debts written off	6.09	-
Business promotion expenses	57.08	23.77
Office upkeep and maintenance charges	59.54	52.45
Miscellaneous expenses	75.75	12.84
Sub-total (B)	1,954.27	1,957.22
Grand total (C=A+B)	9,086.55	6,401.92

36 Payment to auditors

	For the year ended 31 March 2024	For the year ended 31 March 2023
As auditor:		
- Statutory audit (including limited reviews)*	27.50	28.15
In other capacity:		
- Certification	0.85	4.00
- Out of pocket expenses**	8.25	1.09
	36.50	32.82

* Including ₹ 4.50 lakhs paid to previous auditors
** Including ₹ 2.88 lakhs [illegible]

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37 Finance costs

	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expense on borrowings measured at amortised cost		
- on working capital loans	677.58	552.55
- on term loans	621.16	503.17
Interest on others	43.78	55.25
Bank charges	182.13	186.77
	1,524.39	1,297.74

38 Depreciation and amortisation expense

	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment	1,538.66	1,042.01
Depreciation on investment property	7.83	3.54
Amortisation on intangible assets	16.44	21.37
	1,562.93	1,066.92

39 Tax expense

(a) Income tax expense recognised in profit and loss

	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax:		
Current tax	1,014.34	651.22
Current tax - earlier years	-	(20.93)
	1,014.34	631.29
Deferred tax:		
In respect of current year origination and reversal of temporary differences	178.87	153.06
	178.87	153.06
Total tax expense recognised in profit and loss	1,193.21	784.35

(b) Income tax expense recognised in other comprehensive income

	For the year ended 31 March 2024	For the year ended 31 March 2023
Deferred tax:		
Remeasurement of defined benefit obligations	7.59	2.56
Total tax expense recognised in other comprehensive income	7.59	2.56

(c) Numerical reconciliation between average effective tax rate and applicable tax rate :

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the holding company at 25.17% (31 March 2023: 25.17%) and for the subsidiary company at 17.16% (31 March 2023: 17.16%) the reported tax expense in the statement of profit and loss are as follows:

	31 March 2024	31 March 2023
Accounting profit before income-tax	5,414.79	3,365.86
At India's statutory income-tax rate	1,185.50	847.12
The effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax incentive and exemption	7.71	
Non deductible expenses	-	21.95
Tax on income at different rates	-	(54.79)
Tax earlier years	-	(29.93)
	1,193.21	784.35

40 Earnings per share

Earnings per Share (EPS) is determined based on the net profit attributable to the shareholders'. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit for the year attributable to equity shareholders	4,221.38	2,581.51
Weighted average number of equity shares (nos. in Lakhs)	136.54	131.68
Nominal value per share (₹)	10.00	10.00
Earnings per share - basic (₹)	30.92	19.60
Weighted average number of equity shares for Diluted (nos. in Lakhs)	136.54	131.68
Add:- Potential Dilutive No.	2.15	0.44
Total Diluted Equity Share	138.69	132.12
Earnings per share - diluted (₹)	30.44	19.54

The Holding Company has dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the Company are as above

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(All amounts in ₹ lakhs, unless stated otherwise)

43 Financial instruments and risk review

(A) Financial instruments

(i) Capital management

[illegible]

The following table summarises the capital of the Group

Particulars	As at 31 March 2024	As at 31 March 2023
Equity	[illegible]	[illegible]
Liquid assets (cash and cash equivalents and current investments) (a)	[illegible]	[illegible]
Current borrowings (note 21(b))	[illegible]	[illegible]
Non-current borrowings (note 21(a))	[illegible]	[illegible]
Total debt (b)	[illegible]	[illegible]
Net debt (c=(b) - (a))	[illegible]	[illegible]
Total capital (equity + net debt)	[illegible]	[illegible]
Gearing ratio		
Debt to equity ratio	[illegible]	[illegible]
Net debt to equity ratio	[illegible]	[illegible]

(ii) Category of financial instruments

Particulars	Note no.	As at 31 March 2024				As at 31 March 2023			
		Amortised cost	FVTPL	FVOCI	At Cost	Amortised cost	FVTPL	FVOCI	At Cost
Financial assets									
Investments	[illegible]		[illegible]	-	[illegible]	-	[illegible]	-	[illegible]
Loans	13	[illegible]	-	-	-	[illegible]	-		-
Trade receivables	15	[illegible]	-	-	-	[illegible]	-	-	-
Cash and cash equivalents	16	[illegible]	-	-	-	[illegible]	-	-	-
Other bank balances	17	[illegible]	-		-	[illegible]	-	-	-
Other financial assets	[illegible]	[illegible]	[illegible]	-	-	[illegible]	-	-	-
Total financial assets		[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]	-	[illegible]
Financial liabilities									
Borrowings	[illegible]	[illegible]	-	-	-	[illegible]	-	-	-
Trade payables	[illegible]	[illegible]	-	-	-	[illegible]		-	-
Other financial liabilities	[illegible]	[illegible]	-	-	-	[illegible]	[illegible]	-	
Total financial liabilities		[illegible]	-	-	-	[illegible]	[illegible]	-	-

[illegible]

(iii) Fair value hierarchy

[illegible]

Particulars	As at 31 March 2024			As at 31 March 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value						
Financial instruments at FVTPL						
Forward contract		[illegible]			-	-
Quoted mutual fund	[illegible]			[illegible]	-	-
Financial liabilities measured at fair value						
Financial instruments at FVTPL						
- Forward contract	-	-	-	-	[illegible]	
	[illegible]	[illegible]	-	[illegible]	[illegible]	-

[illegible]

Level 1: [illegible]

Level 2: [illegible]

Level 3: [illegible]

[illegible]

(All amounts in ₹ lakhs, unless otherwise stated)

Valuation technique used and significant unobservable inputs

Financial instruments measured at fair value

Type	Valuation technique
Mutual funds	[illegible]
Foreign exchange forward contracts	[illegible]

Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at 31 March 2024			As at 31 March 2023		
	Level	Carrying Value	Fair Value	Level	Carrying Value	Fair Value
Financial assets						
Loans	Level 3	[illegible]	[illegible]	Level 3	[illegible]	[illegible]
Trade receivables	Level 3	[illegible]	[illegible]	Level 3	[illegible]	[illegible]
Cash and cash equivalents	Level 3	[illegible]	[illegible]	Level 3	[illegible]	[illegible]
Other bank balances	Level 3	[illegible]	[illegible]	Level 3	[illegible]	[illegible]
Other financial assets	Level 3	[illegible]	[illegible]	Level 3	[illegible]	[illegible]
Total financial assets		[illegible]	[illegible]		[illegible]	[illegible]
Financial liabilities						
Borrowings	Level 3	[illegible]	[illegible]	Level 3	[illegible]	[illegible]
Trade payables	Level 3	[illegible]	[illegible]	Level 3	[illegible]	[illegible]
Other financial liabilities	Level 3	[illegible]	[illegible]	Level 3	[illegible]	[illegible]
Total financial liabilities		[illegible]	[illegible]		[illegible]	[illegible]

[illegible]

[illegible]

(B) Financial risk management

[illegible]

(i) Credit risk

[illegible]

Trade receivables

[illegible]

Loans and advances

[illegible]

Exposure to credit risk

[illegible]

Particulars	As at 31 March 2024	As at 31 March 2023
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Other non-current financial assets	[illegible]	[illegible]
Current loans	[illegible]	[illegible]
Other current financial assets	[illegible]	[illegible]
	[illegible]	[illegible]
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade receivables	[illegible]	[illegible]
	[illegible]	[illegible]

Provision for expected credit losses

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

[illegible]

(b) Financial assets for which loss allowance is measured using life time expected credit losses

[illegible]

Movement in the allowance for expected credit loss

	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	[illegible]	[illegible]
[illegible]		-
Balance at the end of the year	[illegible]	[illegible]

Trade Receivables - Expected Credit Loss as at 31 March 2024

Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
	Outstanding for following periods from due date of payment						
(i) Undisputed Trade receivables – considered good	5,963.73	5,440.25	319.01	214.77	145.17	9.27	11,108.32
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-		-	-		-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-		-	-	-
(iv) Disputed Trade Receivables – considered good	-		-		-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-		-		-	-	
(vi) Disputed Trade Receivables – credit impaired							
Gross Carrying amount - Trade Receivables	5,982.73	6,240.25	319.01	214.77	[illegible]	9.27	11,[illegible]
Expected Credit Loss %					[illegible]	100.00%	
Expected Credit Loss - Trade Receivables		-	-	-	17.17	9.27	21.59
Net Carrying amount - Trade Receivables	5,981.73	5,440.25	319.01	214.77	128.00	-	11,[illegible]

Trade Receivables - Expected Credit Loss as at 31 March 2023

Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
	Outstanding for following periods from due date of payment						
(i) Undisputed Trade receivables – considered good	4,520.51	1,535.06	129.04	159.16	3.04	1.51	6,591.32
(ii) Undisputed Trade Receivables – which have significant increase in credit risk		-	-		-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-		-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-		-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-		-	-	-	-
Gross Carrying amount - Trade Receivables	4,140.51	1,935.85	169.01	159.08	3.04	7.53	6,591.32
Expected Credit Loss %	-	-		8.37%	[illegible]	100.00%	
Expected Credit Loss - Trade Receivables	-	-	-	13.30	2.94	7.53	73.97
Net Carrying amount - Trade Receivables	4,120.53	1,915.85	169.04	145.51	-	-	6,508.35

(ii) Liquidity risk

[illegible]

[illegible]

[illegible] As at 31 March 2024, [illegible] As at 31 March 2023, the Company had a working capital of ₹ [illegible] including cash and cash equivalents of ₹ [illegible] lakhs.

Maturities of financial liabilities

The following are the remaining contractual maturities of non-derivative financial liabilities, [illegible] contractual undiscounted cash flows.

31 March 2024

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
	Contractual cash flows			
Non-derivative financial liabilities				
Borrowings	10,899.02	7,452.75	517.37	18,868.14
Provisions	56.75	107.63	-	164.41
Other Liabilities	1,470.75	700.36		2,169.11
Trade payables	1,535.55	-	-	1,535.55
Other financial liabilities	1,101.56	46.25		1,152.53
	16,212.81	8,422.98	617.37	25,194.85

31 March 2023

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
	Contractual cash flows			
Non-derivative financial liabilities				
Borrowings	8,120.34	9,544.44		17,664.78
Provisions	31.24	90.54	-	122.80
Other Liabilities	916.95	825.00		1,741.92
Trade payables	2,103.54	-	-	2,103.54
Other financial liabilities	1,118.71	255.75	-	1,374.51
	12,290.76	10,715.72	-	23,008.53

(iii) Market risk

[illegible]

[illegible]

(a) Currency risk

[illegible]

(All amounts in ₹ lakhs, unless stated otherwise)

Particulars	Currency	In foreign currency		In ₹	
		As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Financial assets (Gross)*					
Trade receivables	USD	22.75	[illegible]	[illegible]	[illegible]
	EURO	55.57	[illegible]	[illegible]	[illegible]
	GBP	2.82	0.02	214.47	2.00
	NZD	0.32		[illegible]	
Financial liabilities (Gross)*					
Trade payables	USD	[illegible]	[illegible]	[illegible]	[illegible]
	EURO	[illegible]	[illegible]	[illegible]	[illegible]
	GBP	[illegible]	[illegible]	[illegible]	[illegible]
	JPY	-	[illegible]	-	[illegible]
Capital creditors	USD	-	[illegible]	-	[illegible]
	EURO	[illegible]		[illegible]	
	GBP	[illegible]	[illegible]	[illegible]	[illegible]
Foreign currency forward contracts (Sell foreign currency/Buy INR)	USD	-	[illegible]	-	[illegible]
	EURO	[illegible]	[illegible]	[illegible]	[illegible]
Net foreign currency receivable/(payable)**	USD	[illegible]	[illegible]	[illegible]	[illegible]
	EURO	[illegible]	[illegible]	[illegible]	[illegible]
	GBP	[illegible]	[illegible]	[illegible]	[illegible]
	JPY	-	[illegible]	-	[illegible]
	NZD	[illegible]		[illegible]	-

* The amounts disclosed are gross of the exposure covered through forward contracts

** The amounts disclosed are net of the exposure covered through forward contracts

Sensitivity analysis

The following table demonstrates the sensitivity of profit and equity in USD, EURO, JPY, GBP and NZD to the Indian Rupee with all other variables held constant. The impact on the Group's profit before tax and other comprehensive income due to changes in the fair value of monetary assets and liabilities are given below:

Particulars	Change in currency exchange rate	Effect on profit before tax	
		As at 31 March 2024	As at 31 March 2023
USD	5%	[illegible]	[illegible]
	(5%)	[illegible]	[illegible]
EURO	5%	[illegible]	[illegible]
	(5%)	[illegible]	[illegible]
JPY	5%	-	[illegible]
	(5%)	-	[illegible]
GBP	5%	[illegible]	[illegible]
	(5%)	[illegible]	[illegible]
NZD	5%	[illegible]	
	(5%)	[illegible]	

(b) Interest rate risk

The Group is exposed to interest rate risk arising mainly from non-current and current borrowings with floating interest rates. The Group is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates.

At the reporting date the interest rate profile of the Group's interest-bearing financial liabilities is as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Variable rate instruments		
Term loan from banks	[illegible]	[illegible]
Term loans from financial institutions		[illegible]
Working capital loans	[illegible]	[illegible]
Fixed rate instruments		
Vehicle loan	[illegible]	[illegible]
Bills Discounted	[illegible]	[illegible]
	[illegible]	[illegible]

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant. The impact on the Group's profit before tax and other comprehensive income is due to changes in the interest rate is given below:

Particulars	Change in interest rate	Effect on profit before tax	
		As at 31 March 2024	As at 31 March 2023
Borrowings	0.50%	[illegible]	[illegible]
	(0.50%)	[illegible]	[illegible]

(c) Price risk

Group's exposure to price risk arises from mutual funds and securities held by the Group and classified as fair value through OCI or at fair value through profit and loss.

To manage the price risk from equity investments, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

Sensitivity analysis

Company's major quoted investment consists of investments in mutual funds which are measured at fair value through profit and loss. The [illegible] of Company [illegible] the market index.

The table below summarises the impact of sensitivity in the market index on the Group's profit for the year with all other variables held constant and the investments moved in line with the index.

Particulars	Change in market index	Effect on profit before tax	
		As at 31 March 2024	As at 31 March 2023
Investment in mutual fund	5%	[illegible]	[illegible]
	(5%)	[illegible]	[illegible]

Profit for the year would increase/decrease as a result of gains/losses on investments classified as at fair value through profit and loss.

(All amounts in ₹ lakhs, unless stated otherwise)

42 Employee benefits

(i) Defined benefit plan

Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. In case of death while in service, the gratuity is payable irrespective of vesting. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed for 15/26 days salary multiplied by the number of years of service. The gratuity plan is a funded plan and the Group makes contribution to recognised funds in India i.e. Life Insurance Corporation of India and Group Gratuity scheme.

Risk exposure:

(a) Discount rate: A decrease in discount rate in subsequent valuations can increase the plan's liability.

(b) Mortality rate: Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

(c) Investment risk: In case of funded plans, actual investment return on planned assets lower than the discount rate assumed at the last valuation date can impact the liability.

(d) Attrition: Actual withdrawals proving higher or lower than assumed withdrawals at subsequent valuations can impact plan's liabilities.

Details of the Company's defined benefit plans are as follows:

A. Changes in the present value of obligations

Particulars	As at 31 March 2024	As at 31 March 2023
Present value of the obligation at the beginning of the year	561.86	515.30
Recognised in profit and loss		
- Interest cost	42.11	37.24
- Current service cost	45.45	41.11
Recognised in other comprehensive income		
Remeasurement gains / (losses)		
Actuarial (gain)/loss from changes in financial adjustments and experience adjustments	29.12	5.03
Benefits paid	(64.01)	(35.77)
Present value of the obligation at the end of the year	614.53	561.86

B. Changes in the fair value of planned assets

Particulars	As at 31 March 2024	As at 31 March 2023
Fair value of plan assets at the beginning of the year	560.74	481.51
Expected return on plan assets	40.90	36.54
Contributions	52.01	65.50
Benefits paid	(64.01)	(36.22)
Actuarial (gain)/loss on plan assets	(5.41)	(5.28)
Others	3.27	-
Fair value of plan assets at the end of the year	587.47	560.74

C. Net asset/(liability) recognised in the balance sheet

Particulars	As at 31 March 2024	As at 31 March 2023
Present value of the obligation at the end of the year	614.53	561.86
Fair value of plan assets at end of year	587.47	560.74
Net liability/(asset) recognised in balance sheet (refer note 18 and 24)	27.06	1.12

D. Bifurcation of net liability

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current Liability (Short Term)	27.06	1.12
Total Liability (refer note 23)	27.06	1.12

E. Reconciliation of liability in balance sheet

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening net defined benefit liability/(asset)	1.12	32.99
Expenses to be recognised in P&L	46.66	42.31
OCI - Actuarial (gain)/loss - Total current period	34.53	10.31
Employer Contribution	(52.01)	(65.45)
Other Adjustments	(3.27)	-
Closing net defined benefit liability/(asset)	27.06	1.12

F. Expenses recognised in profit and loss

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest cost	42.11	37.24
Current service cost	45.45	41.11
Expected return on plan assets	(40.90)	(36.15)
Amount recognised in profit and loss (refer note 34)	46.66	42.31

G. Expenses recognised in other comprehensive income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Actuarial (gain)/loss on obligation	29.12	5.03
Actuarial (gain)/loss on plan assets	5.41	5.28
(Gain)/Loss	34.53	10.31

H. Major category of plan asset as a % of total plan assets

Category of asset (% allocation)	As at 31 March 2024		As at 31 March 2023	
	(%)	Amount	(%)	Amount
Insurance policy - PTC Industries Limited	100	516.55	100	507.30
Insurance policy - Aerolloy Technologies Limited	100	50.53	100	46.02

I. Actuarial assumptions

Particulars	As at 31 March 2024	As at 31 March 2023
Discount rate	7.25%	7.50%
Salary growth rate	6.00%	6.00%
Withdrawal rate (per annum)		
18 - 30 years	5.00%	5.00%
31 - 44 years	3.00%	3.00%
45 - 58 years	2.00%	2.00%
Normal retirement age (years)	58	58
Mortality	IALM 2012-14	IALM 2012-14

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

J. Sensitivity analysis

Particulars	As at 31 March 2024		As at 31 March 2023	
	Change in assumption	Effect on obligation	Change in assumption	Effect on obligation
Discount rate	1.00%	(34.49)	1.00%	(31.10)
	(1.00%)	39.20	(1.00%)	47.04
Salary growth rate	1.00%	39.37	1.00%	47.27
	(1.00%)	(35.19)	(1.00%)	(42.03)
Withdrawal rate	1.00%	2.71	1.00%	3.92
	(1.00%)	(3.05)	(1.00%)	(4.41)

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. The above sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the balance sheet.

K. Expected maturity profile of defined benefit obligation (undiscounted cash flows)

Period	31 March 2024	31 March 2023
Less than 1 year	41.03	53.71
Between 1-2 years	35.61	28.44
Between 2-5 years	185.55	112.22
Over 5 years	403.15	365.50

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (as at 31 March 2023 is 10 years).
Expected contribution to defined benefit plans in the next year is ₹ 553.84 lakhs (31 March 2023: 450.37 lakhs).

(iii) Other long term benefits

(A) Compensated absences- unfunded

Particulars	As at 31 March 2024	As at 31 March 2023
Amounts recognised in balance sheet		
Current (refer note 23)	21.42	20.32
Non-current (refer note 23)	89.27	90.54
	110.69	110.86

Particulars	As at 31 March 2024	As at 31 March 2023
Amounts recognised in statement of profit and loss		
Interest cost	8.32	6.53
Current service cost	11.36	12.51
Actuarial loss	1.45	14.74
	21.13	33.77
Changes in benefit obligations		
Present value of the obligation at the beginning of the year	110.86	89.99
Interest cost	8.32	6.53
Current service cost	11.36	12.51
Benefits paid	(21.31)	(12.91)
Actuarial loss	1.45	14.74
Present value of the obligation at the end of the year	110.69	110.86

Actuarial assumptions

Particulars	As at 31 March 2024	As at 31 March 2023
Discount rate	7.25%	7.50%
Salary growth rate	6.00%	6.00%
Withdrawal rate (per annum)		
18 - 30 years	5.00%	5.00%
31 - 44 years	3.00%	3.00%
45 - 58 years	2.00%	2.00%
Normal retirement age (years)	58	58

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(iii) Defined contribution plan

The Group makes fixed contribution towards Employee provident fund and Employee state insurance(ESI) to a defined contribution retirement benefit plan for qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner and the Group is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits. Similarly, the contribution is made to ESI at a specified percentage of payroll cost.

The Group recognised ₹ [illegible] lakhs (31 March 2023: ₹ [illegible] lakhs) in respect of provident fund contributions and ESI contribution in the Statement of Profit and Loss and included in "Employee benefits expense" in note 34. The contribution payable to these plans by the Group are at rates specified in the rules of the schemes.

43 Leases

The Group as a lessee

The Group's leases primarily comprise of leases for land. Generally, the contracts are made for fixed period and does not have a purchase option at the end of lease term. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group applies the 'Short-term lease' recognition exemptions for these leases with lease terms of 12 months or less.

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to the leases:

Carrying amount of right-of-use	As at 31 March 2024	As at 31 March 2023
Land	1,635.95	-
Total	1,635.95	-

Carrying amount of lease liabilities	As at 31 March 2024	As at 31 March 2023
Current	[illegible]	-
Non current	257.25	-
Total	299.41	-

Additions to right-of-use assets:	As at 31 March 2024	As at 31 March 2023
Land	1,656.04	-
Total	1,656.04	-

Maturity analysis of lease liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Within one year	[illegible]	-
Later than one year but less than five	[illegible]	-
Later than five years	[illegible]	-
Total	299.41	-

(ii) The amount recognised in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to the leases:

Depreciation charge of right of use	As at 31 March 2024	As at 31 March 2023
Land	20.09	-
Total	20.09	-

	As at 31 March 2024	As at 31 March 2023
Interest expense on lease liabilities (included in finance cost)	[illegible]	-
Expenses relating to short-term and low-value leases (included in other expenses)	25.40	[illegible]
The total cash outflow for leases for the year ended were	[illegible]	-

(iii) Extension and termination option

(iv) The Company does not have any operating leases that are non-cancellable.

The Group as a lessor

The Holding Company has entered into operating lease for part of its premises at Plant I and AMTC plant, Lucknow, that is renewable and is cancellable at either party's option. Total lease receipts recognised in the statement of profit and loss with respect to aforementioned premises is ₹ [illegible] lakhs (31 March 2023: ₹ [illegible] lakhs).

44 Contingent liabilities and commitments

(i) Capital commitments

	As at 31 March 2024	As at 31 March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	[illegible]	[illegible]

(ii) Contingent liabilities

	As at 31 March 2024	As at 31 March 2023
Other contingent liabilities		
Disputed amounts for goods and service tax (net of amount paid under protest amounting to ₹ [illegible] lakhs (previous year ₹ [illegible] lakhs))*	[illegible]	[illegible]

*In respect of the GST cases pending at appellate authority in respect of the demands received under the respective demand / show cause notices / legal claims, wherever applicable. Based on management assessment, the Group believes that it has a good chance of success in all the above mentioned cases.

(iii) Guarantees excluding financial guarantees:

	As at 31 March 2024	As at 31 March 2023
In respect of non fund based working capital facilities from banks:		
- Bank guarantees	2,550.27	1,676.31

45 Segment information
The Chairman and Managing Director has been identified as the Chief Operating Decision Maker (CODM) as they monitors the results for the purpose of making decisions about resource allocation and performance assessment and responsible for all major decisions w.r.t. preparation of budget, planning, expansion, alliance, joint venture, merger and acquisitions, and expansion of any facility. Accordingly, there is only one reportable segment for the Group which is "Engineering and allied activities", hence no specific disclosures have been made.

Entity wide disclosures
(a) Information about products and services
The Group is engaged in the business of manufacturing and selling of high precision metal castings. Group operates in one product line, therefore product wise revenue disclosure is not applicable.

(b) Information about geographical area
The Group's sales to its customers includes sales to customers which are domiciled in India and outside India. Below is the detail of Group's revenue from customers domiciled in India and outside India:

	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from external customers		
- domiciled in India	4,017.99	1,516.09
- domiciled outside India	21,141.44	19,185.15
	25,159.43	20,701.24

(c) Information about major customers (On standalone level of holding company)

Revenue of ₹ 5,605.29 lakhs, ₹ 5,460.51 Lakhs and ₹ 2,444.08 Lakhs (31 March 2023: ₹ 4,633.07 lakh, ₹ 4,054.77 Lakhs and ₹ 2,099.90 Lakhs Lakhs) are derived from three external customers.

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(All amounts in ₹ lakhs, unless stated otherwise)

46 Related party disclosures

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures", name of the related party, related party relationship, transactions and outstanding balances including commitments where control exist and with whom transactions have taken place during the reported period are as follows:

(i) Name of the related parties and description of relationship:

Relationship	Name of related party
Entities controlled by KMPs and/or their relatives	Sachin Agarwal HUF Alphaane Technologies Private Limited
Key Management Personnel ("KMP")	Mr. Sachin Agarwal, Chairman and Managing Director Mr. Alok Kumar Agarwal, Director Mr. Alok Agarwal, Director Mr. Ashok Kumar Shukla, Director Ms. Smita Agarwal, Director and Chief Financial Officer Mr. Bimal Gupta, Independent Director Mr. Ajay Kashyap, Independent Director Late Rakesh Chandra Katiyar, Independent Director* Ms. Krishna Das Gupta, Independent Director Mr. Vishal Malhotra, Independent Director Mrs. Prashant Jain, Independent Director Mrs. Pragya Gupta Agarwal, Company Secretary
Relatives of Key Management Personnel	Ms. Kamlesh Agarwal Mrs. Archana Agarwal Mrs. Reena Agarwal Mrs. Sangita Shukla

* Mr Rakesh Chandra Katiyar, Independent Director has passed on March 15th, 2024

(ii) Disclosure of related parties transactions#

Particulars	For the year ended 31 March 2024			For the year ended 31 March 2023		
	Key management personnel (KMPs)	Relatives of KMP's	Enterprises controlled by KMP/ relatives	Key management personnel (KMPs)	Relatives of KMPs	Enterprises controlled by KMP/ relatives
Transactions during the year						
1. Rent paid	-	9.00	-	-	9.00	-
2. Rent received	-		2.82	-	-	-
Amounts paid during the year to KMPS and relatives of KMP's						
1. Managerial remuneration *	504.26		-	422.78		-
2. Salary and Allowances	2.07	66.25	-		48.06	-
3. Sitting fees to independent directors	7.50	-	-	5.45	-	

* Exclusive of provision for future liability in respect of gratuity and leave encashment which is based on actuarial valuation done on Company as a whole.
# All the transactions with the related party are at arm's length price.

(iii) Balance outstanding at the year end:

Particulars	As at 31 March 2024	As at 31 March 2023
Outstanding balance (Amount payable)		
Key management personnel		
Managerial remuneration	100.73	46.77
Salary and allowances	0.15	-
Relatives of KMP's		
Salary and allowances	15.01	8.84
Rent	0.68	0.68

(iv) Compensation to Key Managerial Personnel (KMP)

The details of compensation to the members of key managerial personnel during the year was as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Short-term employee benefits (refer note a)	525.90	420.74
Post-employment benefits		
- Defined contribution plan (refer note b)	13.43	22.50
- Defined benefit plan	*refer note (c)	*refer note (c)
- Other long-term benefits	*refer note (c)	*refer note (c)
	539.33	443.24

Note (a) Includes salary, commission, sitting fees and any other perquisites on accrual basis.
Note (b) Including contribution to provident fund and any other benefit

Note (c) As the liability for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included above.

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(All amounts in ₹ lakhs, unless stated otherwise)

47 Assets pledged as security

	As at 31 March 2024	As at 31 March 2023
Non-current borrowings:		
Exclusive charge		
Land	2,940.70	1,254.25
Building	3,660.52	3,765.18
First charge		
Other movable property, plant and equipment	15,236.02	15,857.22
Second charge		
Current assets*	41,557.95	27,655.00
	63,395.10	48,492.21
Current borrowings:		
First charge		
Current assets*	41,557.95	19,036.53
Land	3,085.55	
Other movable property, plant and equipment	353.64	
Second charge		
Land	1,254.25	1,254.25
Building	3,660.52	3,765.18
Other movable property, plant and equipment	14,852.19	15,832.34
	63,355.50	40,452.26
	1,26,711.00	88,954.55

*The quarterly returns or statements of current assets filed with banks or financial institutions are in agreement with the books of accounts.

48 Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

i) Identify the contract(s) with customer;
ii) Identify separate performance obligations in the contract;
iii) Determine the transaction price;
iv) Allocate the transaction price to the performance obligations; and
v) Recognise revenue when a performance obligation is satisfied.

a) Disaggregation of revenue

The Group has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

Particulars	31-Mar-24			31-Mar-23		
Revenue from operations	Goods	Other operating revenues	Total	Goods	Other operating revenues	Total
Revenue by geography						
Domestic	4,017.99	58.33	4,076.34	1,716.60	38.14	1,754.74
Export	21,140.44	473.14	21,614.58	19,765.16	386.31	20,171.47
Total	25,159.43	528.49	25,687.92	21,481.76	424.45	21,926.21

b) Assets and liabilities related to contracts with customers

	31-Mar-24		31-Mar-23	
	Non Current	Current	Non Current	Current
Trade receivables	-	11,085.77	-	4,506.73
Revenue received in advance	-	1,208.57	-	827.37
Total	-	12,294.34	-	5,334.10

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45 Share based payments

(a) Scheme details

During the financial year 2021-22, the Holding Company has adopted 'PTC Employee Stock Option Scheme 2019' (Plan) at shareholders Annual General Meeting on 28 September 2019, and obtained 'in principle' approval from BSE Limited on 03 September 2021 for 1,37,370 Equity shares of ₹ 10/- each. The Compensation Committee (Nomination & Remuneration Committee) at its meeting held on 15 September 2021, had approved grant of 10,965 Stock Options (convertible into 10,965 Equity shares of the Holding Company, upon exercise) (Tranche-1) to certain Eligible Employees in terms of the Plan. Vesting will be made at maximum of four years (FY 2023 to FY 2026), after the statutory period of one year from the date of grant of option.

In the previous financial year 2022-23, the Compensation Committee (Nomination & Remuneration Committee) at its meeting held on 11 June 2022 had approved grant of 2,255 (convertible into 2,255 Equity shares of the Holding Company, upon exercise) (Tranche-2) to certain Eligible Employees in pursuance of the ESOS Plan.

On 30 August 2022, The Compensation Committee (Nomination & Remuneration Committee) at its meeting had approved the adjustment in the plan, pursuant to the rights issue of [illegible] fully paid up equity shares at the face value of ₹ 10 each ("rights equity shares") of the Holding Company for cash at a price of ₹ [illegible] per rights equity share aggregating up to ₹ [illegible] lakhs on a rights basis to the eligible equity shareholders of the Holding Company in the ratio of [illegible] rights equity shares for every 2 fully paid-up equity shares held by the eligible equity shareholders of the Holding Company on the record date, that is on July 22, 2022, in the following manner:

Details	Existing	Adjustment pursuant to the Rights Issue	Total Employees Stock Option after adjustment
Total Pool	1,37,370	2,55,755	3,93,125
Exercise price*	5617	4027	4027

*The exercise price shall be adjusted to ₹ 4027/- per share instead of ₹ 5617/- per share on account of rights issue of equity shares.

The Compensation committee had also approved the below mentioned adjustments in respect of previous grants:

(i) Adjustment in number of options granted			
Options	Existing	Adjusted pursuant to the Rights Issue	Total Employees Stock Option after adjustment
Tranche-1	10,965	12,448	23,413
Tranche-2	2,255	2,842	5,097

(ii) Adjustment in Exercise price: The exercise price shall be adjusted to ₹ 4027/- per share.
(iii) Other terms and conditions shall remain same.

Further on 30 August 2022, the Compensation Committee had approved grant of 12,500 (convertible into 12,500 Equity shares of the Holding Company, upon exercise) to certain Eligible Employees in pursuance of the ESOS Plan at the exercise price of 4027/- per share.

Particulars	Number of options outstanding* (Refer above)	Grant date	Vesting date	Exercise period	Exercise price (Refer above)	Fair value on grant date
Tranche-1	11,709	15-Sep-21	15-Oct-23	1 Month from the date of vesting	402.00	722.88
	11,721	15-Sep-21	15-Oct-24		402.00	785.08
	3,163	15-Sep-21	15-Oct-25		402.00	821.35
	653	15-Sep-21	14-Sep-25		402.00	857.50
Tranche-2	1,619	11-Jun-22	15-Oct-23	1 Month from the date of vesting	402.00	1,230.95
	1,584	11-Jun-22	15-Oct-24		402.00	1,271.36
	1,840	11-Jun-22	15-Oct-25		402.00	1,308.81
	558	11-Jun-22	14-Sep-26		402.00	1,334.60
Tranche-3	2,081	30-Aug-22	15-Oct-23	1 Month from the date of vesting	402.00	1,009.19
	2,082	30-Aug-22	15-Oct-24		402.00	1,035.51
	3,175	30-Aug-22	15-Oct-25		402.00	1,067.22
	3,200	30-Aug-22	14-Sep-26		402.00	1,091.00

*The number of options mentioned includes [illegible] stock options respectively which were granted to the employees of the wholly owned subsidiary company i.e. Aerolloy Technologies Limited.

During the year, the Nomination & Remuneration Committee (Compensation Committee) of the Board of Directors at its meeting held on 15 December 2023 allotted 14,051 Equity Shares with a face value of ₹ 10 each. These shares were issued under the PTC Employee Stock Option Scheme 2019 (PTC ESOS 2019 or Scheme) to eligible employees following the exercise of stock options, at an exercise price of ₹ 402 per share.

(b) Compensation expense arising on account of the share based payments

	31 March 2024	31 March 2023
Expenses arising from equity - settled share-based payment transactions	233.94	164.30
Total	233.94	164.30

The above amount include the compensation expense during the current year amounting 8.34 lakh (previous year 16.55 lakh) which were recognised in the books of subsidiary company.

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(All amounts in ₹ lakh, unless stated otherwise)

(c) Fair value on the grant date

The fair value at grant date is determined using 'Black Scholes Pricing Model' which takes into account the exercise price, term of the option, share price at grant date and expected price volatility of the underlying shares, expected dividend yield and the risk free interest rate for the term of the option. The following inputs were used to determine the fair value for options granted on September 15,2021, on June 11, 2022 and on August 30, 2022.

Options granted as on 15 September 2021

Description	Vest 1	Vest 2	Vest 3	Vest 4
Number of options outstanding	11,773.00	[illegible]	5,141.00	670.56
Grant date	15-Sep-21	15-Sep-21	15-Sep-21	15-Sep-21
Financial year of vesting	2023-24	2024-25	2025-26	2026-27
Share price on grant date (in ₹)	2,755.05	2,755.55	2,755.55	2,755.55
Expected life (in years)	2.1	3.1	4.1	5
Price volatility of holding company's share *	49.50%	53.10%	64.51%	63.83%
Risk free interest rate	4.30%	4.88%	5.28%	5.61%
Exercise price (in ₹)	402.00	402.00	402.00	402.00
Dividend yield	0.00%	0.00%	0.00%	0.00%
Fair value of option (in ₹)	750.38	785.05	821.35	857.56

Options granted as on 11 June 2022

Description	Vest 1	Vest 2	Vest 3	Vest 4
Number of options outstanding	2,619	1,384	1,640	398
Grant date	11-Jun-22	11-Jun-22	11-Jun-22	11-Jun-22
Financial year of vesting	2023-24	2024-25	2025-26	2026-27
Share price on grant date (in ₹)	2,704.05	2,704.05	2,704.05	2,704.05
Expected life (in years)	1.5	2.5	3.5	4
Price volatility of holding company's share *	40.33%	56.05%	53.75%	56.10%
Risk free interest rate	6.04%	6.47%	6.83%	7.07%
Exercise price (in ₹)	402.00	402.00	402.00	402.00
Dividend yield	0.00%	0.00%	0.00%	0.00%
Fair value of option (in ₹)	1,220.03	1,274.35	1,205.41	1,334.00

Options granted as on 30 August 2022

Description	Vest 1	Vest 2	Vest 3	Vest 4
Number of options outstanding	7,093.00	3,085.00	3,325.00	5,209.50
Grant date	30-Aug-22	30-Aug-22	30-Aug-22	30-Aug-22
Financial year of vesting	2023-24	2024-25	2025-26	2026-27
Share price on grant date (in ₹)	2,258.40	2,258.40	2,258.40	2,258.40
Expected life (in years)	1.1	2.1	3.1	4
Price volatility of holding company's share *	40.27%	51.29%	50.57%	50.92%
Risk free interest rate	6.03%	6.47%	6.73%	6.92%
Exercise price (in ₹)	402.00	402.00	402.00	402.00
Dividend yield	0.00%	0.00%	0.00%	0.00%
Fair value of option (in ₹)	1,509.13	1,936.51	1,517.21	2,094.00

* The measure of volatility used is the annualised standard deviation of the continuously compounded rates of return of stock over the expected lives of different vests, prior to grant date. Volatility has been calculated based on the daily closing market price of the Company's stock on BSE over these years.

(d) Fair value on the grant date

Description	Number of options	Weighted average exercise price ₹
Outstanding as on 01 April 2022	10,566	402.00
Options granted during the year	11,773	402.00
Adjustment pursuant to the Rights issue*	19,030	402.00
Options forfeited/lapsed/expired during the year	-	
Options exercised during the year		-
Options outstanding as at 31 March 2023 ^#	45,530	402.00
Exercisable at the end of the period	-	-
Outstanding as on 01 April 2023	15,530	402.00
Options granted during the year		
Adjustment pursuant to the Rights issue*	-	-
Options forfeited/lapsed/expired during the year	2,450	402.00
Options exercised during the year	11,031	402.00
Options outstanding as at 31 March 2024 ^#	30,049	402.00
Exercisable at the end of the period	-	-

* Refer above

^ The weighted average remaining contractual life of the share options outstanding at the end of current year is 1.22 years (previous year 1.63 years).

\# The weighted average fair value of share options outstanding at the end of current year is ₹ 1271.45 per share option (previous year ₹ 1184.27)

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Notes to Consolidated Financial Statements for the year ended 31 March 2024
(All amounts in ₹ lakhs, unless stated otherwise)

50 **Group Information**

The Parent's subsidiary at 31 March 2024 and 31 March 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Parent, and the proportion of ownership interests held equals the voting rights held by the Parent. The country of incorporation or registration is also their principal place of business.

Name of the Entity	Principal Activities	Country of Incorporation	Ownership interest held by the Group		Ownership interest held by Non-controlling interest	
			31 March 2024 %	31-Mar-23	31 March 2024 %	31 March 2023 %
Aerolloy Technologies Limited	Manufacture of Metal and	India	100	100	-	-

51 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act,

As on 31 March 2024

Name of the Entity	Share in Net assets i.e. total assets minus total liabilities		Share in Profit or Loss		Share in Other comprehensive income		Share in total comprehensive income	
	As % of Consolidated Net Assets	Amount (₹)	As % of Consolidated Profit & Loss	Amount (₹)	As % of Consolidated other comprehensive income	Amount (₹)	As % of Consolidated total comprehensive income	Amount (₹)
Parent								
PTC Industries Limited	95.77%	61,828.90	56.47%	2,382.58	73.61%	(19.27)	56.54%	2,363.31
Subsidiary								
Aerolloy Technologies Limited	35.44%	22,900.14	43.53%	1,837.60	27.39%	(7.27)	43.46%	1,831.38
Add/(Less) : Inter group eliminations	-29.21%	(18,830.17)	0.00%		0.00%	-	0.00%	
Total		64,599.97		4,221.58		(25.54)		4,195.09

As on 31 March 2023

Name of the Entity	Share in Net assets i.e. total assets minus total liabilities		Share in Profit or Loss		Share in Other comprehensive income		Share in total comprehensive income	
	As % of Consolidated Net Assets	Amount (₹)	As % of Consolidated Profit & Loss	Amount (₹)	As % of Consolidated other comprehensive income	Amount (₹)	As % of Consolidated total comprehensive income	Amount (₹)
Parent								
PTC Industries Limited	97.02%	29,706.78	77.88%	2,017.47	94.72%	(7.55)	77.83%	2,009.11
Subsidiary								
Aerolloy Technologies Limited	24.08%	7,389.30	22.12%	571.04	5.28%	(0.41)	22.17%	570.62
Add/(Less) : Inter group eliminations	-21.10%	(6,430.00)	0.00%	-	0.00%	-	0.00%	-
Total		30,666.12		2,588.51		(7.96)		2,580.56

52 (a) 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 entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The Group has not received any funds from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) 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 (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

53 On 06 June 2023, the Board of Directors of the Holding Company had considered and approved the Preferential Issue of up to 1,80,000 Equity Shares of face value of ₹ 10/- per share at an issue price of ₹ 2,500/- per Equity Share to person belonging to Non Promoter Category which was subsequently approved by the members through special resolution in Extra-ordinary general meeting dated 06 July 2023. Subsequently on 19 July 2023 Listing Committee of the Board of Directors of the Holding Company has considered and allotted 1,80,000 Equity Shares of face value of ₹ 10/- per Share at an issue price of ₹ 2,500/- per Equity Share aggregating to ₹ 4,500 lakhs on a preferential basis to the person belonging to the Non-Promoter category.

54 On 05 January 2024, the Board of Directors of the Holding Company had considered and approved the Preferential Issue of up to 2,35,415 Equity Shares of face value of ₹ 10/- per share at an issue price of ₹ 6,000/- per Equity Share aggregating to ₹ 14,124.90 lakhs to person belonging to Non-Promoter Category which was subsequently approved by the members through special resolution in Extra-ordinary general meeting dated 05 February 2024. Subsequently on 13 February 2024 Listing Committee of the Board of Directors of the Holding Company has considered and allotted 2,35,415 Equity Shares of face value of ₹ 10/- per Share at an issue price of ₹ 6,000/- per Equity Share aggregating to ₹ 14,124.90 lakhs on a preferential basis to the person belonging to the Non-Promoter category.

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55 During the previous year, On October 20, 2022, the Board of Directors of the Holding Company had considered and approved the Preferential Issue of up to 2,85,000 Equity Shares of face value of ₹ 10/- per share and 6,50,170 Fully Convertible Warrants at an issue price of ₹ 2,349/- per Equity Share and per Warrant respectively to persons belonging to Non-Promoter Category which was subsequently approved by the members through special resolution in Extraordinary general meeting dated November 19, 2022.
Subsequently on December 05, 2022 Listing Committee of the Board of Directors of the Holding Company has issued and allotted 2,84,620 Equity Shares of face value of ₹ 10/- per Equity Share at an issue price of ₹ 2,349/- per Equity Share aggregating to ₹ 6,685.72 lacs, on a preferential basis to the persons belonging to the Non-Promoter category. The Holding Company has received an amount of ₹ 6,685.72 lakhs against 2,84,620 Equity Shares allotted to persons belonging to the Non-Promoter category at an issue price of ₹ 2,349/- per Share.
On December 05, 2022 Listing Committee of the Board of Directors of the Holding Company have issued and allotted 6,00,170 Fully Convertible Warrants at an issue price of ₹ 2,349/- per Warrant aggregating to ₹ [illegible] lacs, convertible into equivalent number of Equity Shares of face value ₹ 10/- each within a period of 18 months from the date of allotment, on a preferential basis to the persons belonging to the Non-Promoter category. The Company has received an amount of ₹ [illegible] lakhs with respect to 25% upfront against 6,00,170 Fully Convertible Warrants to persons belonging to Non-Promoter category at an issue price of ₹ 2,349/- per Warrant.
On 4 January 2024 Listing Committee of the Board of Directors of the Holding Company has issued and allotted 6,00,170 Equity Shares of face value of ₹ 10/- Equity Share at an issue price of ₹ 2,349/- per Equity Share on preferential basis to the persons belonging to the Non-Promoter Category pursuant to conversion of 6,00,170 Fully Convertible Warrants. The Holding Company has received an amount of ₹ [illegible] lakhs with respect to 75% balance against 6,00,170 Fully Convertible Warrants to persons belonging to Non-Promoter category at an issue price of ₹ 2,349/- per Warrant.

56 On March 30, 2022 the Listing Committee of Board of Directors ("the Committee") had approved the issue of three new equity shares, at its face value of Rs 10/- each, on a right basis for every two equity shares of the Holding Company held by the eligible shareholders as on the record date. Subsequently, in its meeting held on July 15, 2022, the Committee had fixed the record date as July 22, 2022 for the purpose of determining the names of eligible shareholders to apply for right issue.
Up to 78,56,574 Fully Paid Up Equity Shares, Face Value of Rs 10/- each, for cash at a price of Rs 10/- each aggregating up to ₹ 785.65 lakhs have been offered on a right basis to the eligible equity shareholders of the holding company in the ratio of 3 (Three) right shares for every 2 (Two) fully paid up equity shares held by the eligible shareholders on the record date, that is, on July 22, 2022 during the issue period between August 3, 2022 to August 12, 2022. Consequently, pursuant to Ind AS 33, basic and diluted earning per share for the periods presented in the audited consolidated financial results have been adjusted after giving the impact for the bonus element in respect of the aforesaid rights issue.

57 During the previous year, In terms of Employee stock option scheme and employee stock purchase scheme of SEBI and other relevant provisions issued by the SEBI and as per terms of PTC ESOP Scheme, 2019, the Compensation Committee (Nomination & Remuneration Committee) at its meeting held on August 23, 2022 approved the adjustment in the ESOP, pursuant to the rights issue in the ratio of 3 rights equity shares for every 2 fully paid up equity shares. Pursuant to this adjustment, ESOP pool of the Holding Company has been increased by 2,25,755 options and exercise price has also been reduced to ₹ 401 from ₹ 993.

58 During the previous year, the Compensation Committee (Nomination & Remuneration Committee) of the Holding Company at its meeting held on June 11, 2022 and August 30, 2022 has approved grant of 2,255 and 12,500 Stock Options respectively to certain eligible employees under PTC ESOS Scheme 2019. These stock options will be vested over the period of four years (FY 2023 to FY 2026). The additional stock option expenses recognised during the quarter ended 31 March 2023 amounts to ₹ 32.52 lakhs and year ended 31 March 2023 amounts to ₹ 94.56 Lacs.

59 There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group during the year ended 31 March 2024 and 31 March 2023.

60 The Group has not revalued any property, plant and equipment and intangible assets during the year ended 31 March 2024 and 31 March 2023.

61 The Group did not enter into any transactions which are not recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 during the year ended 31 March 2024 and 31 March 2023.

62 The Group has not traded or invested in Crypto currency or Virtual currency anytime during the year ended 31 March 2024 and 31 March 2023.

63 The Group does not have any transactions/balances with struck off companies during the year ended 31 March 2024 and 31 March 2023.

64 The Group is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.

65 The Group has not been declared as a wilful defaulter by any bank or financial institution or other lender in the year ended 31 March 2024 and 31 March 2023.

66 The Group maintains the books of account electronically and its backups on a server located outside of India. These data are accessible in India at all times. The Group is in the process of ordering the systems to comply with the rules.

67 The Group has used an accounting software for maintaining its books of account for the financial year ended 31 March 2024, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

68 The figures for the previous period have been reclassified/regrouped wherever necessary, the impact of such reclassification/ regrouping is not material to Consolidated Financial Statements.

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No. 000050N/N500045

Rajeev Kumar Saxena
Partner
Membership No. 077974

Place: Gurugram
Date: 28 May 2024

For and on behalf of the Board of Directors of
PTC Industries Limited

Sachin Agarwal
Chairman and Managing Director
DIN No.: 00142885

Alok Agarwal
Director (Quality & Technical)
DIN No.: 00129260

Smita Agarwal
Director and Chief Financial Officer
DIN No.: 00276903

Pragati Gupta Agarwal
Company Secretary
Mem. No.: ACS61354

Place: Lucknow
Date: 28 May 2024

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Elante Office Building,
Industrial Area, Phase I,
Chandigarh - 160 002
India
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Independent Auditor's Report

To the Members of PTC Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of PTC Industries Limited ('the Holding Company') and its subsidiary 'Aerolloy Technologies Limited' (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2023, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditor on separate financial statements of the subsidiary, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Valuation of Inventories As disclosed in note 14 in the consolidated financial statements, as at 31 March 2023 the total value of Group holds inventory comprising of raw material, work-in-progress and manufactured finished goods as at 31 March 2023 amounting to Rs. 7,772.20 Lakh represents 14.06% of the total assets. Out of the total inventory, Rs. 4,154.52 Lakh pertains to inventory work-in-progress and manufactured finished goods. Such inventory is carried at cost, or net realisable value whichever is lower, as per the accounting policy disclosed in note 4 of the accompanying consolidated financial statements. Determination of cost of inventory involves allocation of various production and administration overheads incurred to bring the inventory to its present location and condition, which involves management judgement and estimation. Amongst the other overheads, fixed production overheads are allocated to the costs of conversion based on the normal capacity of the production facilities in accordance with the principles of Ind AS -2, Inventories. Further, at the end of each reporting period, the management of the Group also assesses whether there is any objective evidence that net realisable value of any item of inventory is below the carrying value. If so, such inventories are written down to their net realisable value in accordance with Ind AS 2, Inventories. In addition to the above, the complexities and judgement involved in inventory valuation includes • Estimate involved in computing input-output ratio used for computing the average rate of overheads which is to be added to the cost of inventory.	Our audit procedures included, but were not restricted to the following procedures; a) Obtained an understanding of the management's process of valuation of inventory. b) Evaluated the design and tested the operating effectiveness of key controls around valuation including around estimates, stage of completion and overhead computations and determination of net realizable value of inventory items. c) Evaluated the appropriateness of the Group's accounting policy and valuation method of inventory in accordance with the applicable accounting standards. d) Verified the expenses considered as cost of conversion including estimates for apportionment of the conversion on the different classes of finished goods and work in progress and recomputed the arithmetical accuracy thereof for calculating the conversion cost considered as part of the finished goods and work in progress. e) Recomputed the net realisable value of the finished goods and reviewed the management assessment for carrying inventory at lower of cost and net realisable value. f) Tested ageing of inventory items obtained through system reports, as applicable. g) Discussed with management the rationale supporting assumptions and estimates used in carrying out the inventory valuation and corroborated the same to our understanding of the business. Tested the computation of various overhead absorption rates by tracing the underlying data to audited historical operational results of the Group. h) Evaluated the appropriateness and adequacy of the disclosures made by the Group in accordance with the requirements as specified in the Ind AS-2

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• Estimate involved in allocation of expenses through various stages of production Inventory valuation was considered a risk of material misstatement because variable and fixed costs are allocated to inventory. Considering the aforesaid complexities, significant management judgements, and estimates involved and materiality of the amounts involved, this matter has been is determined to be as a key audit matter for the current year audit	'Inventories' and Schedule III of the Companies Act, 2013.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

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8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entity included in the financial statements, which have been audited by the other auditor, such other auditors remain responsible for the direction, supervision

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and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements subsidiary, whose financial statements reflect total assets of ₹ 11,454.96 Lakhs and net assets of ₹ 7,385.50 Lakhs as at 31 March 2023, total revenues of ₹ 1,525.64 Lakhs and net cash inflows amounting to ₹ 65.17 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary are based solely on the reports of the other auditor

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 15, on separate financial statements of the subsidiary, we report that the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order report issued by us and by the respective other auditor as mentioned in paragraph 15 above, of companies included in the consolidated financial statements for the year ended 31 March 2023 and covered under the Act we report that:

Following are the qualifications/adverse remarks reported by us in the Order report of the company included in the consolidated financial statements for the year ended 31 March 2023 for which such Order report have been issued till date:

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S No	Name	CIN	Holding Company / subsidiary	Clause number of the CARO report which is qualified or adverse
1	PTC Industries Limited	L27109UP1963PLC002931	Holding Company	Paragraph 3(vii)(b)

18. As required by section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;

c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company, and the report of the statutory auditor of its subsidiary company covered under the Act, none of the directors of the Holding Company and its subsidiary company, are disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company, and its subsidiary company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I' wherein we have expressed an unmodified opinion; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary, incorporated in India whose financial statements have been audited under the Act:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 46 to the consolidated financial statements.

ii. The Holding Company and its subsidiary company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company, covered under the Act, during the year ended 31 March 2023.

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iv.

a. The respective managements of the Holding Company and its subsidiary company, incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary, to the best of their knowledge and belief as disclosed in note-56(a) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary company, to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary company, ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiary company, incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary to the best of their knowledge and belief, disclosed in the note-56(b) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary company, shall, whether 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed by us and that performed by the auditor of the subsidiary company, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditor notice that has caused us or the other auditor to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Holding Company and its subsidiary company have not declared or paid any dividend during the year ended 31 March 2023.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sandeep Mehta
Partner
Membership No.: 099410
UDIN: 23099410BGYGSG4333

Place: Chandigarh
Date: 30 May 2023

Annexure I

Independent Auditor's Report on the internal financial controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of PTC Industries Limited ('the Holding Company') and its subsidiary, Aeroalloy Technologies Limited (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, and its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. Those responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, as aforesaid

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those

Chandiok & Co LLP Chartered Accountants

Chartered Accountants

Annexure I to the Independent Auditor's Report of even date to the members of PTC Industries Limited on the Consolidated Financial Statements for the year ended 31 March 2023

policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditor on internal financial controls with reference to financial statements of the subsidiary company, the Holding Company and its subsidiary company which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is company covered under the Act, whose financial statements reflect total assets of ₹ 11,454.96 Lakhs and net assets of ₹7,385.50 Lakhs as at 31 March 2023, total revenues of ₹ 1525.64 Lakhs and net cash inflows amounting to ₹55.17 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company have been audited by other auditor whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the reports of the auditor of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditor.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sandeep Mehta
Partner
Membership No.: 099410
UDIN: 23099410BGYGSG4339

Place: Chandigarh
Date: 30 May 2023

PTC Industries Limited
Consolidated Balance Sheet as at 31 March 2025
(All amounts in ₹ lakhs, unless stated otherwise)

Particulars	Notes	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
Property, plant and equipment	5	23,558.72	23,444.01
Capital work-in-progress	6	6,665.80	3,255.09
Investment property	7	179.52	183.05
Other intangible assets	8	85.51	88.51
Financial assets			
(i) Investments	9(a)	0.50	-
(ii) Other financial assets	11(c)	748.89	189.42
Non current tax assets (net)	12	354.61	343.45
Other non current assets	13	5,451.64	830.46
Total non-current assets		36,056.63	27,317.81
Current assets			
Inventories	14	7,772.20	6,480.35
Financial assets			
(i) Investments	9(b)	7.10	7.2_
(ii) Trade receivables	15	6,561.75	6,149.82
(iii) Cash and cash equivalents	16	685.17	194.70
(iv) Bank balances other than (iii) above	17	3,371.74	260.41
(v) Loans	10	39.86	63.36
(vi) Other financial assets	11(b)	181.02	488.02
Other current assets	18	2,035.40	1,650.65
Total current assets		19,675.66	15,281.74
TOTAL ASSETS		55,291.25	42,598.55
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	1,339.27	523.91
Other equity	20	29,330.15	16,328.26
Total equity		30,669.42	16,852.20
Non-current liabilities			
Financial liabilities			
(i) Borrowings	21(a)	9,838.44	9,366.08
(ii) Other financial liabilities	22	330.78	314.54
Provisions	23	93.54	75.84
Deferred tax liabilities (net)	34	1,528.04	1,375.41
Other non-current liabilities	24	835.06	901.65
Total non-current liabilities		12,325.86	12,033.54
Current liabilities			
Financial liabilities			
(i) Borrowings	21(b)	8,026.51	10,251.14
(ii) Trade payables	26		
total outstanding dues of micro enterprises and small enterprises		610.32	235.17
total outstanding dues of creditors other than micro enterprises and small enterprises		1,495.22	1,640.72
(iii) Other financial liabilities	27	1,238.74	1,159.72
Other current liabilities	28	926.95	390.15
Provisions	23	31.54	44.05
Current tax liabilities (net)	22	87.83	7.30
Total current liabilities		12,294.99	13,712.78
TOTAL EQUITY AND LIABILITIES		55,291.25	42,598.55

Notes 1 to 62 form an integral part of these consolidated financial statements.
This is the Consolidated Statement of Balance Sheet referred to in our report of even date.

For Walker Chandiok & Co. LLP
Chartered Accountants
(Firm Registration No. 001076N/N500013)

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Sandeep Mehta
Partner
Membership No. 099410

For and on behalf of the Board of Directors of
PTC Industries Limited

Sachin Agarwal
Chairman and Managing Director
DIN No.: 00142885

Alok Agarwal
Director (Quality & Technical)
DIN No.: 00129260

PTC INDUSTRIES LIMITED LUCKNOW

Smita Agarwal
Director and Chief Financial Officer
DIN No.: 00276903

Pragati Gupta Agarwal
Company Secretary
Mem. No. ACS11751

Place: Chandigarh
Date: 30 May 2025

Place: Lucknow
Date: 30 May 2025

PTC Industries Limited
Consolidated statement of Profit and Loss for the year ended 31 March 2023
(All amounts in ₹ lakhs, unless stated otherwise)

Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
Income			
Revenue from operations	30	21,926.21	17,895.48
Other income	31	747.27	627.99
Total income		22,673.48	18,523.47
Expenses			
Cost of materials consumed	32	5,475.50	5,066.82
Changes in inventories of finished goods and work-in-progress	33	(36.30)	(759.47)
Employee benefits expense	34	2,587.28	2,985.16
Research and development expense	35	34.55	181.94
Other expenses	36	8,001.93	7,110.87
Total expenses		16,062.96	13,685.32
Profit before finance cost, depreciation and amortisation, exceptional items and tax		6,610.52	4,838.15
Finance costs	38	1,577.74	1,516.58
Depreciation and amortisation expense	39	1,666.92	1,462.99
Profit before exceptional items and tax		3,365.86	1,858.58
Exceptional items	40	-	156.79
Profit before tax		3,365.86	1,701.79
Tax expense:	41		
Current tax - current year		661.22	247.33
Current tax - earlier years		(29.93)	-
Deferred tax charge		153.06	173.32
Total tax expenses		784.35	420.64
Profit for the year		2,581.51	1,281.15
Other comprehensive income			
A) Items that will not be reclassified to profit or loss			
(i) Remeasurement of defined benefit plan		(10.31)	(0.65)
ii) Income tax relating to items that will not be reclassified to profit or loss		2.56	0.16
Other comprehensive (loss) for the year (net of tax)		(7.75)	(0.49)
Total comprehensive income for the year		2,573.76	1,280.66
Earnings per equity share [Nominal value ₹10]	42		
Basic (₹)		19.60	9.82
Diluted (₹)		19.54	9.81

Notes 1 to 62 form an integral part of these consolidated financial statements
This is the Consolidated Statement of Profit and Loss referred to in our report of even date

For Walker Chandiok & Co. LLP
Chartered Accountants
(Firm Registration No. 001076N/N500013)

Sandeep Mehta
Partner
Membership No. 099410

For and on behalf of the Board of Directors of
PTC Industries Limited

Sachin Agarwal
Chairman and Managing Director
DIN No.: 00142885

Alok Agarwal
Director (Quality & Technical)
DIN No.: 00129260

Smita Agarwal
Director and Chief Financial Officer
DIN No.: 00276903

Pragati Gupta Agarwal
Company Secretary
Mem. No.: ACS61754

Place: Chandigarh
Date: 30 May 2023

Place: Lucknow
Date: 30 May 2023

PTC Industries Limited
Consolidated Statement of cash flows for the year ended 31 March 2023
(All amounts in ₹ lakhs, unless stated otherwise)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A Cash flow from operating activities		
Net profit before tax	5,306.86	[illegible]
Adjustment for:		
Depreciation and amortisation expense	1,40?.??	1,163.90
Unrealised foreign exchange fluctuation (gain)	(25.45)	(66.49)
(Gain) on disposal of property plant and equipment (net)	(5.45)	(0.13)
Provision for doubtful debts, loans and advances written off	-	(5.01)
Trade payables written off	-	(20.29)
Amortisation of deferred income (government grant)	(56.67)	(51.07)
Dividend income	(0.02)	(0.22)
(Gain)/loss on MTM foreign exchange fluctuation	150.31	(28.45)
Interest paid	1,410.05	1,358.28
ESOP Expense	164.31	45.21
Remeasurement of defined benefit plan	-	70.64
Income from sale of shares of a company sold [illegible]	(21.??)	15.73
Operating profit before working capital changes (current and non-current)	6,5??.10	4,352.33
Inflow and outflow on account of:		
Changes in trade receivables	(866.43)	285.80
Changes in inventories	(1,291.45)	(1,234.03)
Changes in other financial assets	145.22	312.12
Changes in other assets	(746.98)	(725.45)
Changes in financial assets/loans	8.70	4.92
Changes in provisions	36.79	16.56
Changes in trade and other payables	232.66	(389.91)
Changes in other financial liabilities	(3.11)	(71.38)
Changes in other liabilities	368.53	(145.60)
Cash generated from operations before tax	5,346.??	2,708.54
Income taxes paid (net)	(598.31)	(39.00)
Net cash generated from operating activities (A)	4,680.41	2,486.18
B Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets (including capital advances and creditors for capital goods)	(9,922.33)	(2,8??.??)
Proceeds from sale of property plant and equipment	17.82	-
Investment (made)/proceeds from sale of investments	50.90	0.3?
Interest received	71.??	15.25
Other bank balances not considered as cash and cash equivalents (net)	(2,0??.33)	(45.87)
Dividend received	0.02	0.22
Net cash used in investing activities (B)	(11,864.96)	(2,813.45)
C Cash flow from financing activities		
Proceeds from long-term borrowings	4,856.15	2,218.73
Repayment of long-term borrowings	(4,741.23)	(1,334.52)
Repayment of Short-term borrowings (net)	(1,145.36)	
Proceeds from government grant	-	300.00
Proceeds from short-term borrowing (net)	-	456.08
Finance cost paid	(1,575.80)	(1,321.46)
Proceeds from preferential issue of equity shares (net of share issue expenses)	7,571.11	-
Proceeds from share warrants	2,705.10	-
Net cash generated from financing activities (C)	7,459.20	298.56
D Net (decrease)/increase in cash and cash equivalents (A+B+C)	354.71	(74.?0)
E Cash and cash equivalents at the beginning of the year	134.76	236.10
Closing balance of cash and cash equivalents (D+E)	682.47	134.76

	As at 31 March 2023	As at 31 March 2022
Components of cash and cash equivalents (refer note 13)		
Balances with banks	176.76	123.33
Cash on hand	5.71	11.43
Balances in deposit account with original maturity upto three months	500.00	-
	682.47	134.76

Notes 1 to 63 form an integral part of these consolidated financial statements
This is the Consolidated Statement of Cash Flow Statement referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.:001076N/N500013

Sandeep Mehta
Partner
Membership No.: 099410

For and on behalf of the Board of Directors of
PTC Industries Limited

Sachin Agarwal
Chairman and Managing Director
DIN No.: 00142885

Alok Agarwal
Director (Quality & Technical)
DIN No.: [illegible]

Smita Agarwal
Director and Chief Financial Officer
DIN No.: 00276903

Pragya Gupta Agarwal
Company Secretary
Mem. No.: A[illegible]

Place: Chandigarh
Date: 26 May 2023

Place: Lucknow
Date: 26 May 2023

PTC Industries Limited
Consolidated statement of changes in equity as at 31 March 2023
(All amounts in ₹ lakhs, unless stated otherwise)

A. Equity share capital

	No. of shares	Amount
Balance as at 1 April 2021	5,239,063	523.91
Changes in equity share capital during the year	-	-
Balance as at 1 April 2022	5,239,063	523.91
Changes in equity share capital during the year	8,145,194	814.52
Balance as at 31 March 2023	13,384,257	1,338.43

B. Other equity

	Reserves and Surplus				Other reserves			
	Capital reserve	Securities premium	General reserve	Retained earnings	Share Based payment Reserve Account	Equity instruments through other comprehensive	Money received against Share warrants	Total
Balance as at 1 April 2021	1.75	4,120.72	4,624.17	6,257.75	-	0.00	-	15,004.41
Profit for the period	-	-	-	1,781.15	-	-	-	1,781.15
Remeasurement of defined benefit plan	-	-	-	(0.49)	-	-	-	(0.49)
Share Based payment expense	-	-	-	-	43.21	-	-	43.21
Balance as at 1 April 2022	1.75	4,120.72	4,624.17	8,038.41	43.21	0.01	-	16,828.28
Profit for the period	-	-	-	2,581.51	-	-	-	2,581.51
Share Based payment expense	-	-	-	-	163.95	-	-	163.95
Remeasurement of defined benefit plan	-	-	-	(7.75)	-	-	-	(7.75)
Money received against Share warrants	-	-	-	-	-	-	3,706.40	3,706.40
Securities premium	-	9,556.80	-	-	-	-	-	9,556.80
Balance as at 31 March 2023	1.75	13,677.52	4,624.17	10,612.17	207.16	0.01	3,706.40	33,328.19

Refer note 20 for nature of reserves

Notes 1 to 42 form an integral part of these consolidated financial statements
This is the Consolidated Statement of Changes in Equity referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Sandeep Mehta
Partner
Membership No. 099410

For and on behalf of the Board of Directors of
PTC Industries Limited

Sachin Agarwal
Chairman and Managing Director
DIN No.: 00142885

Alok Agarwal
Director (Quality & Technical)
DIN No.: 00129260

Smita Agarwal
Director and Chief Financial Officer
DIN No.: 00276903

Pragati Gupta Agarwal
Company Secretary
Mem. No.: ACS61751

Place: Chandigarh
Date: 31 May 2023

Place: Lucknow
Date: 30 May 2023

PTC Industries Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

1. Group information

PTC Industries Limited (the 'Company') is a public limited Group incorporated in India. The registered office and corporate office of the Company is situated in Lucknow, Uttar Pradesh, India. The Company is a leading manufacturer of metal components for critical and super critical applications. The Company's shares are listed on the Bombay Stock Exchange (BSE) in India.

2. General Information and statement of compliance with Ind AS

These consolidated financial statements of PTC Industries Limited ("the holding Company") and its subsidiary, Aerolloy Technologies Limited (the Holding company and its subsidiary together referred to as "the Group") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The consolidated financial statements of the Group have been prepared in accordance with Ind AS notified by the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ("MCA")), as amended and other relevant provisions of the Act. The consolidated financial statements of PTC Industries Limited as at and for the year ended 31 March 2023 (including comparatives) were approved and authorised for issue by the Board of Directors on 30 May 2023.

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest lakhs and two decimals thereof, unless otherwise indicated.

3. Basis of preparation and presentation

The consolidated financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India.

The consolidated financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (including derivatives instruments) at fair value.
- Defined benefit liabilities are measured at present value of defined benefit obligation.

B) Basis of consolidation

Subsidiary is the entity over which the holding Company has control. Control exists when the holding Company has power over the entity, is exposed, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. The financial statements of subsidiary is included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The financial statements of the holding Company and the subsidiary Company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intragroup balances and intra-group transactions in accordance with Indian Accounting Standard (Ind AS) 110 -"Consolidated Financial Statements".

As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

Consolidated financial statements include consolidated balance sheet, consolidated statement of profit and loss, consolidated cash flow statement, consolidated statement of changes in equity and the summary of significant accounting policies and other explanatory information that form an integral part thereof.

Consolidated subsidiary is having consistent reporting date of 31 March 2023.

Following are the details of the subsidiary consolidated in these financial statements.

Name of the entity	Country of incorporation	Principal Activities	Interest (in %)	
			31-03-2023	31-03-2022
Aerolloy Technologies Limited	India	Manufacturer of metal components	100%	100%

4. **Summary of significant accounting policies**

The consolidated financial statements have been prepared using the significant accounting policies and measurement basis summarized below.

a) **Current/non-current classification**

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Assets

An asset is classified as current when it satisfies any of the following criteria:
1) It is expected to be realised in, or is intended to be sold or consumed in, the Group's normal operating cycle;
2) It is held primarily for the purpose of being traded;
3) It is expected to be realised within twelve months after the reporting date; or
4) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

PTC INDUSTRIES LIMITED LUCKNOW

Liabilities

A liability is classified as current when it satisfies any of the following criteria:
1) It is expected to be settled in the Group's normal operating cycle;
2) It is held primarily for the purpose of being traded;
3) It is due to be settled within twelve months after the reporting date; or
4) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

b) Property, plant and equipment

Recognition, measurement and de-recognition

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.The Group identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the asset as a whole.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Foreign currency exchange differences are capitalized as per the policy stated in note 4(h) below.

Subsequent expenditure

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the year during which such expenses are incurred.

Depreciation

Depreciation on property, plant and equipment is provided on the straight line method over their estimated useful lives, as determined by the management. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

Based on technical assessment made by technical expert and management estimate, the Group have assessed the estimated useful lives of certain property, plant and equipment that are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The estimated useful lives of items of property, plant and equipment are as follows:

Particulars	Management estimate of useful life (years)
Factory and non-factory Buildings	30 - 60
Plant and machinery	2 - 15
Furniture and fixtures	10
Vehicles	8 - 10
Office equipment	5
Computers	3 - 6
Electrical installations	10

Leasehold improvements are amortised over the period of lease or their useful lives, whichever is shorter.

c) Capital work-in-progress

Capital work-in-progress represents expenditure incurred in respect of capital projects and are carried at cost. Cost comprises of purchase cost, related acquisition expenses, development / construction costs, borrowing costs and other direct expenditure.

d) Intangible assets

Recognition, measurement and de-recognition

Intangible assets are stated at cost less accumulated amortisation and impairment losses (if any). Cost related to technical assistance for new projects are capitalised.

Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Subsequent expenditure

Subsequent expenditure related to an item of intangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses are charged to the Statement of Profit and Loss for the year during which such expenses are incurred.

Amortisation

Intangible assets include software that are amortised over the useful economic life of 6 years. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS

PTC INDUSTRIES LIMITED * LUCKNOW *

e) Non-current assets held for sale

An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets, assets arising from employee benefits and deferred tax assets, continue to be measured in accordance with the Group's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

f) **Impairment**

(i) **Impairment of financial assets**

The Group recognises loss allowance for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:
- significant financial difficulty of the issuer or the borrower;
- a breach of contract such as a default in payment within the due date;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The Group measures loss allowances at an amount equal to lifetime expected credit losses. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information. The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any) is held.

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Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) **Impairment of non-financial assets**

At each reporting date, the Group assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the Cash Generating Unit (CGU) is estimated. If such recoverable amount of the asset or CGU to which the asset belongs is less than its carrying amount. The carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If, at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the Statement of Profit and Loss. An asset is deemed impaired when recoverable value is less than its carrying cost and the difference between the two represents provisioning exigency.

g) **Inventories**

Inventories are stated at the lower of cost and net realisable value.

Raw materials, packing material, stores and spares and loose tools: The cost of inventories is calculated on first in and first out basis, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

Work-in-progress and manufactured finished goods: Cost includes raw material costs and an appropriate share of fixed production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

The comparison of cost and net realisable value is made on an item by item basis/contract basis depending on the nature of work.

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h) Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Group's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

For trade receivables only, the Group applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

i) Foreign exchange transactions

Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rates at the date the transaction first qualifies for recognition. All monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities if any that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

All exchange differences relating to foreign currency items are dealt with in the Statement of Profit and Loss in the year in which they arise.

j) Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

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iii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability or the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

Entitlements to annual leave are recognised when they accrue to employees. Leave entitlements may be availed/encashed while in service or encashed at the time of retirement/termination of employment, subject to a restriction on the maximum number of accumulation. The Group determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the year end.

k) Revenue

i. Sale of goods

Revenue arises mainly from the sale of goods. To determine whether to recognise revenue, the Group follows a 5-step process:

(i) Identifying the contract with a customer
(ii) Identifying the performance obligations
(iii) Determining the transaction price
(iv) Allocating the transaction price to the performance obligations
(v) Recognising revenue when/as performance obligation(s) are satisfied.

The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both. Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates.

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Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers. A receivable is recognised when the goods are delivered as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

ii. Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

iii. Dividend income

Dividend income is recognized at the time when the right to receive is established by the reporting date.

iv. Income from power generation:

Income from power generation from windmill located in district Kutch is recognised on the basis of the terms of the contract.

v. Export benefits/incentives

Export entitlements from government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Group, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

l) Borrowings

Borrowing cost consists of interest and other costs incurred in connection with the borrowing of funds and also include exchange differences to the extent regarded as an adjustment to the same. Borrowing costs directly attributable to the acquisition and/ or construction of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

m) Government grants

Government grant is recognized only when there is a reasonable assurance that the entity will comply with the conditions attached to them and the grants will be received.

Grants related to assets is recognized as deferred income which is recognized in the Statement of Profit and Loss on systematic basis over the useful life of the assets.

n) Right of use assets and lease liabilities

For all existing and new contract on or after 01 April 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

The Group as a lessee

Classification of leases

The Group enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

Recognition and initial measurement

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

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o) Financial instruments

i. Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

ii. Subsequent measurement

Financial assets

i. Financial assets carried at amortised cost – A financial instrument is measured at amortised cost if both the following conditions are met:

• The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

• Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

ii. Financial assets at fair value

• Investments in equity instruments other than above – Investments in equity instruments which are held for trading are generally classified as at fair value through profit or loss ("FVTPL"). For all other equity instruments, the Group makes irrevocable choice upon initial recognition, on an instrument to instrument basis, to classify the same either as at fair value through other comprehensive income ("FVOCI") or fair value through profit or loss FVTPL.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment.

However, the Group transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 43 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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Financial liabilities
Subsequent to initial recognition, all non-derivative financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liabilities
A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability.
The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

p) Fair value measurement

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

q) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments net of outstanding bank overdrafts and cash credit facilities as they are considered an integral part of the cash Management.

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r) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

s) Provisions, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future obligation at pre-tax rate that reflects current market assessments of the time value of money risks specific to liability. They are not discounted where they are assessed as current in nature. Provisions are not made for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly with in the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made. Therefore, in order to determine the amount to be recognised as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management. In case of provision for litigations, the judgements involved are with respect to the potential exposure of each litigation and the likelihood and/or timing of cash outflows from the Group and requires interpretation of laws and past legal rulings.

t) Taxation

Income tax comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously

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ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

The Group's ability to recover the deferred tax assets is assessed by the management at the close of each financial year which depends upon the forecasts of the future results and taxable profits that Group expects to earn within the period by which such brought forward losses may be adjusted against the taxable profits as governed by the Income-tax Act, 1961. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset deferred tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle deferred tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's Board of Directors assesses the financial performance and position of the Group, and makes strategic decision. The Board has been identified as the chief operating decision maker. The Group's business activity is organised and managed separately according to the nature of the products, with each segment representing a strategic business unit that offers different products and serves different market. The Group's primary business segment is reflected based on principal business activities carried on by the Group. As per Indian Accounting Standard 108, Operating Segments, as notified under the Companies (Indian Accounting Standards) Rules, 2015, the Group operates in one reportable business segment i.e., manufacturing and selling of metal components for critical and super critical applications. The geographical information analyses the Group's revenue and trade receivables from such revenue in India and other countries. In presenting the geographical information, segment revenue and receivables has been based on the geographic location of customers. Refer note 47 for segment information presented

v) Research and development costs

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred. Items of property, plant and equipment and acquired intangible assets utilized for research and development are capitalized and depreciated / amortized in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

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w) Derivative financial instruments

The Group holds derivative financial instruments in the form of future contracts to mitigate the risk of changes in exchange rates on foreign currency exposure. The counterparty for these contracts are scheduled commercial banks / regulated brokerage firms. Although these derivatives constitute hedges from an economic perspective, they do not qualify for hedge accounting under Ind AS 109 'Financial Instruments' and consequently are categorized as financial assets or financial liabilities at fair value through profit or loss. The resulting exchange gain or loss is included in other income / expenses and attributable transaction costs are recognized in the Statement of Profit and Loss when incurred.

x) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956 (now Schedule III of Companies Act, 2013), the Group has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Group does not include depreciation and amortisation expense, finance costs and tax expense.

y) Significant accounting judgements, estimates and assumptions

When preparing the consolidated financial statements management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.
The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:

Significant judgements:

(i) Evaluation of indicators for impairment of non-financial assets
The evaluation of applicability of indicators of impairment of non-financial assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

(ii) Recognition of deferred tax assets
The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised. The recognition of deferred tax assets and reversal thereof is also dependent upon management decision relating to timing of availment of tax holiday benefits available under the Income Tax Act, 1961 which in turn is based on estimates of future taxable profits.

(iii) Contingent liabilities
The Group is the subject of certain legal proceedings which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Group often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

Sources of estimation uncertainty:

(i) Provisions
At each balance sheet date, basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding guarantees. However, the actual future outcome may be different from management's estimates.

(ii) Fair valuation of financial instruments
Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

(iii) Recoverability of advances/receivables
At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

z) Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April 2023, as below:

Ind AS 1 – Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Group has evaluated the amendment and does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Group has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 – Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Group has evaluated the amendment and there is no impact on its financial statements.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023
(All amounts in ₹ lakh, unless stated otherwise)

5 Property, plant and equipment

Particulars	Freehold land	Factory building	Plant and machinery	Computers	Moulds and dies	Vehicles	Furniture and fixtures	Office equipments	Research and development assets: Plant and machinery	Research and development assets: Computers	Research and development assets: Moulds and dies	Research and development assets: Vehicles	Total
As at 1 April 2021	1,202.62	4,455.73	20,580.52	236.79	1,748.57	323.52	177.14	189.70	255.03	1.18	111.77	6.35	29,313.12
Additions	-	261.62	3,551.24	9.75	215.56	52.94	5.??	8.13	-	-	-	-	4,287.23
Adjustments	1.61	-	-	-	-	-	-	-	-	-	-	-	1.61
Disposals/assets written off	-	-	(51.45)	-	-	-	-	-	-	-	-	-	(51.45)
Balance as at 31 March 2022	1,204.23	4,774.35	24,080.31	246.54	1,964.13	339.50	182.73	197.83	255.03	1.18	111.77	6.35	33,550.57
Additions	397.70	4.36	125.95	15.42	173.43	65.46	0.06	11.76	-	-	-	-	790.00
Disposals/assets written off	-	-	(150.52)	-	-	(76.60)	-	-	-	-	-	-	(175.99)
Balance as at 31 March 2023	1,601.93	4,777.81	23,965.34	261.46	2,137.56	409.30	182.73	209.63	255.03	1.18	111.77	6.35	33,876.07
Accumulated depreciation													
As at 1 April 2021	-	565.63	5,865.57	187.88	1,105.57	151.64	108.26	118.95	176.07	1.06	96.19	1.72	8,175.36
Charge for the year	-	136.84	1,104.35	13.05	112.15	34.25	11.35	21.06	6.49	0.07	1.05	0.05	1,441.78
Adjustments for disposals	-	-	(7.18)	-	-	-	-	-	-	-	-	-	(7.18)
Balance as at 31 March 2022	-	702.46	6,951.59	200.93	1,218.95	185.60	119.61	140.02	182.56	1.03	132.24	3.78	9,609.56
Charge for the year	-	141.55	1,292.11	14.10	122.91	50.12	11.21	21.81	6.49	0.02	-	0.06	1,612.01
Adjustments for disposals	-	-	(117.79)	-	-	(35.83)	-	-	-	-	-	-	(153.63)
Balance as at 31 March 2023	-	844.31	8,127.73	214.93	1,341.61	200.48	129.82	161.03	150.05	1.10	107.24	3.84	11,067.95
Net block as at 31 March 2022	1,204.23	4,071.89	17,047.12	45.21	745.33	173.61	63.12	57.82	72.47	0.10	4.53	2.57	23,941.21
Net block as at 31 March 2023	1,601.93	3,933.50	15,830.21	46.53	795.65	208.82	57.93	47.20	65.95	0.08	4.53	2.51	22,808.72

Notes:
a) Refer note 49 "Assets pledged as security" for details regarding property, plant and equipment pledged as security.
b) Refer note 46(i) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
c) Plant and machinery and accessories amounting to ₹ [illegible] lakh was acquired under the Technology Acquisition and Fund Programme (TAFP) project. These assets have been restricted for use under that respective projects.
d) No proceeding has been initiated or pending against the company for holding any benami property under the Benami transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

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PTC INDUSTRIES LIMITED * LUCKNOW *

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS

6 Capital work-in-progress

Particulars	Amount
Balance as at 1 April 2021	3,130.61
Additions	1,680.05
Capitalisation during the year	(1,156.76)
Balance as at 31 March 2022	2,255.09
Additions	1,549.22
Capitalisation during the year	(147.45)
Balance as at 31 March 2023	6,655.80

Notes:
1. Additions to capital work-in-progress include amount of ₹ 365.25 lakh (31 March 2022: ₹ 157.14 lakh) capitalised during the year.
2. There has been no CWIP which is overdue or has exceeded its cost compared to its original plan.

(a) Capital-work-in progress ageing schedule as at 31 March 2023

(₹ in lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4,408.77	1,820.65	1,154.10	88.54	[illegible]

Capital-work-in progress ageing schedule as at 31 March 2022

(₹ in lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,020.65	1,154.10	65.39	16.94	2,255.05

7 Investment Property

Particulars	Freehold land	Factory building	Total
Net carrying value			
Gross Block as on 31st March 2021	125.59	151.77	277.36
Additions	-	-	-
Gross Block as on 31st March 2022	125.59	151.77	277.36
Addition	-	-	-
Gross Block as on 31st March 2023	125.59	151.77	277.36
Accumulated depreciation			
As at 1 April 2021	-	82.99	82.99
Charge for the year	-	3.51	3.51
Balance as at 31 March 2022	-	94.30	94.30
Depreciation charge for the year	-	3.54	3.54
Balance as at 31 March 2023	-	97.84	97.84
Net block as at 31 March 2022	125.59	57.47	183.06
Net block as at 31 March 2023	125.59	53.93	179.52

Notes:
(i) Amount recognised in statement of profit and loss for investment property

	As at 31 March 2023	As at 31 March 2022
Rental income	48.40	15.03
Depreciation on investment property	3.54	3.51
Profit from leasing of investment property	44.86	11.52

(ii) The Group has given its investment property on lease to a tenant under short term operating lease agreement with rentals payable monthly. However, lease can be terminated by either of the parties during the term, hence considered as cancellable and accordingly no lease disclosures given as required by Ind AS 116 'Leases'.

(iii) Fair value of investment property

	As at 31 March 2023	As at 31 March 2022
Fair value	[illegible]	[illegible]

The Group obtains independent valuations for its investment property. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Group considers information from a variety of sources such as current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

Fair value is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.
These valuations are based on valuations performed by accredited independent valuer. Fair value is based on market value approach. The fair value measurement is categorised in Level 2 of fair value hierarchy. There has been no restriction on disposal of property or remittance of income and proceeds of disposal.

(All amounts in ₹ lakhs, unless stated otherwise)

8 Other intangible assets

Particulars	Software	Licenses	Research and development asset - Software	Total
Gross block				
As at 1 April 2021	207.35	39.70	4.72	251.77
Additions	12.34			12.34
Balance as at 31 March 2022	219.69	39.70	4.72	264.11
Additions	38.56			38.56
Balance as at 31 March 2023	258.25	39.70	4.72	302.67
Accumulated amortisation				
As at 1 April 2021	131.25	39.70	4.44	175.39
Charge for the year	20.40	-	-	20.40
Balance as at 31 March 2022	151.65	39.70	4.44	195.79
Charge for the year	21.37			21.37
Balance as at 31 March 2023	173.02	39.70	4.44	217.16
Net block as at 31 March 2022	68.04	-	0.28	68.32
Net block as at 31 March 2023	85.23	-	0.28	85.51

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(All amounts in ₹ lakhs unless stated otherwise)

9(a) Non-current investments

	As at 31 March 2023	As at 31 March 2022
Unquoted equity shares		
Investments in equity instruments (at cost)		
Investment in Aerospace & Defence & Communication Sector SME Fund: 5,000 units of Rs. 10 each	0.50	-
	0.50	-
Aggregate amount of unquoted investments	0.50	-

Note:
Refer note 43 for disclosure of fair values in respect of financial assets measured at cost.

9(b) Current investments

	As at 31 March 2023	As at 31 March 2022
Quoted instruments		
Investment in mutual fund (at fair value through profit or loss)		
5,000 units (31 March 2022: 5,000 units) of UTI Equity Fund (Face Value [illegible])	7.18	7.21
	7.18	7.21
Aggregate amount of quoted investments and market value thereof	7.18	7.21

Note:
Refer note 43 for disclosure of fair values in respect of financial assets measured at cost.

10 Current financial assets - loans

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Loan to employees*	59.86	66.96
	59.86	66.96

* No loans and advances provided to promoters, directors & KMP
Note:
Refer note 43 for disclosure of fair values in respect of financial assets measured at cost.

11(a) Non-current financial assets - others

	As at 31 March 2023	As at 31 March 2022
Deposits with banks with maturity more than 12 months*	170.54	90.58
Security deposits	160.33	132.84
Interest Accrued on Deposit	6.62	
	337.49	223.42

* The above balance includes margin money deposits which are pledged with banks for issuance of bank guarantees and letter of credits.

Note:
Refer note 43 for disclosure of fair values in respect of financial assets measured at cost.

11(b) Current financial assets - others

	As at 31 March 2023	As at 31 March 2022
Export incentive receivable*	181.12	430.55
Other receivables	-	56.05
	181.12	486.60

*Export incentive receivable movement summary

Particulars	Amount
Balance as at 1 April 2021	179.06
Income during the year	221.41
Amount realised/adjusted during the year	249.85
Balance as at 31 March 2022	430.55
Income during the year	384.91
Amount realised/adjusted during the year	653.61
Balance as at 31 March 2023	161.32

Note:
Refer note 43 for disclosure of fair values in respect of financial assets measured at cost.

12 Income tax assets (net)

	As at 31 March 2023	As at 31 March 2022
Advance income tax (net of provision for taxation)	351.81	397.45
	351.81	397.45

13 Other non-current assets

	As at 31 March 2023	As at 31 March 2022
Capital advances	5,400.09	831.45
Prepaid expenses	52.52	-
	5,452.61	831.45

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WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

PTC INDUSTRIES LIMITED LUCKNOW

(All amounts in ₹ lakhs, unless stated otherwise)

14 Inventories

(Valued at lower of cost or net realisable value)	As at 31 March 2023	As at 31 March 2022
Raw materials	2,438.53	1,541.40
Work-in-progress	4,205.50	4,073.30
Finished goods	45.02	45.02
Stores and spares	990.64	696.25
Loose tools	138.51	124.88
	7,772.20	6,480.75

15 Trade receivables

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good	6,568.73	6,149.91
Unsecured, considered doubtful	22.50	22.50
	6,591.23	6,172.41
Less: Provision for expected credit loss	(22.50)	(22.50)
*Refer note-43 for ageing schedule of Trade receivables	6,568.73	6,149.91

16 Cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Balances with banks	178.76	123.27
Cash on hand	5.63	11.49
Balances in deposit account with original maturity upto 3 months*	500.08	-
	684.47	134.76

* The above balance includes margin money deposits which are pledged with banks for issuance of bank guarantees and letter of credits.

Note

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period

17 Other bank balances

	As at 31 March 2023	As at 31 March 2022
Deposits with original maturity more than 3 months but remaining less than 12 months*	2,235.46	221.26
Interest accrued on deposits	86.28	39.15
	2,321.74	260.41

* The above balance includes margin money deposits which are pledged with banks for issuance of bank guarantees and letter of credits

Other current assets

	As at 31 March 2023	As at 31 March 2022
Prepaid expenses	195.67	62.70
Balances with statutory and government authorities	1,473.13	1,121.11
Gratuity asset	12.28	-
Advance to suppliers	634.01	439.27
Other loans and advances	30.11	48.55
	2,025.40	1,690.63

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WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

PTC INDUSTRIES LIMITED LUCKNOW

PTC Industries Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023
(All amounts in ₹ lakhs, unless stated otherwise)

19 Equity share capital

	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Authorised				
Equity shares of ₹ 10 each	20,000,000	2,000.00	20,000,000	2,000.00
	20,000,000	2,000.00	11,000,000	1,100.00
Issued, subscribed and fully paid up:				
Equity shares of ₹ 10 each	13,382,257	1,338.23	5,239,063	523.91
	13,382,257	1,338.23	5,239,063	523.91

[1]During the previous year, the Holding Company has increased the authorised share capital from INR 1,100.00 lacs to INR 2,000.00 lacs and also converted the authorised redeemable cumulative preference share capital into equity share capital.

i) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Outstanding at the beginning of the year	5,239,063	523.91	5,239,063	523.91
Add: Shares issued during the year :				
i) Right issue of equity shares of ₹ 10 each (Refer note 58)	7,856,594	785.66		
ii) Preferential issue of equity shares of ₹ 10 each (Refer note 59)	286,600	28.66	-	-
Outstanding at the end of the year	13,382,257	1,338.23	5,239,063	523.91

b) Terms and rights attached to equity shares
The Group has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.
The Group declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% of the equity share capital

	As at 31 March 2023		As at 31 March 2022	
	Number	% of holding	Number	% of holding
Sachin Agarwal	2,855,491	21.34%	1,115,701	21.30%
Mapple Commerce Private Limited	1,599,983	11.96%	625,750	11.95%
Nirala Mediaways Private Limited	1,177,818	8.80%	460,200	8.78%
Priya Ranjan Agarwal	987,914	7.38%	386,000	7.37%
Sachin Agarwal HUF	670,207	5.01%	261,900	5.00%

d) Information regarding issue of shares in the last five years
i) The Group has not issued any shares without payment being received in cash in the last five years.
ii) There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the last 5 years.

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PTC Industries Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023
(All amounts in ₹ lakhs, unless stated otherwise)

(i) Disclosure of Shareholding of Promoters

Shares held by promoters at the end of the year as on 31 March 2023			
Promoter Name	No. of Shares	% of Total	% Change during the year *
Sachin Agarwal	2,855,191	21.51%	155.94%
Mayank Commerce Private Limited	1,589,945	11.96%	155.91%
Nirala Merchants Private Limited	1,172,818	8.80%	155.94%
Priya Rachna Agarwal	987,914	7.36%	155.91%
Sachin Agarwal HUF	800,397	6.01%	155.94%
Alok Agarwal	554,799	4.12%	155.94%
Pyrax Advisory Services Private Limited	493,575	3.34%	155.94%
Smita Agarwal	335,276	2.52%	155.94%
Anubhav Agarwal	159,448	1.19%	155.94%
Satish Chandra Agarwal HUF	77,805	0.58%	155.94%
Bina Agarwal	71,483	0.53%	155.94%
Kaushal Agarwal	54,158	0.40%	155.93%
Kiran Arun Prasad	15,119	0.37%	155.99%
Nina Agarwal	25,911	0.19%	155.99%
Kirtika Agarwal	25,595	0.19%	155.91%
Reena Agarwal	10,227	0.08%	155.90%
Arun Jyoti Prasad	5,119	0.04%	155.90%
Total	9,090,580	67.94%	155.94%

* The significant increase in % change in number of shares during the year is on account of issue of right shares during the year, in the ratio of three new equity shares for every two equity shares of the Company held by the eligible shareholders on the record date

Shares held by promoters at the end of the year as on 31 March 2022			
Promoter Name	No. of Shares	% of Total	% Change during the year
Sachin Agarwal	1,115,504	21.30%	0.00%
Mayank Commerce Private Limited	625,750	11.95%	0.00%
Nirala Merchants Private Limited	462,500	8.70%	0.00%
Priya Rachna Agarwal	386,000	7.37%	0.00%
Sachin Agarwal HUF	261,900	5.00%	0.00%
Alok Agarwal	223,630	4.12%	0.00%
Pyrax Advisory Services Private Limited	163,410	3.23%	0.00%
Smita Agarwal	131,000	2.52%	0.00%
Anubhav Agarwal	62,300	1.19%	0.00%
Satish Chandra Agarwal HUF	30,402	0.58%	0.00%
Bina Agarwal	27,931	0.53%	0.00%
Kaushal Agarwal	21,200	0.40%	0.00%
Kiran Arun Prasad	19,230	0.37%	0.00%
Nina Agarwal	10,000	0.19%	0.00%
Kirtika Agarwal	10,000	0.19%	0.00%
Reena Agarwal	4,000	0.08%	0.00%
Arun Jyoti Prasad	2,000	0.04%	0.00%
Total	3,551,804	67.80%	[illegible]

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

PTC INDUSTRIES LIMITED LUCKNOW

PTC Industries Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023
(All amounts in ₹ lakhs, unless stated otherwise)

26 Other equity

	As at 31 March 2023	As at 31 March 2022
a. Capital reserve		
Balance at the beginning of the year	1.75	1.75
Add: Additions during the year	-	-
Balance at the end of the year	1.75	1.75
b. Securities premium		
Balance at the beginning of the year	4,120.72	4,120.72
Add: Additions during the year	6,556.80	-
Balance at the end of the year	10,677.52	4,120.72
c. General reserve		
Balance at the beginning of the year	4,624.17	4,624.17
Add: Additions during the year	-	-
Balance at the end of the year	4,624.17	4,624.17
d. Retained earnings		
Balance at the beginning of the year	7,538.42	6,257.76
Add: Profit during the year	2,573.76	1,280.66
Balance at the end of the year	10,112.18	7,538.42
e. Other comprehensive income		
Balance at the beginning of the year	0.01	0.01
Add: Profit during the year	-	-
Balance at the end of the year	0.01	0.01
f. Share based payment reserve		
Balance at the beginning of the year	43.21	-
Add: Profit during the year	163.95	43.21
Balance at the end of the year	207.16	43.21
g. Share warrants (Refer note 58)		
Balance at the beginning of the year	-	-
Add: Amount received during the year	3,705.40	-
Balance at the end of the year	3,705.40	-
Total	29,328.19	16,328.28

Nature and purpose of other reserves:

(a) **Capital reserve**
Capital reserve was created in respect of proceeds on forfeited shares.

(b) **Securities premium**
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

(c) **General reserve**
Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn.

(d) **Retained earnings**
Retained earnings refer to the net profit retained by the company for its core business activities.

(e) **Share Based Payment Reserve(SBP)**
This reserve has been created to meet the cost of Employee Stock Option Payment(ESOP) scheme.

(f) **Share Warrants**
Fully convertible warrants alloted to persons belonging to Non-Promoter category convertible into equivalent number of Equity Shares within a period of 18 months from the date of allotment.

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(All amounts in ₹ lakhs, unless stated otherwise)

21(i) Non-current borrowings

	As at 31 March 2023	As at 31 March 2022
Secured		
Term loans from banks	10,516.74	10,781.00
Term loans from financial companies	-	250.33
Vehicle loans from banks and financial institutions	145.80	111.25
Special line of credit - from banks	75.26	186.33
Total borrowings	10,738.80	11,328.87
Less: Current maturities of long term borrowings (refer note 21(ii))	(3,147.84)	(3,706.19)
	7,590.96	7,622.68

Notes:
1. Term loans from banks and financial institutions carrying interest rate ranging from 7.25% to 11.20% p.a. (P.Y. 8.25% to 10.75% p.a.).
2. Term loans from banks are secured by way of equitable mortgage on pari-passu basis on the land and building of Lucknow Plant I, AMTC Plant (at village Sarai Shahzadi) and first pari-passu charge on the plant and equipment of the Lucknow Plant I, AMTC Plant (at village Sarai Shahzadi) of the Company and second charge ranking pari-passu on the whole of the present and future current assets of the Company.
3. Further, the term loans from banks and financial institutions are secured by way of personal guarantee of the two Directors of the Company.
4. Vehicle loans carry interest rate ranging from 7.75% to 12.50% p.a. (P.Y. 8.25% to 12.50% p.a.) and are secured by way of hypothecation charge on respective assets thus purchased.
5. Special line of credit - from banks carry interest rate ranging from 9.00% to 14.00% p.a. (P.Y. 9.00% to 14.00% p.a.). Special line of credit - from banks are secured by way of personal guarantee of the two directors of the Company.
6. Refer note 45 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

21(ii) Current borrowings

	As at 31 March 2023	As at 31 March 2022
Loans repayable on demand - from banks	5,610.87	6,973.85
Current maturity of long term debt	1,117.30	3,296.79
Unsecured		
Bill Discounted		
	1,832.11	1,019.32
	8,560.28	11,289.96

Notes:
1. Working capital facilities from banks carry interest rates ranging from 8.25% to 11.95% p.a. (P.Y. 9.00% to 11.10% p.a.) and are repayable on demand. These facilities are secured by way of first charge ranking pari-passu on the whole of the present and future current assets of the Company and further secured by second charge on equitable mortgage on pari-passu basis on the land and building of Lucknow Plant I and AMTC Plant (at village Sarai Shahzadi) and first second pari-passu charge on plant and equipment of the Lucknow Plant I and AMTC Plant (at village Sarai Shahzadi) of the Company.
2. Cash credit facilities are secured by way of personal guarantee of the two directors of the Company.
3. Refer note 45 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.
4. The Company has borrowings from banks on the basis of security of current assets and quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

5. Reconciliation of movements in the opening and closing balances of the balance sheet for liabilities arising from financing activities:

Particulars	Non-current borrowings	Current borrowings	Interest accrued
As at 1 April 2021	16,232.07	3,332.68	120.05
Add: Non cash changes due to:			
- Interest expense debited to statement of profit and loss	-	-	1,366.96
- Interest expense capitalised to capital work-in-progress	-	-	157.13
Add: Cash inflows during the year			
- Proceeds from non-current borrowings	2,971.42	-	-
- Proceeds from current borrowings		787.40	-
Less: Cash outflows during the year			
- Repayment of non-current borrowings	(1,538.67)	-	-
- Interest paid	-	-	1,537.07
As at 1 April 2022	14,664.87	4,958.16	108.08
Add: Non cash changes due to:			
- Interest expense debited to statement of profit and loss	-	-	1,410.97
- Interest expense capitalised to capital work-in-progress		-	75.61
Add: Cash inflows during the year			
Proceeds from non-current borrowings	4,830.15	-	-
Less: Cash outflows during the year			
Repayment of non-current borrowings	(5,749.22)	-	
- Repayment of current borrowings	-	(1,040.18)	-
- Interest paid	-	-	(1,674.59)
Closing balance as at 31 March 2023	13,735.80	5,588.58	14.08

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

PTC INDUSTRIES LIMITED LUCKNOW

(All amounts in ₹ lakhs, unless stated otherwise)

22 Other financial liabilities

	As at 31 March 2023	As at 31 March 2022
Security deposit	2.50	2.50
TDDP Grant (Non-current)*	277.25	207.01
	279.75	211.51

Note:
Refer note 48 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.
*TDDP grant refers to grant received under "Technology Development and Demonstration Programme" from National Research Development Corporation (NRDC) an enterprise of Department of Scientific & Industrial Research (DSIR). Refer note 58 for further details.

23 Provisions

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits				
- Provision for gratuity		-	11.32	21.99
- Provision for compensated absences	90.54	75.89	20.22	19.64
	90.54	75.89	31.54	41.63

24 Deferred tax liabilities (net)

	As at 31 March 2023	As at 31 March 2022
Deferred tax liability arising on account of:		
Difference between book balance and tax balance of property, plant and equipment	1,596.19	1,413.12
Provision for employee benefits	32.54	29.16
Tax impact of allowances under tax exemptions/deductions	32.13	(7.05)
Provision for doubtful debts	5.44	5.41
	70.11	37.54
Net deferred tax liability	1,526.08	1,375.58

(A) Movement in deferred tax liabilities

	As at 1 April 2021	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2022
Deferred tax liability arising on account of:				
Difference between book balance and tax balance of property, plant and equipment	1,236.40	176.72	-	1,413.12
	1,236.40	176.72	-	1,413.12
Deferred tax asset arising on account of:				
Provision for employee benefits	29.82	0.15	0.16	30.23
Provision for doubtful debts	6.38	(0.94)	-	5.44
Tax impact of allowances under tax exemptions/deductions	(41.28)	33.23	-	(7.05)
Brought forward losses and unabsorbed depreciation	43.13	(43.13)	-	-
	38.05	7.40	0.16	37.54
Net deferred tax liability	1,202.35	169.32	(0.16)	1,375.58

Movement in deferred tax liabilities

Particulars	As at 1 April 2022	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2023
Deferred tax liability arising on account of:				
Difference between book balance and tax balance of property, plant and equipment	1,413.12	183.07		1,596.19
	1,413.12	183.07	-	1,596.19
Deferred tax asset arising on account of:				
Provision for employee benefits	29.16	(5.10)	2.50	33.54
Provision for doubtful debts	5.44	-	-	5.41
Tax impact of allowances under tax exemptions/deductions	(7.05)	39.18	-	32.13
	37.54	30.05	2.50	70.11
Net deferred tax liability	1,375.58	153.02	(2.50)	1,526.08

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

PTC INDUSTRIES LIMITED LUCKNOW

(All amounts in ₹ lakhs, unless stated otherwise)

(ii) Unrecognised deferred tax assets

	As at 31 March 2023		As at 31 March 2022	
	Gross amount	Tax effect	Gross amount	Tax effect
Long-term capital losses	61.67	15.52	61.67	15.52
	61.67	15.52	61.67	15.52

25 Other non-current liabilities

	As at 31 March 2023	As at 31 March 2022
Deferred grant income	855.00	901.67
	855.00	901.67
(i) Reconciliation of deferred income		
Opening balance at the beginning of the year	901.66	1,012.32
Add: Grant received during the year		200.00
Less: Released to the Statement of Profit and Loss	(46.67)	(51.67)
Less: Reduced to other financial liability (Non current & current) (Refer Note 41)	(246.85)	(188.69)
Closing balance at the end of the year	855.00	901.66

26 Trade payables

	As at 31 March 2023	As at 31 March 2022
Due to:		
Total outstanding dues of micro enterprises and small enterprises*	610.32	233.17
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,490.22	1,640.72
	2,100.54	1,873.89

Note:
Refer note 43 for disclosure of fair value in respect of financial liabilities measured at amortised cost and analysis of their maturity profile.

*Dues to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act (MSMED), to the extent identified and information available with the Group, pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006, details are mentioned below:

Principal amount and interest due thereon remaining unpaid to any supplier at the end of each accounting year	610.32	233.17
The amount of interest paid by the Group in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year		
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006		-

Trade Payables ageing schedule as at 31st March 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	610.32	-	-	-	610.32
(ii) Others	1,440.96	42.51	6.75	-	1,490.22
Total	2,051.28	42.51	6.75	-	2,100.54

* There are no disputed payables

Trade Payables ageing schedule as at 31st March 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	233.17	-	-	-	233.17
(ii) Others	1,577.65	63.07	-	-	1,640.72
Total	1,810.82	63.07	-	-	1,873.89

* There are no disputed payables

27 Current financial liabilities - others

	As at 31 March 2023	As at 31 March 2022
Interest accrued but not due on borrowings		
TDDP Grant (Current)*	-	116.90
Others	57.11	118.61
- Payable to creditors for capital goods		
- Payable to employees related payables	420.17	400.13
- Expenses payable	280.57	325.09
Other financial liability **	161.20	137.15
	126.32	-
	1,128.79	1,097.72

* TDDP grant refers to grant received under "Technology Development and Demonstration Programme" from National Research Development Corporation (NRDC) an enterprise of Department of Scientific & Industrial Research (DSIR). Refer note 41 for further details.

** Other financial liability includes the forward contracts.

Note:
Refer note 43 for disclosure of fair value in respect of financial liabilities measured at amortised cost and analysis of their maturity profile.

PTC INDUSTRIES LTD. LUCKNOW

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

(All amounts in ₹ lakhs, unless stated otherwise)

25 Other current liabilities

	As at 31 March 2023	As at 31 March 2022
Revenue received in advance	837.57	305.47
Statutory dues payable	74.58	64.53
	936.15	360.99

26 Current tax liabilities (net)

	As at 31 March 2023	As at 31 March 2022
Current year liabilities net of advance tax and TDS	37.83	7.30
	37.83	7.30

PTC Industries Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023
(All amounts in ₹ lakhs, unless stated otherwise)

30 Revenue from operations (Point in Time)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products	21,501.76	17,555.11
Other operating revenue (refer (a) below)	424.45	300.34
Revenue from operations	21,926.21	17,855.45
(a) Other operating revenue (Point in Time)		
Export incentive		
Income from power generation	386.31	221.34
Scrap	38.14	79.00
	424.45	300.34
Reconciliation of revenue recognised with contract price		
Gross Revenue	21,926.21	17,806.25
Less: Exchange difference adjustment	-	48.78
	21,926.21	17,855.43

31 Other income

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest		
- from bank deposits valued at amortised cost	71.09	75.25
Rent income from investment property and property plant & equipment	49.40	46.70
Supply of services	5.42	36.13
Sale of scrap material	-	44.50
Gain on foreign exchange fluctuations (net)	575.91	303.45
Dividend income on investments carried at fair value through profit & loss	8.03	0.21
Mark to market gain on forward contracts measured at fair value through PL	-	36.05
Amortisation of deferred income (refer note 25)	46.67	31.67
Profit on sale of assets	3.40	8.13
Insurance Received	-	8.84
Miscellaneous income	15.34	15.11
	791.99	633.59

32 Cost of materials consumed

	For the year ended 31 March 2023	For the year ended 31 March 2022
Raw materials at the beginning of the year	4,731.40	1,252.19
Add: Purchases	6,197.63	5,947.18
Less: Closing stock	2,406.71	1,541.40
	5,475.50	5,131.08
Less: raw material consumed for research and development	-	65.06
Cost of material consumed	5,475.56	5,066.02

33 Changes in inventories of finished goods and work-in-progress

	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventories at the beginning of the year		
Work-in-progress	4,073.70	3,310.75
Finished goods	45.03	45.03
	4,118.73	3,355.78
Inventories at the end of the year		
Work-in-progress	4,090.80	4,073.70
Finished goods	45.02	45.02
	4,151.82	4,118.72
Changes in inventories of finished goods and work-in-progress	(33.09)	(762.94)

34 Employee benefits expense*

	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	2,167.28	1,816.51
Contribution to provident and other funds	142.55	111.89
Gratuity expense (refer note 15)	42.01	33.17
Staff welfare expenses	76.73	67.03
Employee stock option plan expense	161.31	45.21
	2,589.76	2,073.85

*Employee benefit expenses exclude ₹ 34.85 lakhs (31 March 2022: ₹ 32.80 lakhs) towards research and development expenses (refer note 35)

35 Research and development expenses

	For the year ended 31 March 2023	For the year ended 31 March 2022
Raw materials consumed		65.06
Manufacturing, stores and spares consumed	-	84.77
Salary and wages	34.85	32.80
	34.85	181.94

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WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

PTC INDUSTRIES LTD. LUCKNOW

36 Other expenses

	For the year ended 31 March 2023	For the year ended 31 March 2022
Manufacturing expenses		
Stores and spares consumed*	2,097.45	[illegible]
Power and fuel	1,283.54	[illegible]
Repairs and maintenance		
- plant and machinery	237.72	42.90
- building	24.00	14.35
Processing and general consumables	200.58	95.99
Processing and job work charges	772.51	1,01[illegible]
Freight Expenses	41.63	30.71
Conversion expenses	81.54	103.66
Testing and inspection charges	371.04	348.71
Sub-total (A)	6,044.70	6,089.15
Administrative, selling and other expenses		
Rent	24.35	25.25
Rates and taxes	151.83	9.15
Insurance expenses	[illegible]	35.85
Security expenses	109.60	70.49
Legal and professional expenses	101.72	114.89
Payment to Auditors (refer note 37(a))	32.82	35.80
Travelling and conveyance	223.51	199.50
Vehicle running and maintenance	144.30	114.40
Communication expenses	60.70	24.50
Printing and stationery	17.14	15.35
Training and Recruitment	32.10	45.16
Seminars, Conferences and Exhibitions	31.26	23.41
[illegible]	150.40	
Freight and clearing	236.72	147.64
Other miscellaneous expenses	257.71	226.07
Late delivery charges	6.25	-
Advertisement and promotion	7.83	0.83
Donation and charity	8.85	0.10
Computer expenses	40.64	52.61
Corporate social responsibility expenses (refer note 37(b))	26.05	21.88
Business promotion expenses	24.79	12.21
Office upkeep and maintenance charges	53.45	51.45
Miscellaneous expenses	12.44	10.24
Sub-total (B)	1,957.22	1,228.71
Grand total (C=A+B)	8,001.92	7,310.57

*Stores and spares consumed include (31 March 2022: ₹ [illegible] lakhs) towards research and development expenses (refer note [illegible])

37(a) Payment to auditors

	For the year ended 31 March 2023	For the year ended 31 March 2022
As auditors		
- Statutory audit (including limited review)	25.11	30.00
In other capacity		
- Certification	3.84	0.86
- Out of pocket expenses	1.87	-
	32.82	35.80

37(b) Corporate social responsibility expenses

	For the year ended 31 March 2023	For the year ended 31 March 2022
Gross amount required to be spent under section 135 of the Act	26.13	21.88

Amount spent during the year ended 31 March 2023	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	1.53	24.60	1.53
	1.53	24.60	1.53

Amount spent during the year ended 31 March 2022	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	21.88		21.88
	21.88		21.88

Details of corporate social responsibility expenditure		
Particulars	As at 31 March 2023	As at 31 March 2022
(i) Amount required to be spent by the company during the year	26.13	21.88
(ii) Amount of expenditure incurred	1.53	21.88
(iii) Shortfall at the end of the year	24.60	-
(iv) Total of previous years shortfall	-	-
(v) Amount deposited in special unspent CSR account after the year	24.60	-
(vi) Reason for shortfall	-	-
(vii) Reason for shortfall	-	-
(viii) Nature of CSR activities	[illegible]	[illegible]
(ix) Details of related party transactions	-	-

38 Finance costs

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense on borrowings measured at amortised cost		
- [illegible]	[illegible]	[illegible]
- [illegible]	[illegible]	[illegible]
Interest on others	[illegible]	[illegible]
Bank charges	166.77	[illegible]
	1,271.14	[illegible]

39 Depreciation and amortisation expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment	1,642.0[illegible]	1,4[illegible]1.26
Depreciation on investment property	1.54	1.54
Amortisation on intangible assets	21.17	28.40
	1,664.72	1,452.[illegible]

40 Exceptional items

	For the year ended 31 March 2023	For the year ended 31 March 2022
Derecognition of TDDP grant (refer footnote)*	-	156.79
		156.79

* TDDP grant refers to grant received under "Technology Development and Demonstration Programme" from National Research Development Corporation (NRDC) an enterprise of Department of Scientific & Industrial Research (DSIR). Refer note [illegible] for further details.

41 Tax expense

(a) Income tax expense recognised in profit and loss

	For the year ended 31 March 2023	For the year ended 31 March 2022
Current tax		
Current tax	661.23	317.3[illegible]
Current tax - earlier years	(29.9[illegible])	-
	631.29	317.3[illegible]
Deferred tax		
In respect of current year origination and reversal of temporary differences	(50.35)	173.33
	580.94	[illegible]
Total tax expense recognised in profit and loss	784.35	420.6[illegible]

(b) Income tax expense recognised in other comprehensive income

	For the year ended 31 March 2023	For the year ended 31 March 2022
Deferred tax		
Remeasurement of defined benefit obligation	2.56	0.16
Total tax expense recognised in other comprehensive income	2.56	0.16

(c) Numerical reconciliation between average effective tax rate and applicable tax rate :

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Group at 25.17% (31 March 2022: 25.17%) and the reported tax expense in the statement of profit and loss are as follows:

Accounting profit before income tax	3,3[illegible]	1,6[illegible]
At India's statutory income tax rate of 25.17% (31 March 2022 25.17%)	847.12	420.31
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Tax incentive and concession	-	-
Non-deductible expenses	21.35	29.78
Taxable income at different rates	(5[illegible])	(25.48)
Tax earlier years	([illegible])	-
Others	-	-
	784.35	420.6[illegible]
Basis of computing Company's statutory income tax rates		
Basic rate	22.00%	22.00%
Add: Surcharge	2.20%	2.20%
	24.20%	24.20%
Add: Education cess	0.97%	0.97%
	25.17%	25.17%

42 Earnings per share

Earnings per Share (EPS) is computed based on the net profit attributable to the shareholders. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

Profit for the year attributable to equity shareholders	2,581.51	1,2[illegible]
Weighted average number of equity shares (nos. in lakh)	131.[illegible]	52.3[illegible]
Nominal value per share (₹)	10.00	10.00
Earnings per share - basic (₹) (refer note 20)	19.[illegible]	24.[illegible]
Weighted average number of equity shares for Diluted (nos. in lakh)	131.[illegible]	52.3[illegible]
Add: Preference / Warrants etc	0.44	0.[illegible]
Total Diluted Equity Shares	1[illegible]	52.[illegible]
Earnings per share - diluted (₹) (refer note 20)	19.[illegible]	[illegible]

The Company has dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the Company are as above.

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[illegible]

Particulars	As at 31 March 2023	As at 31 March 2022
Equity	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Gearing ratio		
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

[illegible]

Particulars	Note no.	As at 31 March 2023			As at 31 March 2022		
		Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI
[illegible]							

[illegible]

Particulars	As at 31 March 2023			As at 31 March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
[illegible]						

[illegible]

[illegible]

[illegible]

Type	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

[illegible]

Particulars	As at 31 March 2021			As at 31 March 2020		
	Level	Carrying Value	Fair Value	Level	Carrying Value	Fair Value
Financial assets						
Loans	Level 3	[illegible]	[illegible]	Level 3	[illegible]	[illegible]
Trade receivables	Level 3	[illegible]	[illegible]	Level 3	[illegible]	[illegible]
Cash and cash equivalents	Level 3	[illegible]	[illegible]	Level 3	[illegible]	[illegible]
Other bank balances	Level 3	[illegible]	[illegible]	Level 3	[illegible]	[illegible]
Other financial assets	Level 3	[illegible]	[illegible]	Level 3	[illegible]	[illegible]
Total financial assets		[illegible]	[illegible]		[illegible]	[illegible]
Financial liabilities						
Borrowings	Level 3	[illegible]	[illegible]	Level 3	[illegible]	[illegible]
Trade payables	Level 3	[illegible]	[illegible]	Level 3	[illegible]	[illegible]
Other financial liabilities	Level 3	[illegible]	[illegible]	Level 3	[illegible]	[illegible]
Total financial liabilities		[illegible]	[illegible]		[illegible]	[illegible]

[illegible]

[illegible]

(B) [illegible]

[illegible]

(i) Credit risk

[illegible]

Trade receivables

[illegible]

Cash and cash equivalents and deposits with banks

[illegible]

[illegible]

[illegible]

Investments

[illegible]

Exposure to credit risk

[illegible]

Particulars	As at 31 March 2021	As at 31 March 2020
[illegible]		
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]
[illegible]		
Trade receivables	[illegible]	[illegible]
	[illegible]	[illegible]

[illegible]

(a) [illegible]

[illegible]

(b) [illegible]

[illegible]

Movement in the provision for expected credit loss

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Balance at the end of the year	[illegible]	[illegible]

[illegible]

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

STC INDUSTRIES LIMITED LUCKNOW

Trade Receivables - Expected Credit Loss as at 31 March 2023

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
Gross Carrying amount - Trade Receivables	4,224.31	1,903.55	169.01	159.85	7.76	7.23	6,471.32
Expected Credit Loss rate	-	-	-	8.37%	100.00%	100.00%	-
Expected Credit Loss - Trade Receivables	-	-	-	(13.38)	(2.04)	(7.15)	22.57
Net Carrying amount - Trade Receivables	4,224.31	1,903.55	169.01	145.71	-	-	6,448.75

Trade Receivables - Expected Credit Loss as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
Gross Carrying amount - Trade Receivables	3,958.85	1,734.46	351.52	51.07	13.99	6.51	6,072.41
Expected Credit Loss rate	-	-	-	5.57%	100.00%	100.00%	-
Expected Credit Loss - Trade Receivables	-	-	-	2.86	13.99	6.51	23.35
Net Carrying amount - Trade Receivables	3,958.85	1,734.46	351.52	48.21	-	-	6,049.05

Trade Receivables ageing schedule as at 31 March 2023

Particulars	Outstanding for following periods from due date of payment*						
	Not Due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	4,224.31	1,903.55	169.01	145.75		-	6,442.62
(ii) Undisputed Trade Receivables – credit impaired	-	-		14.10	7.76	7.23	29.09
Sub-total	4,224.31	1,903.55	169.01	159.85	7.76	7.23	6,471.71
Less: Allowance for bad and doubtful debts							22.57
Total							6,448.75

Trade Receivables ageing schedule as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment*						
	Not Due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	3,958.85	1,734.46	351.52	54.93		-	6,119.62
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	2.86	13.99	6.54	23.39
Sub-total	3,958.85	1,734.46	351.52	57.05	13.99	6.54	6,122.41
Less: Allowance for bad and doubtful debts							23.39
Total							6,099.02

* Similar information shall be given where no due date of payment is specified in that case disclosure shall be from the date of the transaction.
* There are no disputed trade receivables.

(ii) Liquidity risk

Liquidity risk reflects the risk that the Group will have insufficient resources to meet its financial liabilities as they fall due.
The Group's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group relies on a mix of borrowings, cash and cash equivalents and the cash flow that is generated from operations to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Group monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities so that it does not breach borrowing limits.
As at 31 March 2023, the Company had a working capital of ₹ [illegible] lakhs including cash and cash equivalents of ₹ [illegible] lakhs (excluding cash held for sale). As at 31 March 2022, the Company had a working capital of ₹ 1,[illegible] lakhs including cash and cash equivalents of ₹ [illegible] lakhs.

(a) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31 March 2023	As at 31 March 2022
Non- derivative financial liabilities		
Floating rate borrowings		
- Expiring within one year (bank overdraft and other facilities)	2,534.89	771.78
- Expiring beyond one year (bank loans)	-	-
	2,534.89	771.78

(b) Maturities of financial liabilities

The following are the contractual maturities of non-derivative financial liabilities, based on contractual undiscounted cash flows:

31 March 2023

Particulars	Contractual cash flows			
	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivative financial liabilities				
Non current borrowings	-	3,909.17	129.27	4,038.44
Current borrowings				
- Current maturities of Term Loans	1,117.56	-	-	1,117.56
- Working capital loans	5,816.87	-	-	5,816.87
- Buyers credit	1,052.11	-	-	1,052.11
Trade payables	2,102.54	-	-	2,102.54
- UDF Grant etc	139.93	260.00	-	399.93
Creditors for capital goods	445.67	-	-	445.67
Employee related payables	281.89	-	-	281.89
Other payables non-current	-	7.50	-	7.50
Other financial liability	128.37	-	-	128.37
Other payables	181.50	-	-	181.50
	11,293.54	4,176.67	129.27	15,599.50

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(All amounts in ₹ lakhs, unless stated otherwise)

31 March 2022

Particulars	Contractual cash flows			
	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivative financial liabilities				
Non-current borrowings	-	9,230.81	129.27	9,360.08
Current borrowings				
- Current maturities of Term Loans	2,298.79		-	2,298.79
- Working capital loans	6,099.01	-	-	6,099.01
Bills discounted	1,019.32	-	-	1,019.32
Trade payables	1,875.89	-	-	1,875.89
Interest accrued but not due	118.80	-	-	118.80
TUDF Grant a/c	150.00	350.00	-	500.00
Creditors for capital goods	400.13	-		400.13
Employee related payable	205.03	-	-	205.03
Other payable non current	-	7.50	-	7.50
Other payables	197.15	-		197.15
	12,282.15	9,588.31	129.27	21,999.73

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Board of Directors is responsible for setting up of policies and procedures to manage market risks of the Group. The Group exports finished goods which are denominated in the currency other than the functional currency of the Group which exposes it to foreign currency risk. In order to minimise the risk, the Group executes forward contracts wherever sale made in currency other than functional currency.

(a) Currency risk

The Group is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposures to exchange rate fluctuations arise. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. Exchange rate exposures are managed within approved policy parameters utilising foreign exchange forward contracts.

Particulars	Currency	In foreign currency		In INR	
		As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Financial assets(Gross)*					
Trade receivables	USD	56.51	23.78	300x.10	1783.80
	EURO	32.86	38.73	2804.36	3219.15
	GBP	0.02	1.05	2.06	104.51
	JPY	-	0.06	-	0.05
Financial liabilities(Gross)*					
Letter of credit	JPY	-	(427.32)		(266.35)
Trade payables	USD	(1.10)	(0.02)	(91.05)	(1.84)
	EURO	(0.05)	(0.03)	(3.90)	(2.45)
	GBP	(0.20)	(0.06)	(15.00)	(6.35)
	JPY	(0.70)	(0.96)	(0.45)	(0.61)
Capital creditors	USD	(1.27)	(1.08)	(104.41)	(81.41)
	GBP	(0.61)	-	(60.00)	-
Foreign currency derivative contracts (Sell foreign currency-Forward contracts)	USD	55.00	37.00	4,475.35	2,773.80
	EURO	25.00	-	2,201.13	-
Net Foreign currency receivable/(payable)**	USD	-	-	-	-
	EURO	7.83	38.11	690.81	3,216.50
	GBP	(0.91)	1.57	(93.67)	192.66
	JPY	(0.70)	(427.32)	(0.45)	(266.16)

* The amounts disclosed are gross of the exposure covered through forward contracts.
** The amounts disclosed are net of the exposure covered through forward contracts.

Sensitivity analysis

The following table demonstrates the sensitivity of profit and equity in USD, EURO, JPY and GBP to the Indian Rupee with all other variables held constant. The impact on the Group's profit before tax and other comprehensive income due to changes in the fair value of monetary assets and liabilities are given below:

Particulars	Change in currency exchange rate	Effect on profit before tax	
		As at 31 March 2023	As at 31 March 2022
EURO	5%	34.49	160.83
	(5%)	(34.49)	(160.83)
JPY	5%	(0.02)	(13.32)
	(5%)	0.02	13.32
GBP	5%	(4.68)	9.63
	(5%)	4.68	(9.63)

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PTC Industries Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023
(All amounts in ₹ lakhs, unless stated otherwise)

(b) Interest rate risk
The Group is exposed to interest rate risk arising mainly from non-current and current borrowings with floating interest rates. The Group is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates.

At the reporting date the interest rate profile of the Group's interest-bearing financial liabilities is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Variable rate instruments		
Term loan from banks	10,514.74	11,081.03
Vehicle loan	145.80	171.05
Term loans from financial institutions	-	250.20
Working capital loan	5,816.87	6,091.03
Special loan scheme	93.26	510.25
Fixed rate instruments		
Bills Discounted	1,350.11	1,010.32
	17,664.78	19,623.72

Sensitivity analysis
The following table demonstrates the sensitivity to the interest rate with all other variables held constant. The impact on the Group's profit before tax and other comprehensive income due to changes in the interest rates is given below:

Particulars	Change in interest rate	Effect on profit before tax	
		As at 31 March 2023	As at 31 March 2022
Borrowings	50 bp	(88.42)	(98.12)
	(50) bp	88.42	98.12

(c) Price risk
Group's exposure to price risk arises from mutual funds and classified in the balance sheet either at fair value through OCI or at fair value through profit and loss.

To manage the price risk from quoted investments, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

Sensitivity analysis
Company's major quoted investment consists of investment in mutual funds which are measured at fair value through profit and loss. Investments made by the mutual fund includes investment in diversified instruments of Companies included in the equity index.

The table below summarises the impact of increases/decreases in the market index on the Group's profit for the year with all other variables held constant and the investment moved in line with the index.

Particulars	Change in market index	Effect on profit before tax	
		As at 31 March 2023	As at 31 March 2022
Investment in mutual fund	5%	0.35	0.36
	(5%)	(0.35)	(0.36)

Profit for the period would increase/decrease as a result of gain/loss on investment classified as at fair value through profit and loss.

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PTC Industries Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

44 Employee benefits

(i) Defined benefit plan

Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. [illegible]

Risk exposure:

(a) Discount rate: [illegible]

(b) Mortality rate: [illegible]

(c) Investment risk: [illegible]

(d) Attrition: [illegible]

Details of the Company's defined benefit plans are as follows:

A. Changes in the present value of obligations

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of the obligation at the beginning of the year	513.70	478.21
Recognised in profit and loss		
Interest cost	37.24	34.68
Current service cost	41.11	38.21
Recognised in other comprehensive income		
Remeasurement gains / (losses)		
- Actuarial (gain)/loss from changes in financial assumptions and experience adjustments		
Benefits paid	5.03	(1.46)
Present value of the obligation at the end of the year	(50.92)	(35.93)
	546.16	513.70

B. Changes in the fair value of plan assets:

Particulars	As at 31 March 2023	As at 31 March 2022
Fair value of plan assets at the beginning of the year	481.51	460.11
Expected return on plan assets	36.34	33.43
Contributions	83.59	25.75
Benefits paid	(35.42)	(29.85)
Actuarial gain/(loss) on plan assets	(5.28)	(7.93)
Fair value of plan assets at the end of the year	560.74	481.51

C. Net asset/(liability) recognised in the balance sheet

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of the obligation at the end of the year	561.76	513.70
Fair value of plan assets at end of year	(560.74)	(481.51)
Net liability/(asset) recognised in balance sheet (refer note 18 and 23)	1.02	32.19

D. Expenses recognised in profit and loss

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest cost	37.24	34.68
Current service cost	41.11	38.21
Expected return on plan assets	(36.34)	(33.43)
Amount recognised in profit and loss (refer note 34)	42.01	39.47

E. Expenses recognised in other comprehensive income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Actuarial (gain)/loss on obligation	5.03	(1.46)
Actuarial (gain)/loss on plan assets	5.28	8.11
	10.31	6.65

Major category of plan assets as a % of total plan assets

Category of assets (% allocation)	As at 31 March 2023 (%)	As at 31 March 2023 Amount	As at 31 March 2022 (%)	As at 31 March 2022 Amount
Insurance policies	100	560.11	100	481.51

F. Actuarial assumptions

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate	7.50%	7.25%
Expected rate of return	7.50%	7.25%
Salary growth rate	6.00%	6.00%
Withdrawal rate (per annum)		
18 - 30 years	5.00%	5.00%
31 - 44 years	3.00%	3.00%
45 - 58 years	2.00%	2.00%
Normal retirement age (years)	58	58
Mortality	IALM 2012-14	IALM 2012-14

The estimates of future salary increases considered, takes into account the inflation, seniority, promotion and other relevant factors.

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D. Sensitivity analysis

Particulars	As at 31 March 2023		As at 31 March 2022	
	Change in assumption	Effect on obligation	Change in assumption	Effect on obligation
Discount rate	1.00%	(41.11)	1.00%	(31.73)
	(1.00%)	41.14	(1.00%)	36.75
Salary growth rate	1.00%	47.27	1.00%	26.31
	(1.00%)	(42.40)	(1.00%)	(22.37)
Withdrawal rate	1.00%	5.52	1.00%	2.39
	(1.00%)	(6.41)	(1.00%)	(2.71)

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. The above sensitivity analysis 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.

When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the balance sheet.

F. Expected maturity profile of defined benefit obligation (undiscounted cash flows)

Period	31 March 2023	31 March 2022
Less than 1 year	49.71	47.63
Between 1-2 years	26.44	48.18
Between 2-5 years	192.22	55.60
Over 5 years	365.[illegible]	552.[illegible]

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (as at 31 March 2022: 10 years).
Expected contribution to defined benefit plan in the next year is ₹ 90.11 lakh (31 March 2022: ₹ 45.51 lakh).

(ii) Other long term benefits

(i) Compensated absences (unfunded)

Particulars	As at 31 March 2023	As at 31 March 2022
Amount recognised in balance sheet		
Current (refer note 23)	21.30	11.20
Non-current (refer note 19)	98.54	76.88
	119.86	88.07

(iii) Defined contribution plans

The Group makes fixed contribution towards Employees provident fund and Employee state insurance (ESI) to a defined contribution retirement benefit plan for qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner and the Group is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits. Similarly, the contribution is made to ESI at a specified percentage of payroll cost.
The Group recognised ₹ 142.55 lakh (31 March 2022: ₹ 114.55 lakh) as expense of provident fund contributions and ESI contribution in the Statement of Profit and Loss and included in "Employee benefits expense" in note 35. The contribution payable to these plans by the Group are at rates specified in the rules of the schemes.

45 Leases

Group as a lessee

The Group has entered into operating leases for its guest houses and employees' residences that are renewable on a periodic basis and are cancellable at Group option. Total lease payments recognised in the statement of profit and loss with respect to aforesaid lease premises is ₹ 24.18 lakh (31 March 2022: ₹ 22.55 lakh).

A The total cash outflow for leases for the year ended 31 March 2023 was ₹ 24.18 lakh (31 March 2022: ₹ 22.55 lakh), pertains to the short term leases.

B Total cash outflow for leases for the year ended 31 March 2023 was ₹ 21.78 lakh (31 March 2022: ₹ 35.55 lakh).

C The Group does not have any liability to make variable lease payments.

D The Group has not sublet any of the assets.

E The Group has not entered into any sale and leaseback transactions.

F The Group does not have any ROU assets in the books as on 31 March 2023 as well as 31 March 2022.

Group as a lessor

The Group has entered into operating lease for part of its premises at Plant 1, Lucknow that is renewable and is cancellable at either party's option. Total lease receipts recognised in the statement of profit or loss with respect to aforementioned premises is ₹ 45.40 lakh (31 March 2022: ₹ 43.70 lakh).

PTC Industries Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023
(All amounts in ₹ lakh, unless stated otherwise)

46 Contingent liabilities and commitments

(i) Capital commitments

	As at 31 March 2023	As at 31 March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	6,582.76	90.71

(ii) Contingent liabilities

	As at 31 March 2023	As at 31 March 2022
Guarantees excluding financial guarantees		
In respect of [illegible] working capital facilities from banks		
- Bank guarantees	1,676.20	1,259.49
Other contingent liabilities		
Disputed amounts for [illegible] (paid under protest amounting to ₹ [illegible])	-	1.83
Disputed amounts for goods and services tax (paid under protest amounting to ₹ [illegible])	16.50	16.35

In respect of the above matters pending at various forums/GST cases are pending at appellate authority [illegible]

47 Segment Information

The Chairman and Managing Director has been identified as the Chief Operating Decision Maker (CODM) as they evaluate the results for the purpose of making decisions about [illegible]

Entity wide disclosures:

(a) Information about products and services

The Group is engaged in the business of [illegible] Group operates in one product line, therefore product wise revenue disclosure is not applicable.

(b) Information about geographical areas

The Group's revenue [illegible] customers which are domiciled in India and outside India. Below is the details of Group's revenue from customers domiciled in India and outside India

	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from external customers		
- domiciled in India	11,716.40	3,330.68
- domiciled outside India	9,785.16	14,255.46
	21,501.76	17,586.14

(c) Information about major customers

Revenue of ₹ [illegible] lakh, ₹ [illegible] lakh and ₹ [illegible] lakh (31 March 2022: ₹ [illegible] lakh, ₹ [illegible] lakh and ₹ [illegible] lakh) are derived from three external customers.

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(All amounts in ₹ lakhs, unless stated otherwise)

45 Related party disclosures

In accordance with the requirements of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures", name of the related party, related party relationship, transactions and outstanding balances including commitments where control exist and with whom transactions have taken place during the reported period are as follows:

(i) Name of the related parties and description of relationship

Relationship	Name of related party
Entities controlled by KMPs and/or their relatives	Sachin Agarwal HUF
Key Management Personnel (KMP)	Mr. Sachin Agarwal, Chairman and Managing Director Mr. Priya Ranjan Agarwal, Director Mr. Alok Agarwal, Director Mr. Ashok Kumar Shukla, Director Mrs. Smita Agarwal, Chief Financial Officer and Woman Director Mr. Brij Lal Gupta, Independent Director Mr. Ajay Kashyap, Independent Director Mr. Rakesh Chandra Katiyar, Independent Director Mr. Krishan Das Gupta, Independent Director Mr. Vishal Mehrotra, Independent Director Mrs. Prashuka Jain, Independent Director Mrs. Pragati Gupta Agarwal, Company Secretary
Relatives of Key Management Personnel	Ms. Nandini Agarwal Mrs. Archana Agarwal Mrs. Rama Agarwal Mrs. Sangya Shukla

(ii) Disclosure of related parties transactions#

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Key management personnel (KMP)	Relatives of KMPs	Key management personnel (KMP)	Relatives of KMPs
Transactions during the year				
1. Rent paid	-	6.00	-	5.10
2. Corporate social responsibility expenses	-	-	-	-
3. Rent received	-	-	-	-
4. Investment made	-	-	-	-
Amounts paid during the year to KMP's and relatives of KMP's				
1. Managerial remuneration*	444.[illegible]	-	3[illegible]	-
2. Salary and allowances	-	[illegible]	-	4[illegible]
3. Sitting fees to independent directors	3.46	-	2.05	-
4. Advance against property	-	-	-	-

* Exclusive of provision for future liability in respect of gratuity and leave encashment which is based on actuarial valuation done on Company as a whole.
\# All the transactions with the related party are at Arm's length price.

(iii) Balance outstanding at the year end

Particulars	As at 31 March 2023	As at 31 March 2022
Outstanding balance (Amount payable)		
Key management personnel		
Managerial remuneration	40.71	33.01
Relatives of KMP's		
Salary and allowances	8.34	10.17
Rent	[illegible]	0.08
Entities controlled by KMPs and/or their relatives		
Amount receivable on sale of property	-	35.0[illegible]

(iv) Compensation to Key Managerial Personnel (KMP)

The details of remuneration to the member of key managerial personnel during the year are as follows:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Short term employee benefits (refer note a)	436.01	386.15
Post employment benefits		
- Defined contribution plan (refer note b)	13.20	12.0[illegible]
- Defined benefit plan	(refer note (c))	(refer note (c))
- Other long-term benefits	(refer note (c))	(refer note (c))
	449.3[illegible]	398.[illegible]

Note (a) Includes salary, commission, sitting fees and any other perquisites on accrual basis.
Note (b) Including contribution to provident fund and any other benefit.
Note (c) As the liability for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key management personnel are not included above.

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WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

PTC INDUSTRIES LIMITED LUCKNOW

PTC Industries Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023
(All amounts in ₹ lakhs, unless stated otherwise)

49 Assets pledged as security

	As at 31 March 2023	As at 31 March 2022
Non-current borrowings:		
Equitable mortgage		
Land	1,254.25	1,254.25
Building	3,765.18	3,891.05
First charge		
Other movable property, plant and equipment	15,837.24	16,711.25
Second charge		
Current assets*	19,635.60	15,280.74
	20,856.67	21,856.55
Current borrowings:		
First charge		
Current assets*	19,635.60	15,280.74
Second charge		
Land	1,254.25	1,254.25
Building	3,765.18	3,891.05
Other movable property, plant and equipment	15,837.24	16,711.25
	40,492.27	37,137.29
	61,348.94	58,993.84

*The quarterly returns or statements of current assets filed with banks or financial institutions are in agreement with the books of accounts.

50 Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

i) Identify the contract(s) with customer;
ii) Identify separate performance obligations in the contract;
iii) Determine the transaction price;
iv) Allocate the transaction price to the performance obligations; and
v) Recognise revenue when a performance obligation is satisfied.

a) Disaggregation of revenue
The Group has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

Revenue from operations	31-Mar-23 Goods	31-Mar-23 Other operating revenues	31-Mar-23 Total	31-Mar-22 Goods	31-Mar-22 Other operating revenues	31-Mar-22 Total
Revenue by geography						
Domestic	1,716.60	38.14	1,754.74	3,330.68	39.00	3,369.68
Export	19,785.16	386.31	20,171.47	14,304.46	221.34	14,525.80
Total	21,501.76	424.45	21,926.21	17,635.14	260.34	17,895.48

b) Assets and liabilities related to contracts with customers

	31-Mar-23 Non Current	31-Mar-23 Current	31-Mar-22 Non Current	31-Mar-22 Current
Trade receivables	-	6,568.73	-	6,149.82
Revenue received in advance		827.37	-	325.47
Total	-	7,396.10	-	6,475.29

PTC INDUSTRIES LIMITED

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

(All amounts in ₹ lakhs, unless stated otherwise)

51 Key Financial Ratios

Particular	Formula	2022-23	2021-22	Percentage Change	Reasons where change more than 25%
(i) Debtors Turnover	Net Credit Sales/ Average Account Receivable	3.45	2.87	20.22%	
(ii) Inventory Turnover	Cost of goods sold / Average Inventory	2.39	2.56	-6.50%	
(iii) Interest Coverage Ratio*	EBITDA/ Total Interest	4.89	3.53	38.57%	Increase in ratio is on Account of higher operational EBITDA
(iv) Current Ratio	Current Asset/ Current Liability	1.06	1.11	-15.12%	The variance is due to decrease in current liabilities (Borrowings) on account of repayment and increase in liquidity due to preferential issue of shares.
(v) Debt Equity Ratio	Total Liability/ Shareholders fund	0.58	1.16	-50.53%	The variance is due to the infusion of equity funds through right issue and preferential allotment and repayment of borrowings.
(vi) Operating Profit Margin*** (%)	Operating Profit/ Total Sales Revenue	22.55	17.98	25.37%	The increase is due to an increase in revenue resulting in economies of scale leading to higher operational profit and also due to effective utilisation of material manpower and resources.
(vii) Net Profit Margin (%)	Net Income/ Total Sales Revenue	11.77	7.16	64.40%	The increase is due to change in product mix and higher revenue resulting in higher operational profit and also due to more effective utilisation of material manpower and resources.
(viii) Debt Service Coverage Ratio**	EBITDA/ Total Interest+Principal	0.92	1.66	-44.49%	The decline is due to the advance repayment of EMI's for term loans.
(ix) Return on Equity Ratio (%)****	EBIT/Capital employed	16.17	19.18	-15.70%	
(x) Net Capital turnover ratio	Revenue from operation/ Total Current assets-total current liabilities	2.99	11.41	-73.83%	The variance is due to decrease in current liabilities (Borrowings) on account of repayment and increase in liquidity due to preferential issue of Shares.
(xi) Creditor turnover ratio	Purchase of materials & stock-in-trade/ Average trade payables	3.23	2.38	35.63%	The variance is due to the decrease in trade payables as the company pays MSME creditors using M1 Exchange portal i.e. reverse factoring facility wherein the banks pay the MSME creditors immediately and the company pays back the banks as per the agreed credit period.

*EBIT= Earning before Interest and tax
**EBITDA= Earning before Interest, Tax, Depreciation and amortization
***Operating Profit=Revenue-Cost of goods sold-Operating expenses-Depreciation and Amortisation
**** Capital employed = Tangible net worth+deferred tax liabilities

PTC Industries Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023
(All amounts in ₹ lakhs, unless stated otherwise)

52 Share based payments

(a) Scheme details

During the previous financial year 2021-22, the Group had adopted "PTC Employee Stock Option Scheme 2019" ("Plan") at the shareholders Annual General Meeting on September 28, 2019, and obtained an in-principle approval from BSE Limited on 7 September 2021 for 1,57,170 Equity shares of Rs. 10/- each. The Compensation Committee (Nomination and Remuneration Committee) of the Holding Company at its meeting held on September 15, 2021, had approved grant of 10,365 Stock Options (convertible into 10,365 Equity shares of the Holding Company, upon exercise) (Tranche-1) to certain Eligible Employees in terms of the Plan. Vesting will be made in maximum of four years (FY 2023 to FY 2026), after the statutory period of one year from the date of grant of option.
In the current financial year 2022-23, the Compensation Committee (Nomination & Remuneration Committee) of the Holding Company at its meeting held on 11 June 2022 has approved grant of 2,255 (convertible into 2,255 Equity shares of the Holding Company, upon exercise) (Tranche-2) to certain Eligible Employees in pursuance of the ESOS Plan.

On 30 August 2022, the Compensation Committee (Nomination & Remuneration Committee) of the Holding Company at its meeting had approved the adjustment to the plan, pursuant to the rights issue of 78,59,524 fully paid-up equity shares of the face value of ₹ 10 each ("rights equity shares") of the Holding Company for cash at a price of ₹ 107/- per rights equity share aggregating up to ₹ 785.80 lakhs on a rights basis to the eligible equity shareholders of the Holding Company in the ratio of 5 rights equity shares for every 2 fully paid-up equity shares held by the eligible equity shareholders of the Holding Company on the record date, that is, on July 22, 2022, in the following manner:

Details	Existing	Adjustment pursuant to the Rights Issue	Total Employees Stock Option after adjustment
Total Pool	157,170	235,755	392,925
Exercise price	935/-	402/-	402/-

The Compensation committee had also approved the following consequential adjustment in respect of previous grants:

(i) Adjustment in number of Options granted			
Options	Existing	Adjusted pursuant to the Rights Issue	Total Employees Stock Option after adjustment
Tranche -1	10,365	16,448	26,813
Tranche -2	2,255	3,582	5,837
(ii) The exercise price shall be adjusted to Rs. 402/- per option instead of Rs. 935/- per share on account of rights issue of equity shares			
(iii) Other terms to remain same as their existing terms			

Further on 30 August 2022, the Compensation Committee had approved grant of 12,500 (convertible into 12,500 Equity shares of the Holding Company, upon exercise) to certain Eligible Employees in pursuance of the ESOS Plan at the exercise price of 402/- per share.

Particulars	Number of options outstanding (Refer above)	Grant date	Vesting date	Exercise period	Exercise price (Refer above)	Fair value on grant date
Category A	13,[illegible]	15-Sep-21	15-Oct-23	1 Month from the date of vesting	402.00	750.85
	20,187	15-Sep-21	15-Oct-24		402.00	785.08
	656	11-Jun-22	15-Oct-25		402.00	1,250.95
	626	11-Jun-22	15-Oct-26		402.00	1,2[illegible]
Category B	1,383	15-Sep-21	15-Oct-23	1 Month from the date of vesting	402.00	750.88
	1,757	15-Sep-21	15-Oct-24		402.00	785.08
	2,308	15-Sep-21	15-Oct-25		402.00	821.35
	603	11-Jun-22	15-Oct-23		402.00	1,230.95
	786	11-Jun-22	15-Oct-24		402.00	1,274.36
	1,378	11-Jun-22	15-Oct-25		402.00	1,305.81
Category C	391	15-Sep-21	15-Oct-23	1 Month from the date of vesting	402.00	750.88
	391	15-Sep-21	15-Oct-24		402.00	785.08
	638	15-Sep-21	15-Oct-25		402.00	821.35
	6[illegible]	15-Sep-21	14-Sep-26		402.00	857.58
	354	11-Jun-22	15-Oct-23		402.00	1,238.95
	354	11-Jun-22	15-Oct-24		402.00	1,274.36
	470	11-Jun-22	15-Oct-25		402.00	1,305.81
	595	11-Jun-22	14-Sep-26		402.00	1,33[illegible]
Category D	2,083	30-Aug-22	15-Oct-23	1 Month from the date of vesting	402.00	1,900.10
	2,083	30-Aug-22	15-Oct-24		402.00	1,936.51
	3,125	30-Aug-22	15-Oct-25		402.00	1,967.29
	5,208	30-Aug-22	14-Sep-26		402.00	1,994.65

(b) Compensation expenses arising on account of the share based payments

	31 March 2023	31 March 2022
Expenses arising from equity – settled share-based payment transactions	164.31	41.21
Total	164.31	41.21

(c) Fair value on the grant date

The fair value at grant date is determined using "Black Scholes Pricing Model" which takes into account the exercise price, term of the option, share price at grant date and expected price volatility of the underlying share, expected dividend yield and the risk free interest rate for the term of the option. The following inputs were used to determine the fair value for options granted on September 15, 2021, on June 11, 2022 and on August 30, 2022

Options granted as on 15 September 2021

Description	Vest 1	Vest 2	Vest 3	Vest 4
Number of options outstanding	11,719.00	11,719.00	7,101.00	650.00
Grant date	15-Sep-21	15-Sep-21	15-Sep-21	15-Sep-21
Financial year of vesting	2022-23	2023-24	2024-25	2025-26
Share price on grant date (in INR)	2,755.95	2,755.95	2,755.95	2,755.95
Expected life (in years)	2.1	3.1	4.1	5
Price volatility of company's share *	50.59%	51.18%	60.31%	62.03%
Risk free interest rate	3.90%	4.88%	5.38%	5.61%
Exercise price (in INR)	402.00	402.00	402.00	402.00
Dividend yield	0.00%	0.00%	0.00%	0.00%
Fair value of option (in INR)	750.58	785.08	821.35	857.56

Options granted as on 11 June 2022

Description	Vest 1	Vest 2	Vest 3	Vest 4
Number of options outstanding	1,619	1,534	1,010	358
Grant date	11-Jun-22	11-Jun-22	11-Jun-22	11-Jun-22
Financial year of vesting	2023-24	2024-25	2025-26	2026-27
Share price on grant date (in INR)	3,794.05	3,794.05	3,794.05	3,794.05
Expected life (in years)	1.5	2.5	3.5	4
Price volatility of company's share *	45.22%	56.02%	55.75%	56.20%
Risk free interest rate	5.99%	6.47%	6.82%	7.07%
Exercise price (in INR)	402.00	402.00	402.00	402.00
Dividend yield	0.00%	0.00%	0.00%	0.00%
Fair value of option (in INR)	1,219.95	1,271.56	1,305.81	1,334.00

Options granted as on 30 August 2022

Description	Vest 1	Vest 2	Vest 3	Vest 4
Number of options outstanding	2,200.00	3,663.00	3,325.00	5,200.00
Grant date	30-Aug-22	30-Aug-22	30-Aug-22	30-Aug-22
Financial year of vesting	2023-24	2024-25	2025-26	2026-27
Share price on grant date (in INR)	2,758.40	2,758.40	2,758.40	2,758.40
Expected life (in years)	1.1	2.1	3.1	4
Price volatility of company's share *	48.29%	53.29%	56.37%	56.92%
Risk free interest rate	5.93%	6.44%	6.74%	6.92%
Exercise price (in INR)	402.00	402.00	402.00	402.00
Dividend yield	0.00%	0.00%	0.00%	0.00%
Fair value of option (in INR)	1,003.19	1,035.51	1,067.24	1,095.75

* The measure of volatility used is the annualised standard deviation of the continuously compounded rates of return of price over the expected lives of different vests, prior to grant date. Volatility has been calculated based on the daily closing market price of the Company's stock on BSE over these years.

(d) Fair value on the grant date

Description	Number of options	Weighted average exercise price
Outstanding as on 01 April 2021	-	-
Options granted during the year	40,965	390.00
Options forfeited/lapsed/expired during the year	-	-
Options exercised during the year	-	-
Options outstanding as at 31 March 2022 ^#	10,965	590.00
Exercisable at the end of the period	-	-
Outstanding as on 01 April 2022	10,965	402.00
Options granted during the year	14,755	402.00
Adjustment pursuant to the Rights issue*	35,830	402.00
Options forfeited/lapsed/expired during the year	-	-
Options exercised during the year	-	-
Options outstanding as at 31 March 2023 ^#	45,300	402.00
Exercisable at the end of the period	-	-

* Refer above.

^ The weighted average remaining contractual life of the share options outstanding at the end of current year is 1.65 years (previous year 2.37 years)

The weighted average fair value of share options outstanding at the end of current year is Rs. 2,003.61 per share option (previous year Rs. 1,940.64).

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

PTC INDUSTRIES LIMITED LUCKNOW

53 Group Information

The Parent's subsidiary at 31 March 2023 and 31 March 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by

Name of the Entity	Principal Activities	Country of Incorporation	Ownership interest held by the Group		Ownership interest held by Non-controlling interest	
			31 March 2023 %	31 March 2022 %	31 March 2023 %	31 March 2022 %
Aeroloy Technologies Limited	Manufacture of Metal and [illegible]	India	100	100	-	-

54 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act,

As on 31 March 2023

Name of the Entity	Share in Net assets i.e. total assets minus total liabilities		Share in Profit or Loss		Share in Other comprehensive income		Share in total comprehensive income	
	As % of Consolidated Net Assets	Amount (₹)	As % of Consolidated Profit & Loss	Amount (₹)	As % of Consolidated other comprehensive income	Amount (₹)	As % of Consolidated total comprehensive income	Amount (₹)
Parent								
PTC Industries Limited	97.07%	29,706.72	77.86%	2,010.47	94.72%	(7.36)	77.83%	2,003.14
Subsidiary								
Aeroloy Technologies Limited	24.08%	7,369.99	22.12%	571.04	5.28%	(0.41)	22.17%	570.63
Add/(Less): Inter group eliminations	-21.15%	(6,469.00)	0.02%	-	0.00%	-	0.00%	-
Total		30,607.72		2,581.51		(7.75)		2,573.76

As on 31 March 2022

Name of the Entity	Share in Net assets i.e. total assets minus total liabilities		Share in Profit or Loss		Share in Other comprehensive income		Share in total comprehensive income	
	As % of Consolidated Net Assets	Amount (₹)	As % of Consolidated Profit & Loss	Amount (₹)	As % of Consolidated other comprehensive income	Amount (₹)	As % of Consolidated total comprehensive income	Amount (₹)
Parent								
PTC Industries Limited	56.05%	10,523.75	74.13%	949.63	136.69%	(7.64)	74.02%	948.01
Subsidiary								
Aeroloy Technologies Limited	14.95%	4,516.95	25.84%	330.99	-26.22%	1.28	25.95%	332.26
Add/(Less): Inter group eliminations	17.99%	(2,180.50)	0.04%	0.51	26.53%	(0.13)	0.03%	0.39
Total		18,852.19		1,281.13		(6.49)		1,281.66

55 (a) The Company 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 persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The Company has not received any funds from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) 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 (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

56 On October 20, 2022, the Board of Directors of the Holding Company had considered and approved the Preferential Issue of up to 2,80,000 Equity Shares of face value of Rs. 10/- per share and 6,30,170 Fully Convertible Warrants at an issue price of Rs. 2,349/- per Equity Share and per Warrant respectively to persons belonging to Non-Promoter Category which was subsequently approved by the members through special resolution in Extra-ordinary general meeting dated November 19, 2022. Subsequently on December 07, 2022 Listing Committee of the Board of Directors of the Holding Company has issued and allotted 2,84,000 Equity Shares of face value of Rs. 10/- per Equity Share at an issue price of Rs. 2,349/- per Equity Share aggregating to INR 6,685.25 lacs, on a preferential basis to the persons belonging to the Non-Promoter category. The Holding Company has received an amount of INR 6,685.25 lacs against 2,84,000 Equity Shares allotted to persons belonging to the Non-Promoter category at an issue price of Rs. 2,349/- per Share.

Further on December 07, 2022 Listing Committee of the Board of Directors of the Holding Company have issued and allotted 6,30,170 Fully Convertible Warrants at an issue price of Rs. 2,349/- per Warrant aggregating to INR 14,802.69 lacs, convertible into equal number of Equity Shares of face value Rs. 10/- each within a period of 18 months from the date of allotment, on a preferential basis to the persons belonging to the Non-Promoter category. The Company has received an amount of INR 3,700.67 lacs with respect to 25% application against 6,30,170 Fully Convertible Warrants to persons belonging to Non-Promoter category at an issue price of Rs. 2,349/- per Warrant.

57 On March 30, 2022 the Listing Committee of Board of Directors ("the Committee") had approved the issue of three new equity shares, at its face value of Rs 10/- each, on a right basis, for every two equity shares of the Holding Company held by the eligible shareholders on the record date. Subsequently, in its meeting held on July 15, 2022, the Committee had fixed the record date as July 22, 2022 for the purpose of determining the names of eligible shareholders to apply for right issue.

Up to 78,54,591 Fully Paid-Up Equity Shares, Face Value of Rs 10/- each, for cash at a price of Rs 100/- each aggregating up to INR 785.45 lacs have been offered on a right basis to the eligible equity shareholders of the company in the ratio of 3 (Three) right shares for every 2 (Two) fully paid-up equity shares held by the eligible shareholders on the record date, that is, on July 22, 2022 during the issue period between August 5, 2022 to August 12, 2022. Consequently, pursuant to Ind AS 33, basic and diluted earning per share for the periods presented in the audited consolidated financial results have been adjusted after giving the impact for the bonus element in respect of the aforesaid rights issue.

58 In terms of Employee stock option scheme and employee stock purchase scheme of SEBI the other relevant provisions issued by the SEBI and as per terms of PTC ESOS Scheme 2019, the Compensation Committee (Nomination & Remuneration Committee) at its meeting held on August 30, 2022 approved the adjustment in the ESOP, pursuant to the rights issue in the ratio of 3 rights equity shares for every 2 fully paid-up equity shares. Pursuant to this adjustment, ESOP pool of the Holding Company has been increased by 3,35,755 options and exercise price has also been reduced to INR 402 from INR 950.

59 During the current year, the Compensation Committee (Nomination & Remuneration Committee) of the Holding Company at its meeting held on June 21, 2022 and August 30, 2022 has approved grant of 3,255 and 13,500 Stock Options respectively to certain eligible employees under PTC ESOS Scheme 2019. These stock options will be vested over the period of four years (FY 2023 to FY 2026). The additional stock option expenses recognised during the quarter ended 31 March 2023 amounts to INR 32.50 lacs and year ended 31 March 2023 amounts to INR 44.35 Lacs.

60 The Company had received a grant in September 2011 with some conditions. During the year, the Company has received request from NIDC for the repayment of the original amount of grant along with Royalty of 25% of original grant amount. The Company has computed present value of grant and royalty liability and the difference between carrying value of grant and present value has been charged to profit and loss account and disclosed as Exceptional Items.

61 Consequent to the outbreak of Covid-19 pandemic, the Indian government had announced lockdown in March 2020 and subsequently, the lockdown was lifted by the government in a phased manner. During the year, there is no significant impact of Covid-19 and management don't expect any further impact due to this pandemic. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these audited consolidated financial results and don't expect any impact on the financial position of the Company.

62 The figures for the previous period have been reclassified/regrouped wherever necessary, the impact of such reclassification/regroupings are not material to Financial Statements.

For Walker Chandiok & Co. LLP
Chartered Accountants
(Firm Registration No. 001076N/N500013)

Sandeep Mehta
Partner
Membership No. 099410

Place: Chandigarh
Date: 30 May 2023

For and on behalf of the Board of Directors of
PTC Industries Limited

Sachin Agarwal
Chairman and Managing Director
DIN No.: 00142885

Alok Agarwal
Director (Quality & Technical)
DIN No.: 00129260

Smita Agarwal
Director and Chief Financial Officer
DIN No.: 00276903

Pragati Gupta Agarwal
Company Secretary
Mem. No.: A[illegible]

Place: Lucknow
Date: 30 May 2023

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

PTC INDUSTRIES LIMITED LUCKNOW

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Independent Auditor's Report

To the Members of PTC Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of PTC Industries Limited ('the Holding Company') and its subsidiary "Aerolloy Technologies Limited" (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor on separate financial statement and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31 March 2022, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgement and based on the consideration of the reports of the other auditor on separate financial statement of the subsidiary, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Valuation of Inventories As disclosed in note 14 in the consolidated financial statements, as at 31 March 2022 the total value of Group holds inventory comprising of raw material, work-in-progress and manufactured finished goods as at 31 March 2022 amounting to INR 6,480.75 lacs represents 15.21% of the total assets. Out of the total inventory, INR 4,118.21 lacs pertains to inventory work-in-progress and manufactured finished goods. Such inventory is carried at cost, or net realisable value whichever is lower, as per the accounting policy disclosed in note 4 of the accompanying consolidated financial statements. Determination of cost of inventory involves allocation of various production and administration overheads incurred to bring the inventory to its present location and condition, which involves management judgement and estimation. Amongst the other overheads, fixed production overheads are allocated to the costs of conversion based on the normal capacity of the production facilities in accordance with the principles of Ind AS -2, Inventories. Further, at the end of each reporting period, the management of the Group also assesses whether there is any objective evidence that net realisable value of any item of inventory is below the carrying value. If so, such inventories are written down to their net realisable value in accordance with Ind AS 2, Inventories. In addition to the above, the complexities and judgement involved in inventory valuation includes • Estimate involved in computing input-output ratio used for computing the average rate of overheads which is to be added to the cost of inventory. • Estimate involved in allocation of expenses through various stages of production. Inventory valuation was considered a risk of material misstatement because variable and fixed costs are allocated to inventory. Considering the aforesaid complexities, significant management judgements, and estimates involved and materiality of the amounts involved, this matter has been is determined to be as a key audit matter for the current year audit.	Our audit procedures included, but were not restricted to the following procedures: a) Obtained an understanding of the management's process of valuation of inventory. b) Evaluated the design and tested the operating effectiveness of key controls around valuation including around estimates, stage of completion and overhead computations and determination of net realizable value of inventory items. c) Evaluated the appropriateness of the Group's accounting policy and valuation method of inventory in accordance with the applicable accounting standards. d) Verified the expenses considered as cost of conversion including estimates for apportionment of the conversion on the different classes of finished goods and work in progress and recomputed the arithmetical accuracy thereof for calculating the conversion cost considered as part of the finished goods and work in progress. e) Recomputed the net realisable value of the finished goods and reviewed the management assessment for carrying inventory at lower of cost and net realisable value. f) Tested ageing of inventory items obtained through system reports, as applicable. g) Discussed with management the rationale supporting assumptions and estimates used in carrying out the inventory valuation and corroborated the same to our understanding of the business. Tested the computation of various overhead absorption rates by tracing the underlying data to audited historical operational results of the Group. h) Evaluated the appropriateness and adequacy of the disclosures made by the Group in accordance with the requirements as specified in the Ind AS-2 'Inventories' and Schedule III of the Companies Act, 2013.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entity included in the consolidated financial statements, of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by the other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Other Matter

15. We did not audit the financial statement of a subsidiary, whose financial statement reflect total assets of INR 3,329.59 lacs and net assets of INR 2,518.93 lacs as at 31 March 2022, total revenues of INR 760.13 lacs and net cash outflows amounting to INR 24.07 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary, are based solely on the report of the other auditor.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 15, on separate financial statements of the subsidiary, we report that the Holding Company and subsidiary company incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditor as mentioned in paragraph 15 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.

18. As required by section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary, incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor;

    c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS

e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditor of its subsidiary company covered under the Act, none of the directors of the Holding company and its subsidiary company, are disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I' wherein we have expressed an unmodified opinion; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary, incorporated in India, whose financial statements have been audited under the Act:

I. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 46 to the consolidated financial statements;

II. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;

III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company, covered under the Act, during the year ended 31 March 2022;

IV.

a. The respective managements of the Holding Company and its subsidiary company, incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary, to the best of their knowledge and belief as disclosed in note-56(a) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary company, to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary company, ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiary company, incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary to the best of their knowledge and beliefs disclosed in the note-56(b) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary company, shall, whether 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed by us and that performed by the auditor of the subsidiary company, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditor notice that has caused us or the other auditor to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

i. The Holding Company and its subsidiary company have not declared or paid any dividend during the year ended 31 March 2022.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Mehta

Sandeep Mehta
Partner
Membership No.: 099410
UDIN: 22099410AJUPEU9920

Place: Chandigarh
Date: 28 May 2022

Annexure I

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of PTC Industries Limited ('the Holding Company') and its subsidiary, Aerolloy Technologies Limited (the Holding Company and its subsidiary, together referred to as 'the Group'), as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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5. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company as aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the report of the other auditor on internal financial controls with reference to financial statements of the subsidiary company, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is company covered under the Act, whose financial statements reflect total assets of INR 3,329.59 lacs and net assets of INR 2,518.94 lacs as at 31 March 2022, total revenues of INR 760.13 lacs and net cash outflows amounting to INR 24.07 lacs for the year ended on that date, as considered in the consolidated financial statements. The internal

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financial controls with reference to financial statements in so far as it relates to such subsidiary company have been audited by other auditor whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary company as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the report of the auditor of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the report of the other auditor.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sandeep Mehta
Partner
Membership No.: 099410
UDIN: 22099410AJUPEU9920

Place-Chandigarh
Date- 28 May 2022

PTC Industries Limited

Consolidated Balance Sheet as at 31 March 2022

(All amounts in ₹ lakhs, unless stated otherwise)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	5	23,444.01	20,840.75
Capital work-in-progress	6	2,255.09	3,709.80
Investment property	7	183.06	184.37
Other intangible assets	8	68.33	76.38
Financial assets			
(i) Other financial assets	11(a)	189.42	148.57
Non current tax assets (net)	12	347.45	303.41
Other non current assets	13	850.45	448.24
Total non-current assets		**27,317.81**	**25,711.52**
Current assets			
Inventories	14	6,480.75	5,225.83
Financial assets			
(i) Investments	9	7.21	7.72
(ii) Trade receivables	15	6,149.82	6,329.52
(iii) Cash and cash equivalents	16	134.76	209.07
(iv) Bank balances other than (iii) above	17	260.41	213.54
(v) Loans	10	68.56	73.49
(vi) Others financial assets	11(b)	488.60	813.53
Other current assets	18	1,690.63	1,165.17
Total current assets		**15,280.74**	**14,037.87**
TOTAL ASSETS		**42,598.55**	**39,749.39**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	523.91	523.91
Other equity	20	16,328.28	15,004.41
Total equity		**16,852.19**	**15,528.32**
Non-current liabilities			
Financial liabilities			
(i) Borrowings	21(a)	9,366.08	9,398.23
(ii) Other financial liabilities	22	314.54	7.50
Provisions	23	75.88	89.25
Deferred tax liabilities (net)	24	1,375.41	1,202.26
Other non-current liabilities	25	901.67	1,042.22
Total non-current liabilities		**12,033.58**	**11,739.46**
Current liabilities			
Financial liabilities			
(i) Borrowings	21(b)	10,257.14	8,706.74
(ii) Trade payables	26		
total outstanding dues of micro enterprises and small enterprises		235.17	93.61
total outstanding dues of creditors other than micro enterprises and small enterprises		1,640.72	2,602.80
(iii) Other financial liabilities	27	1,139.72	915.59
Other current liabilities	28	388.06	149.82
Provisions	23	44.68	13.05
Current tax liabilities (net)	29	7.30	-
Total current liabilities		**13,712.78**	**12,481.61**
TOTAL EQUITY AND LIABILITIES		**42,598.55**	**39,749.39**

Notes 1 to 60 form an integral part of these consolidated financial statements

This is the Consolidated Statement of Balance Sheet referred to in our report of even date.

For Walker Chandiok & Co. LLP
Chartered Accountants
(Firm Registration No. 001076N/N500013)

Sandeep Mehta
Partner
Membership No. 099410

For and on behalf of the Board of Directors of PTC Industries Limited

Sachin Agarwal
Chairman and Managing Director
DIN No.: 00142885

Alok Agarwal
Director (Quality & Technical)
DIN No.: 00129260

Smita Agarwal
Director and Chief Financial Officer
DIN No.: 00276903

Pragati Gupta Agarwal
Company Secretary
Mem. No.: ACS61754

Place: Chandigarh
Date: 28 May 2022

Place: Lucknow
Date: 28 May 2022

PTC Industries Limited

Consolidated statement of Profit and Loss for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless stated otherwise)

Particulars	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	30	17,895.48	16,334.99
Other income	31	627.99	519.61
Total income		**18,523.47**	**16,854.60**
Expenses			
Cost of materials consumed	32	5,066.82	3,694.05
Changes in inventories of finished goods and work-in-progress	33	(759.47)	409.05
Employee benefits expense	34	2,085.16	1,996.71
Research and development expense	35	181.94	181.09
Other expenses	36	7,110.87	6,562.84
Total expenses		**13,685.32**	**12,843.74**
Profit before finance cost, depreciation and amortisation, exceptional items and tax		**4,838.15**	**4,010.86**
Finance costs	38	1,516.58	1,343.26
Depreciation and amortisation expense	39	1,462.99	1,438.35
Profit before exceptional items and tax		**1,858.58**	**1,229.25**
Exceptional items	40	156.79	-
Profit before tax		**1,701.79**	**1,229.25**
Tax expense:	41		
Current tax - current year		247.32	-
Current tax - earlier years		-	(244.86)
Deferred tax charge		173.32	81.14
MAT credit entitlement - previous years		-	957.48
Total tax expenses		**420.64**	**793.76**
Profit for the year		**1,281.15**	**435.49**
Other comprehensive income			
A) Items that will not be reclassified to profit or loss			
(i) Remeasurement of defined benefit plan		(0.65)	32.44
ii) Income tax relating to items that will not be reclassified to profit or loss		0.16	(8.16)
Other comprehensive income for the year (net of tax)		**(0.49)**	**24.28**
Total comprehensive income for the year		**1,280.66**	**459.77**
Earnings per equity share [Nominal value ₹10]	42		
Basic (₹)		24.45	8.31
Diluted (₹)		24.44	8.31

Notes 1 to 60 form an integral part of these consolidated financial statements

This is the Consolidated Statement of Profit and Loss referred to in our report of even date

For Walker Chandiok & Co. LLP
Chartered Accountants
(Firm Registration No. 001076N/N500013)

Sandeep Mehta
Partner

Membership No. 099410

For and on behalf of the Board of Directors of PTC Industries Limited

Sachin Agarwal
Chairman and Managing Director
DIN No.: 00142885

Alok Agarwal
Director (Quality & Technical)
DIN No. : 00129260

Smita Agarwal
Director and Chief Financial Officer
DIN No. : 00276903

Pragati Gupta Agarwal
Company Secretary
Mem. No.: AC861754

Place: Chandigarh
Date: 28 May 2022

Place: Lucknow
Date: 28 May 2022

PTC Industries Limited
Consolidated Statement of cash flows for the year ended 31 March 2022
(All amounts in ₹ lakhs, unless stated otherwise)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A Cash flow from operating activities		
Net profit before tax	1,791.78	1,229.25
Adjustments for:		
Depreciation and amortisation expense	1,492.99	1,458.35
Unrealised foreign exchange fluctuation loss/(gain)	(86.48)	10.58
(Gain)/loss on disposal/discard of property plant and equipment (net)	(0.15)	(157.25)
Provision for doubtful debts, loans and advances written off	(3.03)	10.22
Bad debts written off	-	37.46
Trade payables written off	(29.29)	-
Amortisation of deferred income- government grant	(51.47)	(60.40)
Dividend income	(0.22)	(0.14)
(Gain)/loss on MTM foreign exchange fluctuation	(28.05)	(160.89)
Interest paid	1,266.98	1,248.81
Remeasurement of defined benefit plan	(0.03)	32.44
(Gain)/loss on investments at fair value through profit or loss (net)	-	(1.54)
Interest from assets valued at amortised cost	(15.29)	(13.97)
ESOP Expense	43.21	-
Provisions made no longer required written back	-	(20.22)
Operating profit before working capital changes (current and non- current)	**4,382.28**	**3,603.59**
Inflow and outflow on account of :		
Changes in trade receivables	265.40	(1,796.98)
Changes in inventories	(1,254.92)	(16.50)
Changes in other financial assets	312.12	(633.09)
Changes in other assets	(525.45)	(236.03)
Changes in financial assets-loans	4.55	(170.62)
Changes in provisions	18.26	(31.08)
Changes in trade and other payables	(405.51)	(71.88)
Changes in other financial liabilities	104.46	127.71
Changes in other liabilities	(148.66)	(149.04)
Cash generated from operations before tax	**2,750.94**	**653.80**
Income taxes paid (net)	(264.86)	(219.76)
Net cash generated from operating activities [A]	**2,486.08**	**413.24**
B Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets (including capital advances and creditors for capital goods)	(2,818.97)	(2,547.20)
Proceeds from sale of property plant and equipment	-	190.50
Investments made/proceeds from investments	8.61	-
Interest received	15.35	13.07
Other bank balances not considered as cash and cash equivalents (net)	(46.87)	(56.43)
Dividend received	0.23	0.14
Net cash used in investing activities [B]	**(2,849.45)**	**(2,435.02)**
C Cash flow from financing activities		
Proceeds from long-term borrowings	2,246.73	3,250.00
Repayment of long-term borrowings	(1,538.63)	(1,000.00)
Proceeds from government grant	300.08	-
Proceeds from short-term borrowings (net)	606.09	717.44
Finance costs paid	(1,326.08)	(1,262.66)
Net cash used in financing activities [C]	**290.26**	**1,683.78**
D Net (decrease)/increase in cash and cash equivalents [A+B+C]	**(74.31)**	**56.58**
E Cash and cash equivalents at the beginning of the year	209.07	152.89
Closing balance of cash and cash equivalents [D+E]	**134.76**	**209.07**

	As at 31 March 2022	As at 31 March 2021
Components of cash and cash equivalents (refer note 16):		
Balances with banks	123.27	202.21
Cash on hand	11.49	6.86
	134.76	**209.07**

Notes 1 to 60 form an integral part of these consolidated financial statements

This is the Consolidated Statement of Cash Flow Statement referred to in our report of even date

For Walker Chandiok & Co. LLP
Chartered Accountants
(Firm Registration No. 001076N/N500013)

Sandeep Mehta
Partner
Membership No. 099410

For and on behalf of the Board of Directors of
PTC Industries Limited

Sachin Agarwal
Chairman and Managing Director
DIN No. : 00142885

Alok Agarwal
Director (Quality & Technical)
DIN No. : 00129260

Smita Agarwal
Director and Chief Financial Officer
DIN No. : 00276903

Pragati Gupta Agarwal
Company Secretary
Mem. No.: A26779

Place: Chandigarh
Date: 28 May 2022

Place: Lucknow
Date: 28 May 2022

PTC Industries Limited
Consolidated statement of changes in equity as at 31 March 2022
(All amounts in ₹ lakhs, unless stated otherwise)

A Equity share capital

Particulars	No. of shares	Amount
Balance as at 1 April 2020	52,39,063	523.91
Changes in equity share capital during the year	-	-
Balance as at 1 April 2021	52,39,063	523.91
Changes in equity share capital during the year	-	-
Balance as at 31 March 2022	52,39,063	523.91

B Other equity

	Reserves and Surplus				Other reserve		
	Capital reserve	Securities premium	General reserve	Retained earnings	Share Based payment Reserve Account	Equity instruments through other comprehensive	Total
Balance as at 1 April 2020	1.75	4,120.72	4,624.17	5,789.98	-	8.01	14,544.64
Profit for the period	-	-	-	435.49	-	-	435.49
Remeasurement of defined benefit plan	-	-	-	24.28	-	-	24.28
Balance as at 1 April 2021	1.75	4,120.72	4,624.17	6,249.75	-	8.01	15,004.41
Profit for the period	-	-	-	1,281.15	-	-	1,281.15
Share Based payment expense	-	-	-	-	43.21	-	43.21
Remeasurement of defined benefit plan	-	-	-	(0.49)	-	-	(0.49)
Balance as at 31 March 2022	1.75	4,120.72	4,624.17	7,530.41	43.21	8.01	16,328.28

Refer note 20 for nature of reserves.

Notes 1 to 60 form an integral part of these consolidated financial statements
This is the Consolidated Statement of Changes in Equity referred to in our report of even date

For **Walker Chandiok & Co. LLP**
Chartered Accountants
(Firm Registration No. 001076N/N500013)

Sandeep Mehta
Partner
Membership No. 099410

Place: Chandigarh
Date: 28 May 2022

For and on behalf of the Board of Directors of
PTC Industries Limited

Sachin Agarwal
Chairman and Managing Director
DIN No. : 00142885

Alok Agarwal
Director (Quality & Technical)
DIN No. : 00129260

Smita Agarwal
Director and Chief Financial Officer
DIN No. : 00276903

Pragati Gupta Agarwal
Company Secretary
Mem. No.: ACS61754

Place: Lucknow
Date: 28 May 2022

3 Property, plant and equipment

Particulars	Freehold land	Factory building	Plant and machinery	Computers	Mould and dies	Vehicles	Furniture and fixtures	Office equipments	Research and development assets: Plant and machinery	Research and development assets: Computers	Research and development assets: Mould and dies	Research and development assets: Vehicles	Total
As at 1 April 2020	576.22	4,318.55	20,255.54	214.97	1,587.42	252.28	170.82	176.29	255.03	1.18	111.77	6.35	27,926.42
Additions	626.40	141.18	244.98	21.82	161.15	89.99	6.52	13.41	-	-	-	-	1,305.45
Disposals/assets written off	-	-	-	-	-	15.75			-	-	-	-	15.75
Balance as at 31 March 2021	1,202.62	4,459.73	20,500.52	236.79	1,748.57	326.52	177.34	189.70	255.03	1.18	111.77	6.35	29,216.12
Additions	-	264.62	3,551.24	9.25	215.66	32.98	5.39	8.13	-	-	-	-	4,087.29
Adjustment	1.61	-	-	-	-	-	-	-	-	-	-	-	1.61
Disposals/assets written off	-	-	51.45	-	-	-	-	-	-	-	-	-	51.45
Balance as at 31 March 2022	1,204.23	4,724.35	24,000.31	246.04	1,964.23	359.50	182.73	197.83	255.03	1.18	111.77	6.35	33,253.57
Accumulated depreciation													
As at 1 April 2020	-	435.20	4,755.75	174.63	996.62	142.34	91.36	99.72	167.24	1.04	105.14	3.66	6,972.70
Charge for the year	-	130.42	1,099.62	13.25	109.95	25.05	10.90	19.26	8.83	0.02	1.05	0.06	1,418.41
Adjustments for disposals	-	-	-	-	-	15.75	-	-	-	-	-	-	15.75
Balance as at 31 March 2021	-	565.62	5,855.37	187.88	1,106.57	151.64	102.26	118.98	176.07	1.06	106.19	3.72	8,375.36
Charge for the year	-	136.84	1,104.90	12.95	112.33	34.25	11.35	21.04	6.49	0.02	1.05	0.06	1,441.28
Adjustments for disposals	-	-	7.08	-	-	-	-	-	-	-	-	-	7.08
Balance as at 31 March 2022	-	702.46	6,953.19	200.83	1,218.90	185.89	113.61	140.02	182.56	1.08	107.24	3.78	9,809.56
Net block as at 31 March 2021	1,202.62	3,894.11	14,645.15	48.91	642.00	174.88	75.08	70.72	78.96	0.12	5.58	2.63	20,840.75
Net block as at 31 March 2022	1,204.23	4,021.89	17,047.12	45.21	745.33	173.61	69.12	57.82	72.47	0.10	4.53	2.57	23,444.01

Notes:

a) Refer note 49 "Assets pledged as security" for details regarding property, plant and equipment pledged as security.

b) Refer note 46(i) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

c) Plant and machinery includes assets amounting to ₹ 1,500 lakh, out of which ₹ 500 lakh was acquired under the Technology Development and Demonstration Programme (TDDP) project and ₹ 1000 lakh was acquired under the Technology Acquisition and Fund Programme (TAFP) project. These assets have restricted use under their respective projects.

d) No proceeding has been initiated or pending against the group for holding any benami property under the Benami transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(This space has been intentionally left blank)

6 Capital work-in-progress

Particulars	Amount
Balance as at 1 April 2020	1,897.93
Additions	1,811.87
Balance as at 31 March 2021	3,709.80
Additions	1,680.08
Capitalisation during the year	(3,134.79)
Balance as at 31 March 2022	2,255.09

Note:
Additions to capital work in progress include interest of ₹ 157.17 lakhs (31 March 2021: ₹ 143.53 lakhs) capitalised during the year.

(a) Capital-work-in progress ageing schedule as at 31st March 2022

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,020.65	1,154.10	63.39	16.95	2,255.09

Capital-work-in progress ageing schedule as at 31st March 2021

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,691.50	957.80	1,043.55	16.95	3,709.80

7 Investment Property

Particulars	Freehold land	Factory building	Total
Net carrying value			
Gross Block as on 31st March 2020	125.59	151.77	277.36
Additions	-	-	-
Gross Block as on 31st March 2021	125.59	151.77	277.36
Additions	-	-	-
Gross Block as on 31st March 2022	125.59	151.77	277.36
Accumulated depreciation			
As at 1 April 2020	-	89.90	89.90
Charge for the year	-	3.09	3.09
Balance as at 31 March 2021	-	92.99	92.99
Depreciation charge for the year	-	1.31	1.31
Balance as at 31 March 2022	-	94.30	94.30
Net block as at 31 March 2021	125.59	58.78	184.37
Net block as at 31 March 2022	125.59	57.47	183.06

Notes:
(i) Amount recognised in statement of profit and loss for investment property

Particulars	As at 31 March 2022	As at 31 March 2021
Rental income	45.00	41.25
Depreciation and amortisation expense	1.31	3.09
Direct operating expenses that generated rental income	-	-
Direct operating expenses that did not generate rental income	-	-
Profit from leasing of investment property	43.69	38.16

(ii) The aforementioned investment property is leased to a tenant under short term operating lease agreement with rentals payable monthly. However, lease can be terminated by either of the parties during the term, hence considered as cancellable and accordingly no lease disclosure given, as required by Ind AS 116 "Leases".

(iii) Fair value of investment property

Particulars	As at 31 March 2022	As at 31 March 2021
Fair value	1,458.46	1,519.74

The Group obtains independent valuations for its investment property. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Group considers information from a variety of sources such as current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

Fair value is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.
These valuations are based on valuations performed by accredited independent valuer. Fair value is based on market value approach. The fair value measurement is categorised in Level 3 of fair value hierarchy. There has been no restriction on disposal of property or remittance of income and proceeds of disposal.

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8 Other intangible assets

Particulars	Software	Licenses	Research and development asset - Software	Total
Gross block				
At 1 April 2020	189.82	39.70	4.72	234.24
Additions	17.53			17.53
Balance as at 31 March 2021	**207.35**	**39.70**	**4.72**	**251.77**
Additions	12.34			12.34
Balance as at 31 March 2022	**219.69**	**39.70**	**4.72**	**264.11**
Accumulated amortisation				
At 1 April 2020	114.40	39.70	4.44	158.54
Charge for the year	16.85	-	-	16.85
Balance as at 31 March 2021	**131.25**	**39.70**	**4.44**	**175.39**
Charge for the year	20.40			20.40
Balance as at 31 March 2022	**151.65**	**39.70**	**4.44**	**195.79**
Net block as at 31 March 2021	**76.10**	-	**0.28**	**76.38**
Net block as at 31 March 2022	**68.03**	-	**0.28**	**68.33**

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(All amounts in ₹ lakhs, unless stated otherwise)

9 **Current investments**

Particulars	As at 31 March 2022	As at 31 March 2021
Quoted investments		
Investment in mutual fund (at fair value through profit or loss)		
5,000 units (31 March 2021: 5,000 units) of ₹ 10 each of UTI Equity Fund (Prev. Mastergain 1992 of UTI)	7.21	7.72
	7.21	7.72
Aggregate amount of quoted investments and market value thereof	7.21	7.72

Note:
Refer note 45 for disclosure of fair values in respect of financial assets measured at cost.

10 **Current financial assets - loans**

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Loan to employees*	68.56	73.49
	68.56	73.49

* No loans and advances provided to promoters, directors & KMPs.
Note:
Refer note 45 for disclosure of fair values in respect of financial assets measured at cost.

11(a) **Non-current financial assets - others**

Particulars	As at 31 March 2022	As at 31 March 2021
Deposits with banks with maturity more than 12 months*	54.38	34.45
Security deposits	135.04	114.12
	189.42	148.57

* The above balance includes margin money deposits which are pledged with banks for issuance of bank guarantees and letter of credits.

Note:
Refer note 45 for disclosure of fair values in respect of financial assets measured at cost.

11(b) **Current financial assets - others**

Particulars	As at 31 March 2022	As at 31 March 2021
Export incentives receivable*	430.55	459.06
Other financial assets	58.15	154.47
	488.70	613.53

***Export Incentive receivable movement summary**

Particulars	Amount
Balance as at 1 April 2020	282.44
Income during the year	525.37
Amount utilised/refund received during the year	(348.75)
Balance as at 31 March 2021	459.06
Income during the year	221.34
Amount utilised/refund received during the year	(249.85)
Balance as at 31 March 2022	430.55

Note:
Refer note 45 for disclosure of fair values in respect of financial assets measured at cost.

12 **Income tax assets (net)**

Particulars	As at 31 March 2022	As at 31 March 2021
Advance income-tax (net of provision for taxation)	347.45	385.41
	347.45	385.41

13 **Other non-current assets**

Particulars	As at 31 March 2022	As at 31 March 2021
Capital advances	838.45	448.24
	838.45	448.24

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(All amounts in ₹ lakhs, unless stated otherwise)

14 **Inventories**

Particulars	As at 31 March 2022	As at 31 March 2021
(Valued at lower of cost or net realisable value)		
Raw materials	1,541.40	1,232.12
Work-in-progress	4,073.20	3,313.73
Finished goods	45.02	45.02
Stores and spares	696.25	564.45
Loose tools	124.88	70.51
	6,480.75	**5,225.83**

15 **Trade receivables**

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables considered good – Unsecured	6,149.82	6,329.52
Trade receivables-credit impaired	22.59	25.60
	6,172.41	6,355.12
Less: Provision for expected credit loss	(22.59)	(25.60)
	6,149.82	**6,329.52**

Movement in the provision for expected credit loss

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	25.60	15.38
Add: Allowance provided during the year (refer note-36)	-	10.22
Balance at the end of the year	**25.60**	**25.60**

*Refer note-43 for ageing schedule of Trade receivables.

16 **Cash and cash equivalents**

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks	123.27	202.21
Cash on hand	11.49	6.86
	134.76	**209.07**

* The above balance includes margin money deposits which are pledged with banks for issuance of bank guarantees and letter of credits.

Note:
There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

17 **Other bank balances**

Particulars	As at 31 March 2022	As at 31 March 2021
Deposits with original maturity more than 3 months but remaining less than 12 months*	221.26	213.54
Interest accrued on deposits	39.15	-
	260.41	**213.54**

* The above balance includes margin money deposits which are pledged with banks for issuance of bank guarantees and letter of credits.

18 **Other current assets**

Particulars	As at 31 March 2022	As at 31 March 2021
Prepaid expenses	81.70	51.10
Balances with statutory and government authorities	1,121.11	822.52
Gratuity asset	-	0.40
Other loans and advances	487.82	291.15
	1,690.63	**1,165.17**

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19 **Equity share capital**

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
Authorised:				
Equity shares of ₹ 10 each	2,00,00,000	2,000.00	89,75,000	897.50
Redeemable cumulative preference shares of ₹ 10 each*	-	-	20,25,000	202.50
	2,00,00,000	**2,000.00**	**1,10,00,000**	**1,100.00**
Issued, subscribed and fully paid up:				
Equity shares of ₹ 10 each	52,39,063	523.91	52,39,063	523.91
	52,39,063	**523.91**	**52,39,063**	**523.91**

*During the year, the group has increased the authorised share capital from INR 1100.00 lacs to INR 2000.00 lacs and also converted the authorised redeemable cumulative preference share capital into equity share capital.

a) **Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:**

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
Outstanding at the beginning of the year	52,39,063	523.91	52,39,063	523.91
Add: Shares issued during the year	-	-	-	-
Outstanding at the end of the year	**52,39,063**	**523.91**	**52,39,063**	**523.91**

b) **Terms and rights attached to equity shares**

The Group has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.
The Group declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) **Details of shareholders holding more than 5% of the equity share capital:**

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	% of holding	Number	% of holding
Sachin Agarwal	11,15,704	21.30%	11,13,560	21.25%
Mapple Commerce Private Limited	6,25,150	11.93%	6,25,150	11.93%
Nirala Merchants Private Limited	4,60,200	8.78%	4,60,200	8.78%
Priya Ranjan Agarwal	3,86,000	7.37%	3,86,000	7.37%
Sachin Agarwal HUF	2,61,500	5.00%	2,61,500	5.00%

d) **Information regarding issue of shares in the last five years**

i) The Group has not issued any shares without payment being received in cash in the last five years.

ii) There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the last 5 years.

e) **Disclosure of Shareholding of Promoters**

Shares held by promoters at the end of the year as on 31st March,2022			
Promoter Name	No. of Shares	% of Total	% Change during the year
SACHIN AGARWAL	11,15,704	21.30%	0.00%
MAPPLE COMMERCE PRIVATE LIMITED	6,25,150	11.93%	0.00%
NIRALA MERCHANTS PRIVATE LIMITED	4,60,200	8.78%	0.00%
PRIYA RANJAN AGARWAL	3,86,000	7.37%	0.00%
SACHIN AGARWAL HUF	2,61,500	5.00%	0.00%
ALOK AGARWAL	2,15,600	4.12%	0.00%
VIVIN ADVISORY SERVICES PRIVATE LIMITED	1,68,500	3.22%	0.00%
SMITA AGARWAL	1,21,000	2.30%	0.00%
ANSHOO AGARWAL	62,000	1.19%	0.00%
SATISH CHANDRA AGARWAL (HUF)	30,600	0.58%	0.00%
RINA AGRAWAL	27,000	0.52%	0.00%
KANCHAN AGARWAL	21,200	0.40%	0.00%
KIRAN ARUN PRASAD	19,300	0.37%	0.00%
MANU AGARWAL	10,000	0.19%	0.00%
RITIKA AGARWAL	10,000	0.19%	0.00%
REENA AGARWAL	4,000	0.08%	0.00%
ARUN JWALA PRASAD	2,000	0.04%	0.00%
Total	35,51,954	67.80%	

Shares held by promoters at the end of the year as on 31st March,2021			
Promoter Name	No. of Shares	% of Total	% Change during the year
SACHIN AGARWAL	11,13,560	21.25%	0.00%
SAPPLE COMMERCE PRIVATE LIMITED	6,25,194	11.93%	0.00%
NIRALA MERCHANTS PRIVATE LIMITED	4,60,200	8.78%	0.00%
PRIYA RANJAN AGARWAL	3,86,000	7.37%	0.00%
SACHIN AGARWAL HUF	2,63,500	5.03%	100.00%
ALOK AGARWAL	2,15,600	4.12%	0.00%
VIVEK ADVISORY SERVICES PRIVATE LIMITED	1,68,214	3.21%	0.00%
SMITA AGARWAL	1,31,000	2.50%	0.00%
ANSHOO AGARWAL	63,300	1.21%	0.00%
SATISH CHANDRA AGARWAL (HUF)	28,400	0.54%	0.00%
BINA AGRAWAL	27,934	0.53%	2.00%
KANCHAN AGARWAL	21,200	0.40%	0.00%
KIRAN ARUN PRASAD	19,200	0.37%	0.00%
MANU AGARWAL	10,000	0.19%	0.00%
RITIKA AGARWAL	10,000	0.19%	0.00%
REENA AGARWAL	4,000	0.08%	0.00%
ARUN JWALA PRASAD	2,000	0.04%	0.00%
Total	35,49,700	67.76%	

20 **Other equity**

Particulars	As at 31 March 2022	As at 31 March 2021
a. Capital reserve		
Balance at the beginning of the year	1.75	1.75
Add: Additions during the year	-	-
Balance at the end of the year	1.75	1.75
b. Securities premium		
Balance at the beginning of the year	4,120.72	4,120.72
Add: Additions during the year	-	-
Balance at the end of the year	4,120.72	4,120.72
c. General reserve		
Balance at the beginning of the year	4,624.17	4,624.17
Add: Additions during the year	-	-
Balance at the end of the year	4,624.17	4,624.17
d. Retained earnings		
Balance at the beginning of the year	6,257.75	5,797.98
Add: Profit during the year	1,280.66	459.77
Balance at the end of the year	7,238.40	6,257.75
e. Other comprehensive income		
Balance at the beginning of the year	0.01	0.01
Add: Additions during the year	-	-
Balance at the end of the year	0.01	0.01
f. Share based payment reserve		
Balance at the beginning of the year	-	-
Add: Additions during the year	43.21	-
Balance at the end of the year	43.21	-
Total	16,028.27	15,004.40

Nature and purpose of other reserves

(a) **Capital reserve**
Capital reserve was created in respect of proceeds of forfeited shares.

(b) **Securities premium**
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

(c) **General reserve**
Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn.

(d) **Retained earnings**
Retained earnings refer to the net profit retained by the Group for its core business activities.

(e) **Share Based Payment Reserve(SBP)**
This reserve has been created to meet the cost of Employee Stock Option Payment(ESOP) scheme.

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(All amounts in ₹ lakhs, unless stated otherwise)

21(a) Non-current borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Secured		
Term loans from banks	10,781.07	9,967.82
Term loans from financial institutions	250.20	307.04
Vehicle loans from banks and financial institutions	117.35	121.99
Letter of credit - from banks	516.25	555.22
	11,664.87	10,952.07
Less: Current maturities of long term borrowings (refer note 21(b))	(2,208.79)	(1,533.84)
	9,456.08	9,418.23

Notes:

1. Term loans from banks and financial institutions carrying interest rate ranging from 8.25% to 10.75% p.a (P.Y. 7.93% to 11.08% p.a).
2. Term loans from banks and letter of credit are secured by way of equitable mortgage on pari-passu basis on the land and building of Lucknow Plant 1,AMTC Plant (at village Sarai Shahjadi) and first pari-passu charge on the plant and equipment of the Lucknow Plant 1,AMTC Plant (at village Sarai Shahjadi) of the Group and second charge ranking pari-passu on the whole of the present and future current assets of the Group.
3. Further the term loans from banks are secured by way of personal guarantee of the Directors of the Group.
4. Term loan from financial institutions are secured against the plant and machinery.
5. Vehicle loans carry interest rates ranging from 8.75% to 12.50% p.a (P.Y 7.15% to 12.50% p.a) and are secured by way of absolute charge on respective assets thus purchased.
6. Letter of credit facility from banks carries interest 1.05% p.a (P.Y. 1.05% p.a).
7. Refer note 43 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.
8. In view of continuing disruptions on account of Covid-19, the Reserve Bank of India (RBI) has announced the moratorium facility on repayment of loans. The Group has opted for this facility for the months of March 2020 to August 2020.

21(b) Current borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Working capital loans repayable on demand - from banks	6,959.83	7,172.90
Current maturity of Long term borrowings	2,208.79	1,533.84
Un-Secured		
Bill Discounted	1,019.32	-
	10,187.94	8,706.74

Notes:

1. Working capital facilities from banks carry interest rates ranging from 9.00% to 11.18% p.a.(P.Y 7.40% to 11.40% p.a) and are repayable on demand. These facilities are secured by way of first charge ranking pari-passu on the whole of the present and future current assets of the Group and further secured by second charge on equitable mortgage on pari-passu basis on the land and building of Lucknow Plant 1 and AMTC Plant (at village Sarai Shahjadi) and first second pari-passu charge on plant and equipment of the Lucknow Plant 1 and AMTC Plant (at village Sarai Shahjadi) of the Group.
2. Further the working capital loans are secured by way of personal guarantee of the Directors of the Group.
3. Refer note 43 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.
4. The Group has borrowings from banks on the basis of security of current assets and quarterly returns or statements of current assets filed by the Group with banks are in agreement with the books of accounts.

4. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	Non-current borrowings	Current borrowings	Interest accrued
As at 1 April 2020	**8,604.47**	**6,455.06**	**97.13**
Add: Non cash charges due to-			
- Interest expense debited to statement of profit and loss	-	-	1,248.01
- Interest expense capitalised to capital work-in-progress	-	-	138.18
Add: Cash inflows during the year			
- Proceeds from non-current borrowings	3,350.60	-	-
- Proceeds from current borrowings	-	717.84	-
Less: Cash outflow during the year			
- Repayment of non-current borrowings	1,003.00	-	-
- Interest paid	-	-	1,362.68
As at 1 April 2021	**10,952.07**	**7,172.90**	**120.65**
Add: Non cash charges due to-			
- Interest expense debited to statement of profit and loss	-	-	1,268.58
- Interest expense capitalised to capital work-in-progress	-	-	157.17
Add: Cash inflows during the year			
- Proceeds from non-current borrowings	2,271.42	-	-
- Proceeds from current borrowings	-	785.46	-
Less: Cash outflow during the year			
- Repayment of non-current borrowings	1,558.62	-	-
- Interest paid			1,528.00
Closing balance as on 31 March 2022	**11,664.87**	**7,958.36**	**18.30**

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(All amounts in ₹ lakhs, unless stated otherwise)

22 **Other financial liabilities**

Particulars	As at 31 March 2022	As at 31 March 2021
Security deposit	7.50	7.50
TDDP Grant (Non-current)	307.04	-
	314.54	7.50

Note:
Refer note 43 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.
* TDDP grant refers to grant received under "Technology Development and Demonstration Programme" from National Research Development Corporation (NRDC) an enterprise of Department of Scientific & Industrial Research(DSIR). Refer note-38 for further details.

23 **Provisions**

Particulars	Non-current As at 31 March 2022	Non-current As at 31 March 2021	Current As at 31 March 2022	Current As at 31 March 2021
Provision for employees benefits				
- Provision for gratuity	-	17.11	32.39	1.29
- Provision for compensated absences	75.88	72.14	12.29	11.76
	75.88	89.25	44.68	13.05

24 **Deferred tax liabilities (net)**

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax liability arising on account of:		
Difference between book balance and tax balance of property, plant and equipment	1,413.12	1,236.40
	1,413.12	1,236.40
Deferred tax asset arising on account of:		
Brought forward losses and unabsorbed depreciation	-	38.14
Provision for employee benefits	39.15	23.84
Tax impact on allowance under tax exemptions/deductions	(7.05)	(40.28)
Others	-	-
Provision for doubtful debts	5.61	6.44
	37.71	34.14
Minimum alternate tax credit entitlement	0.00	-
Net deferred tax liability	1,375.41	1,202.26

(A) **Movement in deferred tax liabilities:**

Particulars	As at 1 April 2020	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised in balance sheet	As at 31 March 2021
Deferred tax liability arising on account of:					
Difference between book balance and tax balance of property, plant and equipment	1,587.44	(351.04)	-	-	1,236.40
	1,587.44	(351.04)	-	-	1,236.40
Deferred tax asset arising on account of:					
Provision for employee benefits	30.93	7.07	(8.16)	-	23.84
Provision for doubtful debts	4.28	2.16	-	-	6.44
Tax impact on allowance under tax exemptions/deductions	29.93	(70.21)	-	-	(40.28)
Brought forward losses and unabsorbed depreciation	409.34	(371.20)	-	-	38.14
	474.48	(432.38)	(8.16)	-	34.14
Minimum alternate tax credit entitlement	957.48	(712.62)		(244.86)	0.00
Net deferred tax liability	155.47	793.76	8.16	244.86	1,202.26

Movement in deferred tax liabilities:

Particulars	As at 1 April 2021	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised in balance sheet	As at 31 March 2022
Deferred tax liability arising on account of:					
Difference between book balance and tax balance of property, plant and equipment	1,236.40	176.72	-	-	1,413.12
	1,236.40	176.72	-	-	1,413.12
Deferred tax asset arising on account of:					
Provision for employee benefits	23.84	9.15	0.10	-	39.15
Provision for doubtful debts	6.44	(0.84)	-	-	5.61
Tax impact on allowance under tax exemptions/deductions	(40.28)	33.23	-	-	(7.05)
Brought forward losses and unabsorbed depreciation	38.14	(38.14)	-	-	-
	34.14	3.40	0.10	-	37.71
Minimum alternate tax credit entitlement	0.00	-	-		0.00
Net deferred tax liability	1,202.26	173.32	(0.10)	-	1,375.41

(B) **Unrecognised deferred tax assets**

	As at 31 March 2022 Gross amount	As at 31 March 2022 Tax effect	As at 31 March 2021 Gross amount	As at 31 March 2021 Tax effect
Brought forward long term capital losses	61.67	15.52	95.52	24.04
	61.67	15.52	95.52	24.04

PTC INDUSTRIES LIMITED LUCKNOW

(All amounts in ₹ lakhs, unless stated otherwise)

25 **Other non-current liabilities**

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred grant income	901.67	1,042.22
	901.67	1,042.22

(i) Reconciliation of deferred income

Opening balance as at the beginning of the year	1,042.22	1,122.22
Add: Grant received during the year	300.00	-
Less: Released to the Statement of Profit and Loss	(51.67)	(80.00)
Less: Reclassed to other financial liability (Non current & current) (Refer Note-58)	(388.88)	-
Closing balance as at the end of the year	901.67	1,042.22

26 **Trade payables**

Particulars	As at 31 March 2022	As at 31 March 2021
Due to :		
Total outstanding dues of micro enterprises and small enterprises*	233.17	93.61
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,640.72	2,602.80
	1,873.89	2,696.41

Note:
Refer note 43 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

*Dues to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act (MSMED), to the extent identified and information available with the Group pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006, details are mentioned below:

Particulars	As at 31 March 2022	As at 31 March 2021
Principal amount and interest due thereon remaining unpaid to any supplier at the end of each accounting year	233.17	93.61
The amount of interest paid by the Group in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Trade Payables ageing schedule as at 31st March 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	233.17	-	-	-	233.17
(ii) Others	1,577.85	62.87	-	-	1,640.72
Total					1,873.89

Trade Payables ageing schedule as at 31st March 2021

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	93.61	-	-	-	93.61
(ii) Others	2,549.27	55.63	-	-	2,604.90
Total					2,698.51

27 **Current financial liabilities- others**

Particulars	As at 31 March 2022	As at 31 March 2021
Interest accrued but not due on borrowings	118.80	120.65
TDDP Grant (Current)*	118.85	-
Others		
- towards creditors for capital goods	460.13	391.58
- towards employee related payables	305.03	247.56
- other payables	157.15	155.79
	1,159.72	915.58

* TDDP grant refers to grant received under "Technology Development and Demonstration Programme" from National Research Development Corporation (NRDC) an enterprise of Department of Scientific & Industrial Research(DSIR). Refer note-58 for further details.

Note:
Refer note 43 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

28 **Other current liabilities**

Particulars	As at 31 March 2022	As at 31 March 2021
Advance received from customers	325.47	93.72
Statutory dues payable	64.58	56.10
	390.05	149.82

29 **Current tax liabilities (net)**

Particulars	As at 31 March 2022	As at 31 March 2021
Current tax liabilities (net of advance tax & TDS)	7.30	-
	7.30	-

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(All amounts in ₹ lakhs, unless stated otherwise)

30 **Revenue from operations (Point in Time)**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of products	17,635.14	15,766.82
Other operating revenues (refer (a) below)	260.34	568.17
Revenue from operations	**17,895.48**	**16,334.99**
(a) Other operating revenues (Point in Time)		
Export incentives	221.34	525.37
Income from power generation	39.00	42.80
Total	**260.34**	**568.17**
Reconciliation of revenue recognised with contract price:		
Gross Revenue	17,936.26	16,388.02
Less: Rate difference adjustment	40.78	53.04
	17,895.48	16,334.99

31 **Other income**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest		
- from bank deposits valued at amortised cost	15.25	9.83
- from others	-	4.15
Rent Income from Investment property and property plant equipment	45.70	42.64
Supply of Services	55.13	-
Insurance claims received	64.90	0.40
Gain/(loss) on foreign exchange fluctuation (net)	327.95	43.97
Fair value gain/(loss) on investment at fair value through profit or loss (net)	-	1.94
Dividend income(on investments carried at Fair value through Profit & Loss)	0.23	0.14
Mark to market gain on forward contracts measured at Fair value through PL	28.05	160.09
Amortisation of deferred income (refer note-25)	51.67	80.00
Profit on sale of assets	0.13	137.25
Provisions made no longer required written back	-	39.22
Discount Received	3.54	-
Miscellaneous income	35.44	-
	627.99	519.61

32 **Cost of materials consumed**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Raw materials at the beginning of the year	1,232.12	832.26
Add: Purchases	5,441.18	4,113.04
Less: Closing stock	1,541.40	1,232.12
	5,131.90	**3,713.18**
Less: Raw material consumed for research and development	65.08	19.13
Cost of material consumed	**5,066.82**	**3,694.05**

33 **Changes in inventories of finished goods and work-in-progress**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventories at the beginning of the year		
Work-in-progress	3,313.73	3,722.78
Finished goods	45.02	45.02
	3,358.75	**3,767.80**
Inventories at the end of the year		
Work-in-progress	4,073.20	3,313.73
Finished goods	45.02	45.02
	4,118.22	**3,358.75**
Changes in inventories of finished goods and work-in-progress	**(759.47)**	**409.05**

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34 **Employee benefits expense***

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	1,818.57	1,767.31
Contribution to provident and other funds	114.88	128.37
Gratuity expense (refer note 44)	30.47	35.13
Staff welfare expenses	69.03	65.90
Employee stock option payment expenses	43.21	-
	2,085.16	1,996.71

*Employee benefit expenses excludes ₹ 32.09 lakhs (31 March 2022: ₹ 23.50 lakhs) towards research and development expenses (refer note 35)

35 **Research and development expense**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Raw materials consumed	65.08	19.13
Materials, stores and spares consumed	84.77	138.46
Salary and wages	32.09	23.50
	181.94	181.09

36 **Other expenses**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Manufacturing expenses		
Stores and spares consumed*	2,268.22	2,057.76
Power and fuel	1,485.74	1,393.24
Repairs and maintenance		
- plant and machinery	435.86	367.04
- building	34.35	38.54
Packing and general consumables	205.29	207.40
Processing and work charges	1,012.02	984.83
Freight Expenses	30.77	25.47
Outsourced services	102.66	89.67
Testing and inspection charges	308.27	345.30
Sub-total (A)	5,881.16	5,507.06
Administrative, selling and other expenses		
Rent	25.55	23.79
Rates and taxes	9.15	16.31
Insurance expenses	83.86	67.47
Security expenses	96.43	91.58
Legal and professional expenses	114.83	99.29
Payment to Auditors (refer note 37 (a))	36.86	25.09
Travelling and conveyance	109.78	96.86
Vehicle running and maintenance	114.40	114.44
Communication expenses	21.80	20.80
Printing and stationery	19.55	13.47
Training and Recruitment	48.18	45.16
Seminar, Conferences &Exhibitions	53.87	14.38
Freight and clearing	145.60	204.04
Claim settlement expenses	220.87	55.36
Advertisement and promotion	6.40	2.85
Donation and charity	0.40	0.41
Computer expenses	32.40	34.50
Corporate social responsibility expenses (refer note 37 (b))	25.88	21.21
Bad debts written off	-	37.66
Business promotion expenses	12.21	6.74
Provision for doubtful debts	-	10.22
Office upkeep and maintenance charges	37.93	40.61
Miscellaneous expenses	10.38	15.09
Sub-total (B)	1,229.71	1,055.78
Grand total (C=A+B)	7,110.87	6,562.84

*Stores and spares excludes ₹ 84.77 lakh (31 March 2021: ₹ 138.46 lakh) towards research and development expense (refer note 35)

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(All amounts in ₹ lakhs, unless stated otherwise)

37(a) **Payment to auditors**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
As auditor:		
- Statutory audit (including limited reviews)	26.00	23.50
In other capacity:		
- Certification	10.86	1.25
- Out of pocket expenses	-	0.40
	36.86	**25.15**

37(b) **Corporate social responsibility expenses**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Gross amount required to be spent under section 135 of the Act	23.88	21.21

Amount spent during the year ended 31 March 2022:	In cash	Unspent amount	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	23.88	-	23.88
	23.88	-	**23.88**

Amount spent during the year ended 31 March 2021:	In cash	Unspent amount	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	21.21	-	21.21
	21.21	-	**21.21**

Details of corporate social responsibility expenditure

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(i) Amount required to be spent by the group during the year	23.88	21.21
(ii) Amount of expenditure incurred	23.88	21.21
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	-	-
(vi) Nature of CSR activities	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects
(vii) Details of related party transactions	-	21.21

38 **Finance costs**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense on borrowings measured at amortised cost		
- on working capital loans	478.35	467.76
- on term loans	857.18	760.20
Interest on others	33.45	20.05
Other borrowing cost	147.60	95.25
	1,516.58	**1,343.26**

39 **Depreciation and amortisation expense**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment	1,441.28	1,418.41
Depreciation on investment property	1.31	3.09
Amortisation on intangible assets	20.40	16.85
	1,462.99	**1,438.35**

40 **Exceptional items**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Remeasurement of TDDP grant valued at amortised cost*	156.79	-
	156.79	-

*TDDP grant refers to grant received under "Technology Development and Demonstration Programme" from National Research Development Corporation (NRDC) an enterprise of Department of Scientific & Industrial Research(DSIR). Refer note-58 for further details.

41 **Tax expense**

(a) Income tax expenses recognised in profit and loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax:		
Current tax	247.32	-
Current tax - earlier years	-	(244.86)
	247.32	(244.86)
Deferred tax:		
In respect of current year origination and reversal of temporary differences	173.32	81.14
Remeasurement of deferred tax recoverable on adoption of new tax regime (MAT credit)	-	957.48
	173.32	1,038.62
Total tax expense recognised in profit and loss	420.64	793.76

(b) Income tax expenses recognised in other comprehensive income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Deferred tax:		
Re-measurement of defined benefit obligations	0.16	(8.16)
Total tax expense recognised in other comprehensive income	0.16	(8.16)

(c) Numerical reconciliation between average effective tax rate and applicable tax rate :

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Group at 25.17% (31 March 2021: 25.17%) and the reported tax expense in the statement of profit and loss are as follows:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Accounting profit before income-tax	1,701.79	1,229.25
At India's statutory income-tax rate of 25.17% (31 March 2021: 25.17%)	428.34	309.40
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non deductible expenses	20.78	(5.00)
Tax on income at different rates	(28.48)	(42.42)
Tax earlier years	-	534.24
Others	-	(2.46)
	420.64	793.76

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Basis of computing Company's statutory income-tax rate:		
Base rate	22.00%	22.00%
Add: Surcharge	2.20%	2.20%
	24.20%	24.20%
Add: Education cess	0.97%	0.97%
	25.17%	25.17%

42 **Earnings per share**

Earnings per Share ('EPS') is determined based on the net profit attributable to the shareholders'. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit for the year attributable to equity shareholders	1,281.15	435.49
Weighted average number of equity shares (nos. in lakh)	52.39	52.39
Nominal value per share (₹)	10.00	10.00
Earnings per share - basic (₹)	24.45	8.31
Weighted average number of equity shares for Diluted (nos. in lakh)	52.39	52.39
Add:- Potentional Dilutive No.	0.04	-
Total Diluted Equity Share	52.43	52.39
Earnings per share - diluted (₹)	24.44	8.31

The Group have dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the Group are as above.

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(All amounts in ₹ lakhs, unless stated otherwise)

42 Financial instruments and risk review

(A) Financial instruments

(i) Capital management

The Group manages its capital to be able to continue as a going concern while maximising the returns to shareholders through optimization of the debt and equity balance. The capital structure consists of debt which includes the borrowings as disclosed in note 21(a) and 21(b), cash and cash equivalents and current investments and equity attributable to equity holders of the Group, comprising issued share capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity. For the purpose of calculating gearing ratio, debt is defined as non-current and current borrowings (excluding derivatives). Equity includes all capital and reserves of the Group attributable to equity holders of the Group. The Group is not subject to externally imposed capital requirements. The Board reviews the capital structure and cost of capital on an annual basis but has not set specific targets for gearing ratios. The risks associated with each class of capital are also considered as part of the risk reviews presented to the Audit Committee and the Board of Directors.

The following table summarises the capital of the Group:

Particulars	As at 31 March 2022	As at 31 March 2021
Equity	16,832.19	15,528.32
Liquid assets (cash and cash equivalents and current investments) (a)	141.97	219.79
Current borrowings (note 21(b))	10,257.14	8,700.74
Non-current borrowings (note 21(a))	9,366.08	9,398.23
Interest accrued but not due on borrowings (refer note 27)	118.80	130.65
Total debt (b)	19,742.02	18,228.62
Net debt (c=(b) - (a))	19,600.05	18,008.83
Total capital (equity + net debt)	36,432.24	33,537.15
Gearing ratio		
Debt to equity ratio	1.17	1.17
Net debt to equity ratio	1.16	1.16

Loan Covenants

Under the term of major borrowing facilities, the Group is required to comply with the following covenants:

1. Total debt/ Adjusted Tangible net worth not to exceed 1.5 times.
2. Debt service coverage ratio not to fall below 1.2 times.
3. Asset coverage ratio is not to fall below 1.1 times
4. Interest coverage ratio not to fall below 2.5 times
5. Total debt/Net cash accruals not to exceed 8.0 times
6. Current Ratio to be not less than 1.30
7. Fixed Asset Coverage Ratio>=1.50

The Group has complied with these covenants throughout the reporting period.

(ii) Category of financial instruments

Particulars	Note no.	As at 31 March 2022 Amortised cost	As at 31 March 2022 FVTPL	As at 31 March 2022 FVOCI	As at 31 March 2021 Amortised cost	As at 31 March 2021 FVTPL	As at 31 March 2021 FVOCI
Financial assets							
Investments	9	-	7.21	-	-	7.72	-
Loans	10	68.56	-	-	73.40	-	-
Trade receivables	15	6,140.63	-	-	6,529.52	-	-
Cash and cash equivalents	16	134.76	-	-	208.87	-	-
Other bank balances	17	260.41	-	-	213.54	-	-
Other financial assets	11(a),31(b)	640.58	28.05	-	602.81	160.09	-
Total financial assets		7,263.63	35.26	-	7,627.63	167.81	-
Financial liabilities							
Borrowings	21(a),21(b)	19,623.22	-	-	18,104.97	-	-
Trade payables	26	1,873.89	-	-	2,696.41	-	-
Other financial liabilities	23, 28	1,454.25	-	-	923.89	-	-
Total financial liabilities		22,951.36	-	-	21,724.47	-	-

(iii) Fair value hierarchy:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Particulars	As at 31 March 2022 Level 1	As at 31 March 2022 Level 2	As at 31 March 2022 Level 3	As at 31 March 2021 Level 1	As at 31 March 2021 Level 2	As at 31 March 2021 Level 3
Financial assets measured at fair value						
Financial instrument at FVTPL						
- Forward contract	-	28.05	-	-	160.09	-
- Quoted mutual fund	7.21	-	-	7.72	-	-
	7.21	28.05	-	7.72	160.09	-

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: This hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of equity instruments which are traded in stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: This hierarchy includes financial instruments for which inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) have been used.

Level 3: This hierarchy includes financial instruments for which inputs used are not based on observable market data (unobservable inputs).

There have been no transfers in either direction for the years ended 31 March 2022 and 31 March 2021.

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(All amounts in ₹ lakhs, unless stated otherwise)

Valuation techniques and significant unobservable inputs:
Financial instruments measured at fair value

Type	Valuation technique
Mutual funds	Quoted closing NAV as at the reporting period

Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at 31 March 2022			As at 31 March 2021		
	Level	Carrying Value	Fair Value	Level	Carrying Value	Fair Value
Financial assets						
Loans	Level 3	68.56	68.56	Level 3	73.49	73.49
Trade receivables	Level 3	6,149.82	6,149.82	Level 3	6,329.52	6,329.52
Cash and cash equivalents	Level 3	134.76	134.76	Level 3	209.07	209.07
Other bank balances	Level 3	269.41	269.41	Level 3	213.54	213.54
Other financial assets	Level 3	640.98	640.98	Level 3	802.01	802.01
Total financial assets		**7,263.53**	**7,263.53**		**7,627.63**	**7,627.63**
Financial liabilities						
Borrowings	Level 3	19,623.22	19,623.22	Level 3	18,104.97	18,104.97
Trade payables	Level 3	1,873.89	1,873.89	Level 3	2,696.41	2,696.41
Other financial liabilities	Level 3	1,454.25	1,454.25	Level 3	923.09	923.09
Total financial liabilities		**22,951.36**	**22,951.36**		**21,724.47**	**21,724.47**

The carrying amounts of short-term trade and other receivables, trade payables, cash and cash equivalents, other bank balances, other financial liabilities and other financial assets are considered to be the same as their fair values, due to their short-term nature.

In respect of other long-term financial assets/liabilities stated above as measured at amortised cost, their carrying values are not considered to be materially different from their fair values.

(B) Financial risk management
In the course of its business, the Group is exposed to various risks in relation to financial instruments. The main types of risks are credit risk, liquidity risk and market risk. The Group is not engaged in speculative treasury activities but seeks to manage risk and optimise interest and commodity pricing through proven financial instruments.
The use of any derivative is approved by the management, which provide guidelines on the acceptable levels of interest rate risk, credit risk, foreign exchange risk and liquidity risk and the range of hedging requirement against these risks.

(i) Credit risk
Credit risk is the risk that a counter-party will not meet its obligations under a financial instrument or customer contract, leading to financial loss. The Group is exposed to credit risk from trade receivables, cash and cash equivalents, short term investments, loans and advances and derivative financial instruments.

Trade receivables
The Group primarily sells cast metal components to selected customers comprising mainly in engineering industry in India and outside India. The Group extends credit to customers in normal course of the business. The Group considers the factors such as credit track record in the market of each customer and past dealings for extension of credit to the customer. The Group monitors the payment track record of each customer and outstanding customer receivables are regularly monitored. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdiction and industries and operate in large independent markets.
Allowances against doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position. The Group has a policy of accepting only credit worthy counter parties and defines credit limits for the customer which are reviewed periodically.
The Group does not hold any collateral or other credit enhancements over any of its trade receivables nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

Cash and cash equivalents and deposits with banks
The Group considers factors such as track record, size of institution, market reputation and service standard to select the banks with which deposits are maintained. Generally the balances are maintained with the institutions with which the Group has also availed borrowings. The Group does not maintain significant deposit balances other than those required for its day to day operations. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Loans and advances
The Group provides loans to its employees and furnishes security deposits to various parties for electricity, communication, etc. The Group considers that its loans have low credit risk or negligible risk of default as the parties are well established entities and have strong capacity to meet the obligations or its own employees from whom the risk of default is low.

Investments
The Group has invested in quoted equity instruments and mutual funds. The management actively monitors the performance of the funds which affect investments. The Group does not expect the counterparty to fail to meet its obligations, and has not experienced any significant impairment losses in respect of any of the investments.

Exposure to credit risk
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Other non-current financial assets	185.42	146.57
Investments	7.21	7.72
Cash and cash equivalents	134.76	209.07
Other bank balances	269.41	213.54
Current loans	68.56	73.49
Other current financial assets	486.60	815.53
	1,148.96	1,465.92
Financial assets for which loss allowance is measured using life time Expected Credit Losses (ECL)		
Trade receivables	6,149.82	6,329.52
	6,149.82	6,329.52

Provision for expected credit losses
(a) Financial assets for which loss allowance is measured using 12 month expected credit losses
The Group has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence, no impairment loss has been recognised during the reporting periods in respect of these assets.

(b) Financial assets for which loss allowance is measured using life time expected credit losses
The Group has customers with strong capacity to meet the obligations and therefore the risk of default is negligible in respect of outstanding from customers. Further, management believes that the unimpaired amounts that are past due by more than 90 days are still collectable in full. However, the Group has recognised allowance for expected credit loss on the basis of its assessment of the credit loss from the past trend available with the Group.

Movements in the provision for expected credit loss

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	25.60	15.38
Add: Allowance provided during the year	-	10.22
Balance at the end of the year	25.60	25.60

Trade Receivables ageing schedule as at 31st March,2022

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	3,998.85	1,734.46	331.52	84.99	-	-	6,149.82
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	2.06	13.99	6.54	22.59
Sub total	3,998.85	1,734.46	331.52	87.05	13.99	6.54	6,172.41
Less: Allowance for bad and doubtful debts							22.59
Total							6,149.82

Trade Receivables ageing schedule as at 31st March,2021

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	147.73	5,996.99	112.71	62.87	9.22	-	6,329.52
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	16.89	8.71	25.60
Sub total	147.73	5,996.99	112.71	62.87	26.11	8.71	6,355.12
Less: Allowance for bad and doubtful debts							25.60
Total							6,329.52

(ii) Liquidity risk

Liquidity risk reflects the risk that the Group will have insufficient resources to meet its financial liabilities as they fall due.

The Group's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group relies on a mix of borrowings, cash and cash equivalents and the cash flow that is generated from operations to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Group monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities so that it does not breach borrowing limits.

As at 31 March 2022, the Group had a working capital of ₹ 1567.96 lakh including cash and cash equivalents of ₹ 134.76 lakh. As at 31 March 2021, the Group had a working capital of ₹ 1,356.26 lakh including cash and cash equivalents of ₹ 209.07 lakh.

(a) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31 March 2022	As at 31 March 2021
Non- derivative financial liabilities		
Floating rate borrowings		
- Expiring within one year (bank overdraft and other facilities)	771.78	124.68
- Expiring beyond one year (term loan)	-	695.00
	771.78	819.68

(b) Maturities of financial liabilities

The following are the contractual maturities of non-derivative financial liabilities, based on contractual undiscounted cash flows:

31 March 2022

Particulars	Contractual cash flows			
	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivative financial liabilities				
Non current borrowings	-	9,236.81	129.27	9,366.08
Current borrowings				
- Current maturities of Term Loans	2,298.70	-	-	2,298.70
- Working capital loans	6,939.03	-	-	6,939.03
-Bill discounted	1,019.32	-	-	1,019.32
Trade payables	1,873.89	-	-	1,873.89
Interest accrued but not due	118.80	-	-	118.80
Creditors for capital goods	400.13	-	-	400.13
Employee related payable	305.03	-	-	305.03
Other payables non-current	-	7.50	-	7.50
TDDP Grant a/c	130.00	390.00	-	520.00
Other payables	197.15	-	-	197.15
	13,282.14	9,634.31	129.27	23,045.72

31 March 2021

Particulars	Contractual cash flows			
	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivative financial liabilities				
Non current borrowings	-	8,347.17	1,051.06	9,398.23
Current borrowings				
- Current maturities of Term Loans	1,533.84	-	-	1,533.84
- Working capital loans	7,172.00	-	-	7,172.00
Trade payables	2,696.41	-	-	2,696.41
Interest accrued but not due	120.65	-	-	120.65
Other payables-non current	-	7.50	-	7.50
Other payables current	794.94	-	-	794.94
	12,317.84	8,354.67	1,051.06	21,723.57

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(All amounts in ₹ lakhs, unless stated otherwise)

(iii) **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Board of Directors is responsible for setting up of policies and procedures to manage market risks of the Group. The Group exports finished goods which are denominated in the currency other than the functional currency of the Group which exposes it to foreign currency risk. In order to minimise the risk, the Group executes forward contracts with sale made in currency other than functional currency.

(a) **Currency risk**

The Group is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuation arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. Exchange rate exposures are managed within approved policy parameters utilising foreign exchange forward contracts.

Particulars	Currency	In foreign currency		In INR	
		As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Financial assets(Gross)*					
Trade receivables	USD	23.76	27.28	1762.89	1871.47
	EURO	38.74	27.65	3210.15	2380.43
	GBP	2.00	2.64	196.31	262.88
	JPY	0.06	-	0.03	-
Financial liabilities(Gross)*					
Letter of credit	JPY	(425.32)	(427.60)	(266.35)	(288.28)
Trade payables	USD	(0.02)	(0.20)	(1.84)	(15.03)
	EURO	(0.03)	(0.03)	(2.65)	(2.60)
	GBP	(0.06)	(0.19)	(6.35)	(19.14)
	JPY	(0.06)	(0.76)	(0.04)	(0.50)
Capital creditors	USD	(1.08)	(1.08)	(81.41)	(80.18)
	GBP	-	(0.36)	-	(37.31)
Foreign currency derivative contracts (Sell foreign currency Forward contracts)	USD	37.00	5.50	2773.89	396.73
	EURO	-	46.50	-	3,994.37
	GBP	-	8.00	-	794.64
Net Foreign currency receivable/(payable)**	USD	-	20.41	-	1471.74
	EURO	38.71	-	3216.50	-
	GBP	1.97	-	192.06	-
	JPY	(425.35)	(428.45)	(266.39)	(288.77)

* The amounts disclosed are gross of the exposure covered through forward contracts.
** The amounts disclosed are nett of the exposure covered through forward contracts.

Sensitivity analysis

The following table demonstrates the sensitivity of profit and equity in USD, EURO, JPY and GBP to the Indian Rupee with all other variables held constant. The impact on the Group's profit before tax and other comprehensive income due to changes in the fair value of monetary assets and liabilities are given below:

Particulars	Change in currency exchange rate	Effect on profit before tax	
		As at 31 March 2022	As at 31 March 2021
USD	5%	-	73.59
	(5%)	-	(73.59)
EURO	5%	160.83	-
	(5%)	(160.83)	-
JPY	5%	(13.32)	(14.44)
	(5%)	13.32	14.44
GBP	5%	9.60	-
	(5%)	(9.60)	-

(b) **Interest rate risk**

The Group is exposed to interest rate risk arising mainly from non-current and current borrowings with floating interest rates. The Group is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates.

At the reporting date the interest rate profile of the Group's interest-bearing financial liabilities is as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Variable rate instruments		
Term loan from banks	10,781.87	8,057.82
Vehicle loan	117.35	121.59
Term loans from financial institutions	250.25	207.04
Working capital loan	6,850.03	7,172.90
Letter of credit	516.23	539.22
Fixed rate instruments		
Bill discounted	1,019.33	-
Total	**19,623.20**	**18,104.07**

Sensitivity analysis

The following table demonstrates the sensitivity in the interest rate with all other variables held constant. The impact on the Group's profit before tax and other comprehensive income due to changes in the interest rate is given below:

Particulars	Change in interest rate	Effect on profit before tax	
		As at 31 March 2022	As at 31 March 2021
Borrowings	50 bp	(98.12)	(90.52)
	(50) bp	98.12	90.52

(c) **Price risk**

Group's exposure to price risk arises from mutual funds and classified in the balance sheet either as fair value through OCI or at fair value through profit and loss.
To manage the price risk from quoted investments, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

Sensitivity analysis

Group's major quoted investments consists of investments in mutual funds which are measured at fair value through profit and loss. Investments made by the mutual fund includes investments in diversified investments of Companies included in the market index.

The table below summarises the impact of sensitivity in the market index on the Group's profit for the year with all other variables held constant and the investments moved in line with the index.

Particulars	Change in market index	Effect on profit before tax	
		As at 31 March 2022	As at 31 March 2021
Investment in mutual fund	5%	1.36	1.39
	(5%)	(1.36)	(1.39)

Profit for the period would increase/decrease as a result of gain/loss on investment classified as at fair value through profit and loss.

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(All amounts in ₹ lakhs, unless stated otherwise)

44 Employee benefits

(I) Defined benefit plan

Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. In case of death while in service, the gratuity is payable irrespective of vesting. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service. The gratuity plan is a funded plan and the Group makes contribution to recognised funds in India i.e. Life Insurance Corporation of India and Group Gratuity scheme.

Risk exposure:

(a) Discount rate: A decrease in discount rate in subsequent valuations can increase the plan's liability.
(b) Mortality rate: Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
(c) Investment risk: In case of funded plans, actual investment return on planned assets lower than the discount rate assumed at the last valuation date can impact the liability.
(d) Attrition: Actual withdrawals proving higher or lower than assumed withdrawals at subsequent valuations can impact plan's liability.

Details of the Group defined benefit plans are as follows:

A. **Changes in the present value of obligations**

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of the obligation at the beginning of the year	478.31	521.29
Recognised in profit and loss		
- Interest cost	34.68	52.25
- Current service cost	38.21	49.06
Recognised in other comprehensive income		
Remeasurement gains / (losses)		
- Actuarial (gain)/loss from changes in financial adjustments and experience adjustments	(4.68)	(36.44)
Benefits paid	(32.82)	(107.85)
Present value of the obligation at the end of the year	**513.70**	**478.31**

B. **Changes in the fair value of planned assets:**

Particulars	As at 31 March 2022	As at 31 March 2021
Fair value of plan assets at the beginning of the year	460.31	494.82
Expected return on plan assets	33.42	34.64
Contributions	25.73	42.70
Benefits paid	(32.82)	(107.85)
Actuarial gain/(loss) on plan assets	(5.33)	(4.00)
Fair value of plan asset at the end of the year	**481.31**	**460.31**

C. **Net asset/(liability) recognised in the balance sheet**

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of the obligation at the end of the year	513.70	478.31
Fair value of plan assets at end of year	481.31	460.31
Net liability/(asset) recognised in balance sheet (refer note 23)	**32.39**	**18.00**

D. **Expenses recognised in profit and loss**

Particulars	For the year ended	
	31 March 2022	31 March 2021
Interest cost	34.68	52.25
Current service cost	38.21	49.06
Expected return on plan asset	(33.42)	(34.64)
Amount recognised in profit and loss (refer note 34)	**39.47**	**66.67**

E. **Expenses recognised in other comprehensive income**

Particulars	For the year ended	
	31 March 2022	31 March 2021
Actuarial (gain)/loss on obligation	(4.68)	(36.44)
Actuarial (gain)/loss on plan assets	5.33	4.00
	0.65	**(32.44)**

F. **Major category of plan asset as a % of total plan assets**

Category of asset (% allocation)	As at 31 March 2022		As at 31 March 2021	
	(%)	Amount	(%)	Amount
Insurance policies	100	481.31	100	460.31

G. **Actuarial assumptions**

Particulars	As at 31 March 2022	As at 31 March 2021
Discount rate	7.25%	7.00%
Expected rate of return	7.25%	7.00%
Salary growth rate	6.00%	6.00%
Withdrawal rate (per annum)		
18 - 30 years	5.00%	5.00%
31 - 44 years	3.00%	3.00%
45 - 58 years	2.00%	2.00%
Normal retirement age (years)	58	58
Mortality	IALM 2012-14	IALM 2012-14

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

H. **Sensitivity analysis**

Particulars	As at 31 March 2022		As at 31 March 2021	
	Change in assumption	Effect on obligation	Change in assumption	Effect on obligation
Discount rate	1.00%	(31.73)	1.00%	(34.20)
	(1.00%)	36.23	(1.00%)	39.25
Salary growth rate	1.00%	36.31	1.00%	39.25
	(1.00%)	(32.37)	(1.00%)	(34.80)
Withdrawal rate	1.00%	2.39	1.00%	1.97
	(1.00%)	(2.70)	(1.00%)	(2.24)

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. The above sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the balance sheet.

I. **Expected maturity profile of defined benefit obligation (undiscounted cash flows)**

Period	31 March 2022	31 March 2021
Less than 1 year	42.65	32.31
Between 1-2 years	40.18	30.50
Between 2-5 years	98.66	78.87
Over 5 years	332.19	336.63

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (as at 31 March 2021 is 10 years).
Expected contribution to defined benefit plans in the next year is ₹ 45.51 lakh (31 March 2021: ₹ 42.18 lakh).

(ii) **Other long-term benefits**

(A)Compensated absences- unfunded

Particulars	As at 31 March 2022	As at 31 March 2021
Amounts recognised in balance sheet		
Current (refer note 23)	12.29	11.76
Non-current (refer note 23)	75.88	72.14
	88.17	**83.90**

(iii) **Defined contribution plan**
The Group makes fixed contribution towards Employee provident fund and Employee state insurance(ESI) to a defined contribution retirement benefit plan for qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner and the Group is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. Similarly, the contribution is made in ESI at a specified percentage of payroll cost.
The Group recognised ₹ 114.88 lakh (31 March 2021: ₹ 128.37 lakh) in respect of provident fund contributions and ESI contribution in the Statement of Profit and Loss and included in "Employee benefits expense" in note 34. The contribution payable to these plans by the Group is at rates specified in the rules of the schemes.

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45 Leases

Group as a lessee

The Group has entered into operating leases for its guest houses and employees' residences that are renewable on a periodic basis and are cancellable at Group option. Total lease payments recognised in the statement of profit and loss with respect to aforementioned premises is ₹ 23.55 lakh (31 March 2021: ₹ 23.79 lakh).

A The following are amounts recognised in profit or loss:

	31 March 2022	31 March 2021
Depreciation expense of right-of-use assets	-	-
Interest expense on lease liabilities	-	-
Rent expense*	23.55	23.79
Total	**23.55**	**23.79**

*Rent expense in case of short term leases

B Total cash outflow for leases for the year ended 31 March 2022 was ₹ 23.55 lakh (31 March 2021: ₹ 23.79 lakh).

C The Group does not have any liability to make variable lease payments.

D The Group has not sublet any of the assets.

E The Group has not entered into any sale and leaseback transactions.

F The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use asset	Carrying amount as at 31 March 2021	Additions during the year	Carrying amount as at 31 March 2022
Nil	-	-	-

Group as a lessor

The Group has entered into operating leases for part of its premises at Plant 1, Lucknow, that is renewable and is cancellable at either party's option. Total lease receipts recognised in the statement of profit and loss with respect to aforementioned premises is ₹ 45.40 lakh (31 March 2021: ₹ 42.64 lakh).

46 **Contingent liabilities and commitments**

(i) **Capital commitments:**

Particulars	As at 31 March 2022	As at 31 March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	50.31	62.05

(ii) **Contingent liabilities**

Guarantees excluding financial guarantees:		
In respect of non fund-based working capital facilities from banks:		
- Bank guarantees	1294.49	1,060.77
- Letter of credit	0.00	307.22
Other contingent liabilities		
Disputed amounts for sales tax and entry tax [gross of amount paid under protest amounting to ₹ .88 lakh]*	9.85	10.28
Disputed amounts for goods and service tax [gross of amount paid under protest amounting to ₹ 14.88 lakh]*	16.59	16.59

*In respect of the above matters pending at various authorities(GST cases are pending at appellate authority & sales tax case is pending at sales tax tribunal) represents the demands received under the respective demand / show cause notices / legal claims, wherever applicable. Based on management assessment, the group believes that it has a good chance of success in all the above mentioned cases.

47 **Segment information**

The Chairman and Managing Director has been identified as the Chief Operating Decision Maker ('CODM') as they monitors the results for the purpose of making decisions about resource allocation and performance assessment and responsible for all major decisions w.r.t. preparation of budget, planning, expansion, alliance, joint venture, merger and acquisitions, and expansion of new facility.

Accordingly, there is only one reportable segment for the Group which is "Engineering and allied activities", hence no specific disclosures have been made.

Entity wide disclosures:

(a) **Information about products and services**

The Group is engaged in the business of manufacturing and selling of high precision metal castings. Group operates in one product line, therefore product wise revenue disclosure is not applicable.

(b) **Information about geographical area**

The Group's sales to its customers includes sales to customers which are domiciled in India and outside India. Below is the details of Group's revenue from customers domiciled in India and outside India:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from external customers		
- domiciled in India	3,350.68	3,488.23
- domiciled outside India	14,284.46	12,278.59
	17,635.14	**15,766.82**

(c) **Information about major customers**

Revenues of ₹ 2454.48 lakh, ₹ 2395.43 lakh and ₹ 1447.93 lakh (31 March 2021: ₹ 2016.39 lakh, ₹ 1992.81 lakh and ₹ 1417.95 lakh) are derived from three external customers.

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(All amounts in ₹ lakhs, unless stated otherwise)

48 **Related party disclosures**

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures", name of the related party, related party relationship, transactions and outstanding balances including commitments where control exist and with whom transactions have taken place during the reported period are as follows:

(i) **Name of the related parties and description of relationship:**

Relationship	Name of related party
Entities controlled by KMPs and/or their relatives	PTC Foundation Sachin Aggarwal HUF
Key Management Personnel ("KMP")	Mr. Sachin Agarwal, Chairman and Managing Director Mr. Priya Ranjan Agarwal , Director Mr. Alok Agarwal, Director Mr. Ashok Kumar Shukla, Director Mrs. Smita Agarwal, Chief Financial Officer and Women Director Mr. Brij Lal Gupta, Independent Director Mr. Ajay Kashyap, Independent Director Mr. Rakesh Chandra Katiyar, Independent Director Mr. Krishna Das Gupta, Independent Director Mr. Vishal Mehrotra, Independent Director Mrs. Pragati Gupta Agarwal, Company Secretary
Relatives of Key Management Personnel	Ms. Kanchan Agarwal Mrs. Anshoo Agarwal Mrs. Reena Agarwal Mrs. Sangita Shukla

(ii) **Disclosure of related parties transactions#:**

Particulars	For the year ended 31 March 2022			For the year ended 31 March 2021		
	Enterprises controlled by KMP/ relatives	Key management personnel (KMP)	Relatives of KMPs	Enterprises controlled by KMP/ relatives	Key management personnel (KMP)	Relatives of KMPs
Transactions during the year						
1. Rent paid	-	-	9.00	-	-	9.00
2. Corporate social responsibility expenses	-	-	-	21.21	-	-
Amounts paid during the year to KMP's and relatives of KMP's						
1. Managerial remuneration *	-	325.85	-	-	318.21	-
2. Salary and allowances	-	-	46.28	-	-	45.79
3. Sitting fees to independent directors	-	2.93	-	-	2.55	-

* Exclusive of provision for future liability in respect of gratuity and leave encashment which is based on actuarial valuation done on group as a whole.
#All the transactions with the related party are at Arm's length price.

(iii) **Balance outstanding at the year end:**

Particulars	As at 31 March 2022	As at 31 March 2021
Outstanding balance (Amount payable)		
Key management personnel		
Managerial remuneration	35.01	72.07
Relative of KMP's		
Salary and allowances	10.17	3.86
Rent	0.68	0.68
Entities controlled by KMPs and/or their relatives		
Amount recoverable on sale of property	35.00	35.00

(iv) **Compensation to Key Managerial Personnel (KMP)**

The details of compensation to the members of key managerial personnel during the year was as follows:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Short-term employee benefits (refer note a)	316.15	309.60
Post-employment benefits		
- Defined contribution plan (refer note b)	12.63	11.16
- Defined benefit plan	*refer note (c)	*refer note (c)
- Other long-term benefits	*refer note (c)	*refer note (c)
	328.78	**320.76**

Note (a) Includes salary, commission, sitting fees and any other perquisites on accrual basis.
Note (b) Including contribution to provident fund and any other benefit
Note (c) As the liability for gratuity and leave encashment are provided on actuarial basis for the Group as a whole, amounts accrued pertaining to key managerial personnel are not included above.

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(All amounts in ₹ lakhs, unless stated otherwise)

49 **Assets pledged as security:**

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current borrowings:		
Equitable mortgage		
Land	1,254.25	1,202.62
Building	3,891.05	3,769.29
First charge		
Other movable property, plant and equipment	16,711.25	14,689.75
	21,856.55	19,661.66
Current borrowings:		
First charge		
Current assets*	15,280.73	13,862.44
Second charge		
Land	1,254.25	1,202.62
Building	3,891.05	3,769.29
Other movable property, plant and equipment	16,711.25	14,689.75
	37,137.28	33,524.10
	58,993.83	53,185.76

*The quarterly returns or statements of current assets filed with banks or financial institutions are in agreement with the books of accounts.

50 **Revenue from Contracts with Customers**

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

i) Identify the contract(s) with customer;
ii) Identify separate performance obligations in the contract;
iii) Determine the transaction price;
iv) Allocate the transaction price to the performance obligations; and
v) Recognise revenue when a performance obligation is satisfied

a) Disaggregation of revenue

The Group has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

Revenue from operations	31-Mar-22			31-Mar-21		
	Goods	Other operating revenues	Total	Goods	Other operating revenues	Total
Revenue by geography						
Domestic	3,350.68	39.00	3,389.69	3,488.23	42.80	3,531.03
Export	14,284.46	221.34	14,505.79	12,278.59	525.37	12,803.96
Total	**17,635.14**	**260.34**	**17,895.48**	**15,766.82**	**568.17**	**16,334.99**

b) Assets and liabilities related to contracts with customers

Particulars	31-Mar-22		31-Mar-21	
	Non Current	Current	Non Current	Current
Trade receivables	-	6,149.82	-	6,329.52
Advance from customers	-	325.47	-	93.72
Total	-	**6,475.29**	-	**6,423.24**

51 **Particulars of investments made/guarantees given, as required by clause (4) of Section 186 of the Companies Act, 2013:**

Name	Nature	Amount outstanding as at 31 March 2022	Amount outstanding as at 31 March 2021	Rate of interest (p.a.)	Purpose for which the loan/security/guarantee is utilized
Aerolloy Technologies Limited	Guarantee	-	215.32	11.00%	Capital Expenditure

(All amounts in ₹ lakhs, unless stated otherwise)

52 Key Financial Ratios

Particulars	Formula	2021-22	2020-21	Percentage Change	Reasons where change more than 25%
(i) Debtors Turnover	Net Credit Sales/ Average Account Receivable	1.92	1.92	0.30%	
(ii) Inventory Turnover	Cost of goods sold/ Average Inventory	2.56	2.71	-5.55%	
(iii) Interest Coverage Ratio*	EBITDA/ Total Interest	3.53	3.21	9.97%	
(iv) Current Ratio	Current Asset/ Current Liability	1.1	1.12	-0.92%	
(v) Debt Equity Ratio	Total Liability/ Shareholders fund	1.16	1.17	-0.13%	
(vi) Operating Profit Margin*** (%)	Operating Profit/ Total Sales Revenue	17.98	15.75	14.20%	
(vii) Net Profit Margin (%)	Net Income/ Total Sales Revenue	7.16	2.67	168.53%	Due to increase in defense business having higher operational profit and due to effective utilisation of material, manpower and resources.
(viii) Debt Service Coverage Ratio**	EBITDA/ Total Interest+Principal	1.66	1.78	-6.61%	
(ix) Return on Equity Ratio (%)	EBIT/Capital employed	19.18	16.65	15.18%	
(x) Net Capital turnover ratio	Revenue from operation/Total Current assets-total current liabilities	11.41	10.50	8.74%	
(xi) Creditor turnover ratio	Purchase of materials & stock-in-trade/Average trade payables	2.38	1.51	57.23%	Higher purchase of materials and stock-in-trade by 32% due to increase in sales level

*EBIT= Earning before Interest and tax
**EBITDA= Earning before Interest Tax Depreciation and amortization
***Operating Profit=Revenue-Cost of goods sold-Operating expenses-Depreciation and Amortization
*** Capital employed = Tangible net worth*+deferred tax liabilities
*Tangible net worth= Total equity-intangible assets

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(All amounts in ₹ lakhs, unless stated otherwise)

51 Share based payments

(a) Scheme details

The Group had adopted 'PTC Employees Stock Option Scheme 2019' ('Plan') in shareholders Annual General Meeting on September 28, 2019, and obtained an in-principal approval from BSE issued on 7 September 2021. The Compensation Committee (Nomination & Remuneration Committee) at its meeting held on September 15, 2021, had approved grant of 10,565 Stock Options (convertible into 10,565 Equity shares of the Group, upon exercise) to certain Eligible Employees in terms of the Plan. Vesting will be made in maximum of four years (FY 2023 to FY 2026), after the statutory period of one year from the date of grant of option. During the year, the group has recognised stock option expense of Rs 43,20,887.

Particulars	Number of options outstanding	Grant date	Vesting date	Exercise period	Exercise price	Fair value on grant date
Category A	4,075	15-Sep-21	15-Oct-22	1 Month from the date of vesting	990.00	1,677.21
	4,075	15-Sep-21	15-Oct-24		990.00	1,962.69
Category B	313	15-Sep-21	15-Oct-23	1 Month from the date of vesting	990.00	1,677.21
	313	15-Sep-21	15-Oct-24		990.00	1,962.69
	1,081	15-Sep-21	15-Oct-25		990.00	2,053.37
Category C	132	15-Sep-21	15-Oct-23	1 Month from the date of vesting	990.00	1,677.21
	132	15-Sep-21	15-Oct-24		990.00	1,962.69
	202	15-Sep-21	15-Oct-25		990.00	2,053.37
	202	15-Sep-21	14-Sep-26		990.00	2,143.00

(b) Compensation expenses arising on account of the share based payments

	31 March 2022	31 March 2021
Expenses arising from equity – settled share-based payment transactions	43.21	-
Total	43.21	-

(c) Fair value on the grant date

The fair value at grant date is determined using "Black Scholes Pricing Model" which takes into account the exercise price, term of the option, share price at grant date and expected price volatility of the underlying shares, expected dividend yield and the risk free interest rate for the term of the option. The following inputs were used to determine the fair value for options granted on 15 September 2021.

Description	Year 1	Year 2	Year 3	Year 4
Number of options outstanding	4,720.00	4,720.00	1,283.00	202.00
Grant date	15-Sep-21	15-Sep-21	15-Sep-21	15-Sep-21
Financial year of vesting	2023-24	2024-25	2025-26	2026-27
Share price on grant date (in INR)	2,755.95	2,755.95	2,755.95	2,755.95
Expected life (in years)	2.1	3.1	4.1	5
Price volatility of company's share *	60.36%	50.18%	60.51%	52.69%
Risk free interest rate	4.39%	4.88%	5.28%	5.61%
Exercise price (in INR)	990.00	990.00	990.00	990.00
Dividend yield	0.00%	0.00%	0.00%	0.00%
Fair value of option (in INR)	1,677.21	1,962.69	2,053.37	2,143.00

* The measure of volatility used is the annualised standard deviation of the continuously compounded rates of return of stock over the expected lives of different vests, prior to grant date. Volatility has been calculated based on the daily closing market price of the Company's stock on BSE over these years.

(d) Fair value on the grant date

Description	Number of options	Weighted average exercise price
Outstanding as on 01 April 2021	-	-
Options granted during the year	10,565	990.00
Options forfeited/lapsed/expired during the year	-	-
Options exercised during the year	-	-
Options outstanding as at 31 March 2022 * #	10,565	990.00
Exercisable at the end of the period	-	-

* The weighted average remaining contractual life of the share options outstanding at the end of year is 2.27 years.
\# The weighted average fair value of share options outstanding at the end of year is Rs. 1,940.64 per share option.

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(All amounts in ₹ lakhs, unless stated otherwise)

54 Group Information

The Parent's subsidiary at 31 March 2022 and 31 March 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Parent, and the proportion of ownership interests held equals the voting rights held by the Parent. The country of incorporation or registration is also their principal place of business.

Name of the entity	Principal activities	Country of Incorporation	Ownership interest held by the Group		Ownership interest held by Non-controlling interest	
			31 March 2022 %	31 March 2021 %	31 March 2022 %	31 March 2021 %
Aerolloy Technologies Limited	Manufacture of Metal components for critical and super critical applications	India	100	100	-	-

55 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.

As on 31st March 2022

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (INR)	As % of Consolidated Profit & Loss	Amount (INR)	As % of Consolidated other comprehensive income	Amount (INR)	As % of Consolidated net assets	Amount (INR)
Parent								
PTC Industries Limited	98.05%	16,522.75	74.12%	949.65	334.69%	-1.64	74.02%	948.01
Subsidiary								
Aerolloy Technologies Limited	14.95%	2,518.93	25.84%	330.99	-261.22%	1.28	25.95%	332.27
Add/(Less) : Intra group eliminations	-12.99%	(2,189.5)	0.04%	0.51	26.53%	(0.13)	0.03%	0.39
Total		16,852.19		1,281.15		(0.49)		1,280.66

As on 31st March 2021

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (INR)	As % of Consolidated Profit & Loss	Amount (INR)	As % of Consolidated other comprehensive income	Amount (INR)	As % of Consolidated net assets	Amount (INR)
Parent								
PTC Industries Limited	100.02%	15,531.55	100.74%	438.70	100%	24.28	100.70%	462.98
Subsidiary								
Aerolloy Technologies Limited	5.37%	834.25	-0.74%	(3.21)	0.00%	0	-0.70%	(3.21)
Add/(Less) : Intra group eliminations	-5.39%	(837.40)	-	-	-	-	-	-
Total		15,528.32		435.49		24.28		459.77

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56 (a) 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 persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) 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 (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The Group has not received any funds from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall (i) 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 (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

57 The Code on Social Security, 2020 ('Code') relating to employee benefits, during employment and post-employment benefits, has received the Presidential assent in September 2020. This Code has been published in the Gazette of India. However, the effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. The Group will evaluate the impact of the Code and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.

58 The Group had received a grant in September 2011 with some conditions. During the year, the Group has received request from National Research Development Corporation for the repayment of the original amount of grant along with Royalty of 26% of original grant amount. The Group has computed present value of grant and royalty liability and the difference between carrying value of grant and present value has been charged to profit and loss account and disclosed as Exceptional Items.

59 Consequent to the outbreak of Covid-19 pandemic, the Indian government had announced lockdown in March 2020 and subsequently, the lockdown was lifted by the government in a phased manner. However, the second wave of Covid-19 in April 2021 has significantly increased the number of Covid cases in India, resulting in re-imposition of localised lockdowns / restrictions in various states. The Group has carried out this assessment based on available internal and external sources of information upto the date of approval of these consolidated financial results and believes that the impact of Covid-19 is not material to these consolidated financial results and expects to recover the carrying amount of its assets. The impact of Covid-19 on the consolidated financial results may differ from that estimated as at the date of approval of these consolidated financial results owing to the nature and duration of Covid-19.

60 Previous period figures have been re-grouped / re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective 1 April 2021.

For **Walker Chandiok & Co. LLP**
Chartered Accountants
(Firm Registration No. 001076N/N500013)

Sandeep Mehta
Partner
Membership No. 099410

Place: Chandigarh
Date: 28 May 2022

For and on behalf of the Board of Directors of PTC Industries Limited

Sachin Agarwal
Chairman and Managing Director
DIN No. : 00142885

Alok Agarwal
Director (Quality & Technical)
DIN No. : 00129260

Smita Agarwal
Director and Chief Financial Officer
DIN No. : 00276903

Pragati Gupta Agarwal
Group Secretary
Mem. No.: ACS61754

Place: Lucknow
Date: 28 May 2022

PTC INDUSTRIES LIMITED
LUCKNOW

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all material approvals and permissions required to carry on our Company's business have been obtained or are in the process of being applied for, are currently valid and have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

____

Smita Agarwal
Whole-Time Director and Chief Financial Officer

DIN: 00276903
Date: September 02, 2024
Place: Lucknow, India

DECLARATION

We, the Board of Directors of the Company certify that:

i. the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

ii. the compliance with the Companies Act, 2013 and the rules thereunder, does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

iii. the monies received under the Issue shall be used only for the purposes and objects indicated in the Placement Document (which includes disclosures prescribed under Form PAS-4).

Signed by:

____

Smita Agarwal
Whole-Time Director and Chief Financial Officer

DIN: 00276903
Date: September 02, 2024
Place: Lucknow, India

I am authorized by the Listing Committee of the Board of Directors of the Company, *vide* resolution dated August 28, 2024, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

____

Smita Agarwal
Whole-Time Director and Chief Financial Officer

DIN: 00142885
Date: September 02, 2024
Place: Lucknow, India

ISSUER

PTC INDUSTRIES LIMITED

Registered Office and Corporate Office

Advanced Manufacturing & Technology
Centre, NH 25A, Sarai Shahjadi, Lucknow 227101, Uttar Pradesh.

Contact Person:

Pragati Gupta Agarwal
Company Secretary and Compliance Officer
Advanced Manufacturing & Technology
Centre, NH 25A, Sarai Shahjadi, Lucknow 227101, Uttar Pradesh.
Tel: - 0522 7111017
Email: companysecrtary@ptcil.com

LEAD MANAGER

ITI Capital Limited
ITI House, 36, Dr R K Shirodkar Marg, Parel, Mumbai 400 012 Mumbai- 400051
Maharashtra, India

LEGAL COUNSEL TO THE ISSUE

M/s. Crawford Bayley & Co.
State Bank Buildings, 4th Floor
N.G.N. Vaidya Marg, Fort
Mumbai 400 023, Maharashtra, India

SPECIAL INTERNATIONAL LEGAL COUNSEL TO THE LEAD MANAGER
Dentons US LLP
2000, McKinney Avenue
Suite 1900 Dallas,
Texas 75201, United States of America

AUDITORS TO OUR COMPANY
S. N. Dhawan & Co. LLP
Chartered Accountants
2nd floor, 51-52, Sector 18, Udyog Vihar Phase IV,
Gurugram, Haryana 122016

SAMPLE APPLICATION FORM

PTC INDUSTRIES ASPIRE • INNOVATE • ACHIEVE	**Corporate Identity Number:** L27109UP1963PLC002931 **Registered and Corporate Office:** Advanced Manufacturing & Technology Centre, NH25A, Sarai Sahjadi, Lucknow 227101 Uttar Pradesh, India **Telephone No.**: +91 522 7111017 **Email**: ptc@ptcil.com; **Website:** www.ptcil.com **Company Secretary and Compliance Officer:** Pragati Gupta Agarwal **LEI Code**: 335800WHBPFCCRTAAO49	**APPLICATION FORM** Form No.: Date:

Name of the Bidder: ____

QUALIFIED INSTITUTIONS PLACEMENT OF 5,30,315 EQUITY SHARES OF FACE VALUE ₹ 10 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ 13,199.70 PER EQUITY SHARE INCLUDING A PREMIUM OF ₹ 13,189.70 PER EQUITY SHARE ("ISSUE PRICE") AGGREGATING TO APPROXIMATELY ₹ 69,999.90 LAKHS UNDERTAKEN IN ACCORDANCE WITH CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY PTC INDUSTRIES LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ ₹13,894.42 AND OUR COMPANY MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; and (c) hold a valid and existing registration under the applicable laws in India (as applicable), and (d) are eligible to invest in the Issue and submit this Application Form. In addition to the above, with respect to the Issue, Eligible QIBs shall consist of (i) QIBs which are resident in India; and (ii) Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Non-Debt Rules"), can submit this Application Form.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or securities laws any state of the United States and, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States in 'offshore transactions' as defined in, and in reliance on Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdiction where those offers and sales are made.

The Equity Shares of the Company have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold, and Bids may not be made by persons in any jurisdiction, except in compliance with the applicable laws of such jurisdictions. You should note and observe the solicitation and distribution restrictions contained in the sections titled "*Selling Restrictions*" in the accompanying placement document dated August 28, 2024 (the "PPD"). See "*Transfer Restrictions*" in the PPD for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE IN THIS ISSUE, THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA RULES, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBS SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,
The Board of Directors
PTC Industries Limited
Advanced Manufacturing & Technology Centre
NH25A, Sarai Sahjadi
Lucknow 227101
Uttar Pradesh, India

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the PPD and this Application Form. We confirm that we are an Eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a Promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the Promoters of the Company, directly or indirectly Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with Promoters or persons related to Promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company.

STATUS (Please tick for applicable category)			
FI	Scheduled Commercial Bank and Financial Institutions	**IC**	Insurance Companies
MF	Mutual Funds	**VCF**	Venture Capital Funds
NIF	National Investment Fund	**FPI**	Foreign Portfolio Investor*
IF	Insurance Funds	**AIF**	Alternative Investment Funds**
SI-NBFC	Systematically Important Non – Banking Financial Companies	**OTH**	Others ______________ (Please specify)

Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "same group" or "common control", see "Application Form" under Issue Procedure section of the Placement Document.

**Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue.*

*** Sponsor and Manager should be Indian owned and controlled.*

We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules, nor an FVCI. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**"). We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We note that the Company is entitled, in consultation with ITI Capital Limited (the "**Lead Manager**"), in its sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the confirmation of allocation note ("**CAN**"), when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the Lead Manager; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or in case of rejection of Bids or non-allocation of Equity Shares or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We further acknowledge and agree that (i) our names, addresses, nationalities, contact details, email IDs, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Manager; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Uttar Pradesh at Kanpur (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of BSE Limited and the National Stock Exchange of India Limited (the "**Stock Exchanges**") and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the Reserve Bank of India ("**RBI**") and other applicable laws.

By signing and/or submitting this Application Form, we hereby confirm and agree (i) that the representations, warranties, acknowledgements and agreements as provided in the sections entitled *"Notice to Investors"*, *"Representations by Investors"*, *"Issue Procedure"*, *"Selling Restrictions"* and "*Transfer Restrictions* " of the PPD and (ii) the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the Book Running Lead Manager, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and/or submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section entitled "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the Book Running Lead Manager or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the CAN, when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchange; (6) Equity Shares shall be Allocated and Allotted at the sole and absolute discretion of the Company, in consultation with the Book Running Lead Manager, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Lead Manager; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the Book Running Lead Manager. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) if we are participating in the Issue as an Eligible FPI, we are not an individual, corporate body, or family office; and (10) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and/or submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares.

We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

We acknowledge that 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 state securities laws. **By signing this Application Form and checking the applicable box above, we hereby represent that we are located outside the United States and purchasing Equity Shares in an "offshore transaction" as defined in, and in reliance on Regulation S and the applicable laws of the jurisdictions where such offers and sales are made. We confirm that we hereby make all the applicable representations, warranties and agreements as set forth in the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions*" in the PPD.**

BIDDER DETAILS (In Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
PHONE NO.		**FAX NO.**	
MOBILE NO.			
EMAIL ID			
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NO.		
FOR MF	SEBI MF REGISTRATION NO		
FOR AIFs***	SEBI AIF REGISTRATION NO.		

BIDDER DETAILS (In Block Letters)	
FOR VCFs* **	SEBI VCF REGISTRATION NO.
FOR SI-NBFC	RBI REGISTRATION DETAILS
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS.

**Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the Lead Manager.*
*** In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*
**** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

NO. OF EQUITY SHARES BID FOR		**PRICE PER EQUITY SHARE (RUPEES)**		**APPLICATION AMOUNT (RUPEES)**	
(In Figures)	(In Words)	(In Figures)	(In Words)	(In Figures)	(In Words)

NO. OF EQUITY SHARES BID FOR	(In Figures)	
	(In Words)	
PRICE PER EQUITY SHARE (RUPEES)	(In Figures)	
	(In Words)	
APPLICATION AMOUNT (RUPEES)	(In Figures)	
	(In Words)	

DEPOSITORY ACCOUNT DETAILS								
Depository Name (Please ✓)		National Security Depository Limited						Central Depository Services (India) Limited
Depository Participant Name								
DP – ID	I	N						
Beneficiary Account Number								(16-digit beneficiary account. No. to be mentioned above)

PAYMENT DETAILS | REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER
By 3.00 p.m. (IST), [●], ("Issue Closing Date")

BANK ACCOUNT DETAILS FOR PAYMENT OF BID AMOUNT THROUGH ELECTRONIC FUND TRANSFER			
Name of the Account	PTC Industries LTD-QIP Escrow A/c	**Account Type**	Escrow Account
Name of Bank	HDFC Bank Limited	**Address of the Branch of the Bank**	B - 3/6,1st Floor, Asaf Ali Road, New Delhi - 110002
Account No.	57500001573173	**IFSC**	HDFC0000598
LEI Number	335800WHBPFCCRTAAO49	**Email**	ebroking.asafali@hdfcbank.com

The Bid Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of **PTC Industries Limited-QIP Escrow Account**. Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Issue Closing Date. **The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the Lead Manager shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	

DETAILS OF CONTACT PERSON			
Name:			
Address:			
Tel. No:		Fax No:	
Mobile No.	____ Email: ____		

OTHER DETAILS	
PAN	
Date of Application	
Signature of Authorised Signatory (may be signed either physically of digitally)	

ENCLOSURES ATTACHED

- ☐ Copy of PAN Card or PAN allotment letter**
- ☐ FIRC
- ☐ Copy of the SEBI registration certificate as a Mutual Fund
- ☐ Copy of the SEBI registration certificate as an Eligible FPI
- ☐ Copy of the SEBI registration certificate as an AIF
- ☐ Copy of the SEBI registration certificate as a VCF
- ☐ Certified copy of certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank

		☐ Copy of the IRDAI registration certificate ☐ Intimation of being part of the same group ☐ Certified true copy of the power of attorney ☐ Other, please specify __________________

**A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.*
***Please note that the Bidder should not mention the GIR number or any other identification number instead of the PAN, unless the Bidder is exempted from requirement of obtaining a PAN under the Income-tax Act, 1961, as the application is liable to be rejected on this ground.*

Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD.
Note 2: This Application Form may be rejected if any information provided is incomplete or inadequate, at the discretion of the Bank in consultation with the Lead Manager.

The Application Form and the PPD sent to you and the Placement Document which will be sent to you in electronic form, are specific to you and you may not distribute or forward the same and are subject to the disclaimers and restrictions contained or accompanying these documents.

(Note: The format of the Application Form included herein above is indicative and for the illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. The Bank, in consultation with the BRLM, shall identify Eligible QIBs and circulate serially numbered copies of this Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Placement Document and the Application Form and not on the basis of the indicative format above.)